

DISCUSSION PAPER No. 368

Global Gateway: Where now and where to next?

By San Bilal and Chloe Teevan

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The EU Global Gateway (GG) is a strategic initiative that aims to bring together the EU's growing focus on competitiveness and self-interest with commitment to working with international partners to achieve the Sustainable Development Goals (SDGs). In this paper, we propose steps to give the initiative greater strategic direction, and to reconcile EU interests and development goals.

The European institutions and member states should adopt a whole-of-government/EU approach to foster coherence between strategic and development objectives, and to improve the coordination between public and private finance and interests. They should set clearer criteria to distinguish GG flagships, moving away from long lists of projects of varied scale and strategic interest and focusing more on projects that show real geopolitical and developmental impact. At the same time, the EU should make sure that information about all GG projects is communicated in an attractive and easily-accessible manner. This should include integrating development markers to show how projects contribute to the SDGs.

Developing and emerging economies now have various partners to choose from and have a clear interest in setting their own agendas. It is thus vital that real political dialogue with partner countries and meaningful country ownership drives the Global Gateway. There must also be a much stronger linkage between the GG and the EU's domestic competitiveness agenda, including bringing partners into this conversation through developing meaningful examples of nearshoring and friendshoring in strategic countries and regions across the world.

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Acronyms

AFC	Africa Finance Corporation
AfCDC	Africa Centres for Disease Control and Prevention
AFD	Agence française du développement
AfDB	African Development Bank
AMA	African Medicines Agency
ASEAN	Association of Southeast Asian Nations
BAG	Business Advisory Group
BRI	Belt-and-Road Initiative
CBAM	Carbon Border Adjustment Mechanism
CELAC	Community of Latin American and Caribbean States
COREPER	Committee of the Permanent Representatives of the Governments of the member states to the European Union
CRM	Critical raw materials
CSO	Civil society organisation
DAC	Development Assistance Committee
DFI	Development finance institution
DG	Directorate General
DRC	Democratic Republic of the Congo
EBRD	European Bank for Reconstruction and Development
ECA	Export credit agency
ECDPM	European Centre for Development Policy Management
EEAS	European External Action Service
EFAD	European financial architecture for development
EFSD+	European Fund for Sustainable Development Plus
EIB	European Investment Bank
EU	European Union
GG	Global Gateway
GGIA	Global Gateway Investment Agenda
IPA	Instrument for Pre-accession Assistance
LAC	Latin America and the Caribbean

MAV+	Manufacturing and Access to Vaccines, Medicines, and Health Technology Products
MDB	Multilateral development bank
MFF	Multiannual Financial Framework
NDICI-GE	Neighbourhood, Development and International Cooperation Instrument – Global Europe
ODA	Official Development Assistance
PAVM	Partnership for African Vaccine Manufacturing
PBD	Public development bank
PCSD	Policy Coherence for Sustainable Development
PGII	G7 Partnership for Global Infrastructure and Investment
PIP	Proposed investment proposal
RELEX HQ	Working Party of Foreign Relations Counsellors – Horizontal Questions
SDG	Sustainable development goal
SME	Small and medium-sized enterprise
TEI	Team Europe Initiative
TVET	Technical and vocational education and training

Executive summary

Global Gateway (GG) is a strategic initiative by the European Union (EU) and its member states to foster hard and soft infrastructure development in a geostrategic, visible and united manner. The initiative is presented as the external dimension of the EU's twin climate and digital transition agenda, focusing on clean and secure infrastructure in digital, climate, energy, and transport sectors, as well as strengthening health, education, and research systems internationally, as strategic drivers of connectivity, and economic and social prosperity. It seeks to respond to the needs of EU partner countries and regions and to articulate an ambitious EU's interest-driven and development agenda based on economic diplomacy, sustainability criteria and security considerations in European external investments in line with European interests and the EU's open strategic autonomy agenda. GG builds on the institutions of the EU and its member states, and brings in the European private sector, as well as cooperates with multilateral and like-minded institutions and partner countries. It seeks to mobilise public and private resources, up to €300 billion, drawing on the EU budget, resources from EU member states and financial institutions for development and export/investment promotion, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and private sector finance and investment.

The concrete implementation of Global Gateway takes many forms, notably projects initiated by the EU and/or EU member states, following a Team Europe approach. For strategic and communication purposes, GG has also been articulated around key “flagship” projects (225 identified for 2023 and 2024), which aim to adopt a 360-degree approach, encompassing both hard and soft infrastructure, to tackle supply (production) and demand (needs) side issues.

In spite of significant progress, GG tends to remain too much of a scattered array of projects, which, in many cases, is not accompanied by a sufficiently clear political dialogue to drive real strategic change and has insufficient linkages to Europe's domestic economic and political agenda and development priorities. Going forward, the EU and its member states could consider the following recommendations to achieve their strategic and developmental aims in a combined and self-reinforcing (win-win) manner, in cooperation with partners:

1. **Streamlining the approach to achieve GG's aims**, adopting a meaningful whole-of-government approach, at national and EU levels, also using the Team Europe approach to foster a whole-of-the-EU approach, ensuring coherence between development and strategic objectives, enhancing the EU's collective capacity to mobilise public and private finance and actors in a more geostrategic and impactful manner, including by enhancing the coordination between DFIs/PDBs and ECAs/investment promotion agencies.
2. **Enhancing the GG's strategic guidance and operational governance**, strengthening linkages and coherence within the Council, and with the GG's Board, designing clearer entry points for strategic engagement and implementation processes for private sector and European financial institutions, communicating better internally and externally,

providing more detailed information on the flagship projects, ensuring greater transparency and effective reporting and monitoring.

3. **Adopting a more strategic and focused approach to key partner countries and regions**, building on local ownership and through genuine consultation and engagement, ensuring an attractive GG offer, in line with the EU Global Outreach Strategy and its comprehensive partnerships ambitions, fostering a more focused approach on a number of key geographies and a more comprehensive sectoral approach, where appropriate through country-led or regional co-financing platforms, while further engage in high-level Team Europe GG missions in partner countries.
4. **Linking Internal and external EU policy agendas** through mutual benefits and stronger partnership approaches with key countries and regions, enhancing the strategic role Global Gateway can play in integrating partner countries into European value chains while generating effective development impact in partner countries and regions.

Reconciling GG geostrategic and development goals, integrating SDG indicators into GG flagship projects, considering the complementarities between investments in connectivity and in human development, and ensuring that European development policy and tools are not captured by vested interests while enhancing coordination between European development and non-development instruments and policies.

1. Introduction

Celebrated at its first high-level Forum in October 2023, Global Gateway (GG) is a strategic initiative launched by the European Commission and the EU High Representative in December 2021, at the request¹ and with the support of the Council of the European Union (EU), to foster infrastructure development in a geostrategic, visible and united manner (CoEU 2021, EC 2021). It is intended as a positive offer by the EU to boost smart investment in quality infrastructure development around the world, “a template for how Europe can build more resilient connections with the world”.² It is also presented as the external dimension of the EU’s twin climate and digital transition agenda.

The focus of GG is on supporting clean and secure, hard and soft infrastructure in digital, climate and energy, and transport sectors and strengthening health, education and research systems across the world. It builds on the Team Europe approach, which, as emphasised in the Council Conclusions of November 2023, “increases the capacity of the EU and its member states to work together with partner countries” and “is used as the main mode of delivery for the Global Gateway”, “while emphasising the core values and best practices of the EU” (CoEU 2023).³

GG aims to be a new, more assertive and ambitious interest-driven EU approach to international cooperation that integrates the EU’s values and builds on existing EU and member state investments and development policy. It responds both to the interests of partner countries and seeks to integrate economic diplomacy, sustainability criteria and security considerations in European external investments in line with European interests and the EU’s open strategic autonomy agenda. It also aims to build on the institutions of the EU and its member states and to bring in the European private sector, as well as to cooperate with multilateral and like-minded institutions and partner countries. It is a response to the COVID-19 pandemic and the resulting recovery needs, heightened by a series of interlocking crises, including Russia’s war of aggression against Ukraine. It also aims to be Europe’s offer to partners against a backdrop of global geostrategic rivalry, characterised by increased

¹ “[T]he Council calls on the Commission and the High Representative to implement the EU connectivity agenda in a strategic manner in its initiatives and actions globally, and to start work on a joint communication on an EU global connectivity strategy with a view to its presentation by spring 2022 at the latest.” (CoEU 2021).

² Quote by Ursula von der Leyen, President of the European Commission, highlighted on the European Commission [webpage](#) dedicated to Global Gateway (retrieved 15 April 2024).

³ “The implementation of the Global Gateway Strategy, launched in 2021, has strongly benefitted from the Team Europe approach to mobilise up to EUR 300 billion in investments by the end of the Multiannual Financial Framework (MFF). It has improved the identification, implementation and communication of joint comprehensive initiatives by bringing together EU and member states’ expertise, development finance institutions and the private sector. While emphasising the core values and best practices of the EU, the Team Europe approach is used as the main mode of delivery for the Global Gateway.” (CoEU 2023).

competition to develop and access key technologies, a turn towards strategic near-and-friend-shoring of supply chains, and growing efforts to access critical raw materials (CRM), among others.

Yet, as often with new initiatives, GG is interpreted in different ways by different (European) actors; as a paradigm shift in the way the EU conducts its international cooperation, moving away from traditional development aid towards a more self-interested geostrategic approach and investment-driven agenda; as a packaging and branding exercise aimed at rivalling China's Belt-and-Road Initiative (BRI) by promoting the EU's soft power through investments and development projects; as a means to capitalise on and mobilise the private sector and sustainable finance to achieve the sustainable development goals (SDGs); as the capture and diversion of EU development resources by vested European economic and political interests, to subsidise European private interests at the cost of local ownership and aid effectiveness principles; and much more.

Ultimately, different interpretations and a certain amount of ambiguity are to be expected and may not be a problem in and of themselves in the early stages of a new multi-actor strategic approach. Ultimately in establishing GG, the EU is 'building the boat while sailing'. Going forward, the EU should collectively further clarify and consolidate its GG approach, in line with its development objectives and the external dimensions of its competitiveness and geoeconomic agenda, as suggested by the Enrico Letta report and the much anticipated one by Mario Draghi (Draghi 2024, Letta 2024, Moller-Nielsen 2024).

This paper will explore to what extent the current development of the GG is living up to its stated ambitions and the various expectations it raises, and what avenues exist to improve the GG's further development and implementation going forward. We will first briefly examine what GG actually consists of; secondly, we examine the approach and tools available to deliver on its aims; thirdly, we move to consider how the EU and its member states can take a more strategic approach to partner countries with GG; fourthly, we look at how it ties into the EU's domestic agenda; then we reflect on the GG contributions to the SDGs and EU development policy ambitions; and finally, we lay out our conclusions and recommendations.

2. What is GG trying to achieve and how?

2.1. GG Aims and Values

The Council Conclusions on Connectivity in July 2021 laid out initial guidelines in terms of vision, principles and goals that have ultimately guided the Communication and the overarching rhetoric around the GG (CoEU 2021, EC 2021). Those Conclusions stated that: "The Council considers that ensuring a geostrategic approach to connectivity has long-term implications for advancing the EU's economic, foreign and development policy and security interests and promoting EU values globally. It reaffirms the centrality of human rights and the rules-based international order, which underpin the implementation of the EU connectivity Agenda. [...] The

Council notes that the Covid-19 pandemic has further exposed the fundamental importance of connectivity for economic growth, security and resilience. The Council recognises that sustainable connectivity and quality infrastructure investments can have a transformative effect on economies and societies, in particular in the context of the postCovid-19 recovery contributing to the realisation of the 2030 Agenda for Sustainable Development and the Paris Agreement. It considers that strategic implementation of the EU connectivity agenda would boost the EU's competitiveness, contribute to the diversification of value chains, reduce strategic dependencies, including on critical raw materials, and meet the need for a secure, resilient and human-centric digital ecosystem." (CoEU 2021).

The Conclusions laid out the key principles and goals that would later be echoed in the Commission's Joint [Communication on the Global Gateway](#), notably around social, economic, fiscal and environmental sustainability and rules-based investment, contributing to the 2030 Agenda for Sustainable Development and the Paris Agreement, boosting the EU's competitiveness, and supporting a "secure, resilient and human-centric digital ecosystem" (EC 2021). They also highlight full cooperation with beneficiaries, alongside the complementarity of policy approaches and approaches to financing (CoEU 2021). The Global Gateway, launched in December 2021, is a direct response to the call by the Council, articulated in six principles (EC 2021):

- Democratic values and high standards;
- Good governance and transparency;
- Equal partnerships;
- Green and clean;
- Security-focused;
- Catalysing private sector investment.

The scope of the GG has been defined in sectoral terms, covering a range of development and investment projects by the EU and/or its member states in the following areas (EC 2021):

- *Digital*: including hard digital infrastructures and networks, broadband connectivity, but also governance and regulatory frameworks, digital skills and literacy, use of digital technologies (e-services) and digital entrepreneurship and job creation;
- *Climate and energy*: covering clean energy and green transition infrastructure and governance, mitigation, just transition and adaptation, including issues such as sustainable agri-food systems, water & sanitation, circular economy, biodiversity and nature protection, as well as critical raw materials (CRM) value chains;
- *Transport*: covering hard transport infrastructure, logistics and border-crossing points, as well as sustainable transport agreements towards convergence with European standards;
- *Health*: including global and partner countries' health resilience, pharmaceutical supply chains and local manufacturing capacities, and research and cross-border innovation in healthcare;

-
- *Education and research*: including technical and vocational education and training (TVET), and education and research networks (e.g., through Horizon Europe and Erasmus+).

GG is primarily an investment agenda, focused not only on connectivity but also on much-needed investments in health and education, as strategic drivers of connectivity, and economic and social prosperity. GG interventions should adopt a 360-degree approach, encompassing both hard and soft infrastructure, to tackle supply (production) and demand (needs) side issues. This implies addressing issues related to the enabling environment, regulatory frameworks, norms and standards, technology transfer and innovation, know-how, skills and education, employment and youth, and sustainable financing, including ESG standards and access to finance, especially for small and medium-sized enterprises (SMEs) and for women.

GG is also defined by the sectors explicitly excluded from its scope: migration and forced displacement partnerships, conflict, peace and security, social protection, food security management and policies, households' food security programmes, food assistance, and emergency response.

2.2. Financing GG

Initiated by the European Commission at the request of the Council of the EU, GG is a collective offer of the EU and its member states. It seeks to mobilise public and private resources, drawing on the EU budget, resources from EU member states and financial institutions for development and export/investment promotion, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and private sector finance and investment.

GG is also a clear departure from traditional development cooperation approaches focused on the level of aid provided. Instead, the European Commission communicated on projected amounts of sustainable investment that the EU could collectively help mobilise under GG, estimated at €300 billion by 2027, including at least half of it in Africa. Catalytic grants and guarantees will contribute to this objective, but will not be the yardsticks to assess the EU collective efforts. The level of investments mobilised and their impact will.

The European Commission indicated that up to €135 billion of sustainable investments could be mobilised under the NDICI-GE of the current 2021-2027 budgetary period, notably through the guarantees and blended finance for financial institutions for development, through the European Fund for Sustainable Development Plus (EFSD+) and External Action Guarantee. This includes some €100 billion investments to be mobilised by the EIB. Up to €18 billion of grant financing is also available under other EU external assistance programmes. The European Commission also estimated that some €145 billion in additional investments aligned to GG can be mobilised by the EU member states and their development institutions, and the EBRD, without direct support from the EU budget (Urpilainen 2022).

Global Gateway investment packages were also announced at EU summits with partner regions. The €150 billion Global Gateway Africa-Europe Investment Package was announced at the EU-African Union Summit in February 2022, €10 billion at the EU-ASEAN (Association of Southeast Asian Nations) Summit in December 2022, and €45 billion at the EU-CELAC (Community of Latin American and Caribbean States) Summit in July 2023.

While the European Commission widely communicated about these ambitions, and will have to report effective steps and achievements towards these targets (which are mainly political goals), it is worth emphasising that these are only rough estimates, or assumptions. While some have suggested that, taken collectively, the EU and its member states and the private sector would collectively mobilise far more sustainable investment falling under the GG initiative, many others have expressed scepticism about the ability to reach such financial figures by 2027, including in view of the slow implementation of the EFSD+.

There is no comprehensive overview available yet on the level of financial engagement by the EU and its member states so far. Some information on financial ambitions and the state of implementation is sometimes available at a project level, but not in a standardised and synthesised manner. The European Commission has also indicated that, out of the €10 billion pledged under the EU-ASEAN Investment Package, €4.2 billion is already being pledged.

Ultimately, whether the €300 billion target will be reached will partly depend on the effectiveness of EFSD+ implementation under NDICI-GE. It will also greatly depend on the EU member states and the capacity of their European public development banks (PDBs) and development finance institutions (DFIs) to mobilise public and private finance at scale for the implementation of projects that fall within the scope of GG. This includes their ability to work together or in a complementary manner, as well as to reach out to other international and local financiers.

It is worth pointing out that the EIB is well on track to achieve its €100 billion GG contribution target, drawing on EFSD+ guarantees and the ACP Trust, including the envisaged €8.3 billion Global Gateway top-up for sovereign lending, as well as EIB's own risk facilities. In the first two years of GG (2022-2023), EIB Global has already committed €11 billion under GG, mobilising around €60 billion in investments, 39% of which under DG NEAR projects (24% in Mediterranean countries and 12% in the Western Balkan and Türkiye) and 61% in DG INTPA regions (35% in SSA, 14% in Asia and Pacific and 12% in LAC), with a sectoral coverage focused on climate and energy (39%), transport (30%) and health (27%). The EIB is also developing a strong pipeline for 2024 and beyond, in particular LAC.

Unlike EIB Global, the European Commission and the EU member states (including their financial institutions and technical implementing agencies) have not yet communicated the amounts of investment committed and mobilised under GG, as the data collection process is currently underway. The only information publicly available about GG projects concerns the number and an extremely brief description of GG flagship projects, discussed next. It is thus difficult to assess the scale of the overarching funding for GG.

Moving forward, a growing amount of investment will ultimately need to come from the European private sector, but private sector actors still raise many questions about how to engage as part of the GG, also discussed in the next Section.

2.3. GG flagship projects overview

The concrete implementation of Global Gateway takes many forms, notably projects initiated by the EU and/or EU member states, following a Team Europe approach. For communication purposes, to increase its visibility, and for strategic purposes, to focus attention, GG has also been articulated around key “flagship” projects. Yet, GG’s actions extend beyond flagship projects and include other initiatives, including non-flagship projects. The two lists of GG flagship projects for [2023](#) and [2024](#) are a relatively heterogeneous group of projects that have been cobbled together by the European Commission, the EEAS, member states, EIB and EBRD, and approved by the Council (i.e. the Working Party of Foreign Relations Counsellors (RELEX)-Horizontal Questions (RELEX HQ)), under the premise that they hold a significant position in the EU external action and/or contribute directly to the EU’s geostrategic goals.

In practice, GG extends beyond flagship projects and includes other initiatives, notably non-flagship projects. The European Commission considers indeed all EU and EU member states’ investments and development projects falling within the defined sectoral and geographical scope of GG to be part of GG. In doing so, it allows for a flexible branding of the activities of the EU and its member states under the GG themes, and bolsters the GG size (and financial achievements). Yet, the lack of clear information about these non-flagship projects may also dilute the geostrategic dimension of GG, which is more apparent in a more limited number of flagship projects (some of which are highlighted in the next subsection 2.4).

As shown in Tables 1 and 2, and illustrated in Figures 1 and 2 climate and energy strongly dominate the number of GG flagship projects, accounting for about half of the total number of projects, primarily in Africa, but also in Asia and the Pacific and Latin America and the Caribbean (LAC). This reflects the EU Green Deal priority in the EU’s strategic external investments. The digital sector, which is often hailed as a key innovative drive of the GG initiative, has generated fewer flagship projects than could have been expected, with only slightly over one-tenth of the total number of projects. This might be explained by the lack of experience and focus of many European PDBs/DFIs in digitalisation. Yet, it is not just the number of projects that matters, but their quality and volume, for which no aggregated information is

available. Besides, the categorisation of flagship projects, while helpful, can be partly misleading, particularly for projects covering several sectors and types of interventions.

While connectivity (climate & energy, transport, and digital) accounts for 84% of the GG flagship projects, human development (health and education & research) has been the focus of an increasing number of projects (about one-fifth in 2024). Several connectivity flagship projects also entail human development dimensions (such as digital health initiatives, green skills development, water & sanitation improvements, and the fight against rural hunger).

Table 1: Number of Global Gateway flagship projects by category (2023 & 2024)

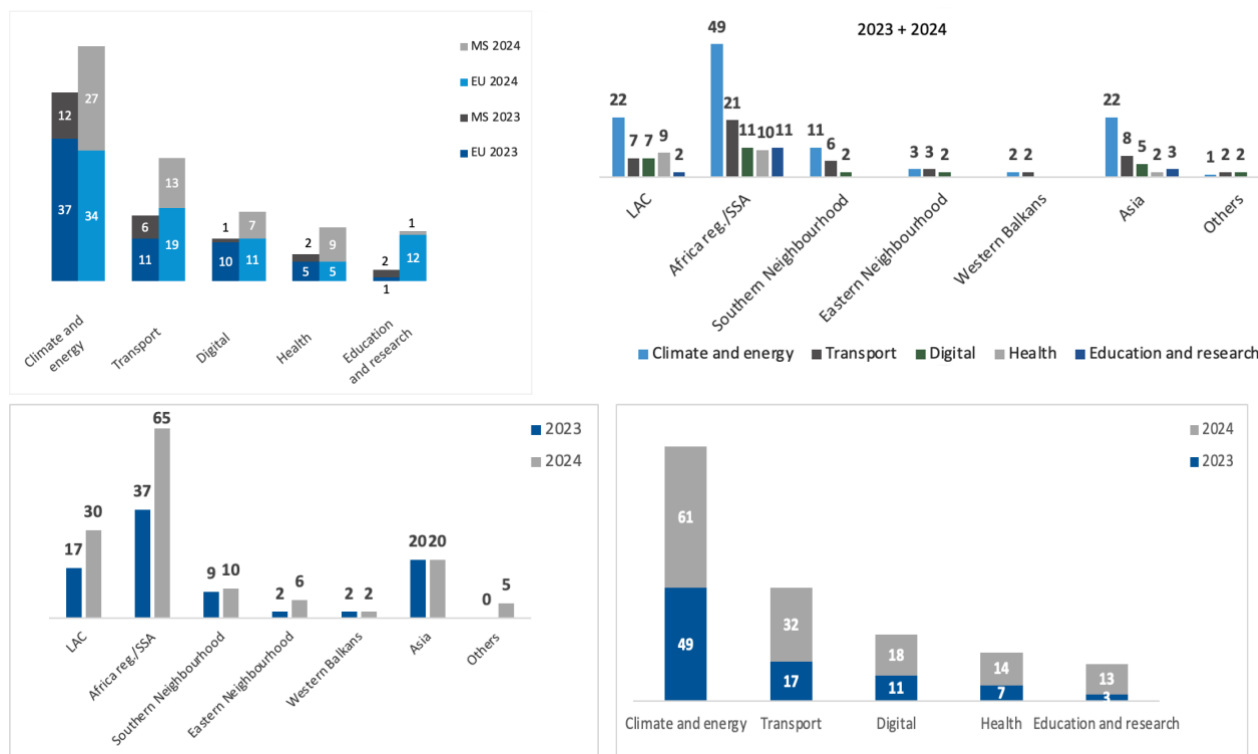
	2023				2024				2023–2024				
	Total	%	EU	MS	Total	%	EU	MS	Total	%	Growth %	EU	MS
Climate & energy	49	56	37	12	61	44	34	27	110	49	24	71	39
Transport	17	20	11	6	32	23	19	13	49	22	88	30	19
Digital	11	13	10	1	18	13	11	7	29	13	64	21	8
Health	7	8	5	2	14	10	5	9	21	9	100	10	11
Education & research	3	3	1	2	13	9	12	1	16	7	333	13	3
Total	87	100	64	23	138	100	81	57	225	100	59	145	80

Table 2: Geographic & sectoral breakdown of flagship projects (2023 & 2024)

	LAC		Africa/SSA		South.Neigh		East. Neigh.		West.Balk.		Asia		Other		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Climate & energy	9	13	20	29	4	7		3	1	1	15	7		1	49	61
* Energy	5	4	16	19	2	2		3	1	1	10	2				
* CRM	1	1	2	1								1		1		
* Biodiversity	1	2	1								1	1				
* Other infrastructure	1	3	1	6		4					2	3				
* Others	1	3		3	2	1					2					
Transport		7	10	11	3	3		3	1	1	3	5		2	17	32
Digital	3	4	2	9	2		2				2	3		2	11	18
Health	4	5	3	7								2			7	14
Education & research	1	1	2	9								3			3	13
TOTAL	17	30	37	65	9	10	2	6	2	2	20	20	0	5	87	138

Notes: * Authors' own sub-categorisation under Climate & Energy

Figure 1: Number of flagship projects per sector and geography (2023 & 2024)



Source: Authors

In the 2023 list of flagship projects, the vast majority of projects were suggested by the European Commission (74% of the total), compared to only 59% in 2024, suggesting a rising interest and engagement also by EU member states in shaping GG (in particular in health where EU member states proposals account for 64% of the 14 new flagship projects in 2024).⁴

The criteria that were agreed for the flagship projects in June 2022 (CoEU 2022b) are as follows:

- Alignment with the Global Gateway scope
- Response to the strategic interests of the EU
- Response to a jointly defined need with a partner country or group of countries
- Promotion of EU and/or international principles, standards and norms
- Consistency with EU policies
- Opening up economic opportunities for private and public companies
- Preference for initiatives with a certain level of maturity
- Sufficient financial volume to ensure a transformational effect

The Council (COREPER – Committee of the Permanent Representatives of the Governments of the member states to the European Union – and the RELEX Counsellors – Horizontal Questions

⁴ The EIB and EBRD account for 10% of the flagship projects in 2024.

Working Party) provide a continued political steer to the selection process, in line with the Global Gateway governance (see Section 3). This has included guidance on the GG priorities, including for instance increase in the visibility and communication, enhancement of the implementation of the GG implementation in Africa and increase in the number of projects in LAC and neighbourhood, a better balance between sectors, and greater involvement with the private sector.

All GG projects (GG flagship projects and other projects falling under GG's thematic scope) that benefit from NDICI-GE funding must also comply with the [NDICI-GE Regulation 2021/947](#) and its binding criteria and targets, including notably that at least 93% should be reportable as Official Development Assistance (ODA) according to the OECD DAC criteria.

Yet, some of the GG guidance and selection criteria might have been stretched to allow for greater inclusiveness, allowing for the integration of a number of smaller projects perceived as a priority by an EU member state. De facto, EU member states tend not to challenge each other when a flagship project is proposed.

While categorisation helps provide an overview, it is worth noting the common interlinkages among GG thematic sectors (e.g. digital in health) and their linkages with other sectors, in line with the GG selection criteria for flagship projects (e.g. the inclusion of agri-food systems and value chains, water & sanitation and CRMs). In practice, some flagship projects therefore cover issues such as support to access to financing, insurance market development, green bond issuance, youth agri-business development, and gender transformative action.

On the geographical coverage, it is worth mentioning that it is more difficult to develop GG flagship projects in fragile contexts, which tend to have less conducive environments and be less attractive to the European private sector. Yet, promoting sustainable investments in connectivity, health and education, in line with the GG ambitions, is essential to respond to development needs and priorities, and promote resilience and stability in poorer, more fragile and conflict-affected contexts, as discussed during the working lunch of the EU Foreign Affairs Council (Development) on 7 May 2024 (CoEU 2024). While Global Gateway Board discussions in October 2023 suggested a range of other criteria, including some potentially useful criteria around scale, the inclusion of an infrastructure dimension, and projects that create added value in partner countries, those criteria were not adopted by the Council. European development actors (donors, implementing agencies, PDBs and DFIs), and the private sector have an important role to play in that respect, addressing investments, the enabling environment and inclusiveness challenges in a coordinated and complementarity manner. In doing so, they can draw on the insights on DFIs in fragile contexts, and in particular the EIB strategic approach and EBRD experience (Ahairwe et al. 2022, EBRD 2022, EIB 2022). A more focused and targeted approach to fragility and vulnerability would go a great way in addressing concerns that GG lacks a coherent approach in conflict-affected contexts and resilience, expressed by some development officials and civil society organisations (VOICE 2024).

Information on private sector involvement in flagship projects (including by type of companies and by sector of activities) would be useful, including highlighting the potential for effective involvement of the European private sector in the GG implementation of flagship projects. Many member states seem concerned about how to better engage the private sector, and in particular SMEs, which ultimately make up the majority of private sector actors in Europe and in partner countries. This point was recently raised by Finland and Estonia in a non-paper, but is a wider concern that is repeatedly raised by a range of European member states. There are opportunities for the European private sector to engage in European development cooperation and finance endeavours in general (Karaki et al. 2022). Yet, the new impetus to engage the European private sector under GG should be accompanied by enhanced mechanisms to better integrate European financiers and businesses, and in particular SMEs, into GG flagship projects, as suggested by Finland and Estonia. This should also include the identification of clear channels for European private sector engagement, provision of information about GG opportunities and GG flagship projects, market opportunities and partnerships with other European companies (e.g. SMEs as part of a supply chain with larger European companies engaged in GG projects) and with local private sector actors. This means investing much more in strengthening expertise at EU Delegations across the world, which can play an essential role in connecting European private sector actors with local ecosystems.

It is also worth noting that aggregated sectoral and geographic data are only available on the number of flagship projects, and not on the volume of investment to be mobilised by these flagship projects. Flagship projects are also in a variety of implementation stages, not systematically communicated; many of the projects are still very much in their inception phase and have not actually been implemented yet, while some others have been initiated long before the GG initiative and rebranded as flagship projects. The European Commission has recently set up a Global Gateway Platform, accessible only to EU member states so far, which – inter alia – aims to compile information from the EU and its member states on each flagship, including actors following a Team Europe approach, commitments and implementation milestones. The platform is still under construction and being slowly populated by information. It is therefore difficult to assess the contents, let alone the strategic and developmental impact, of flagship projects at the moment. The fact that some projects are still in a very early stage of development and that some more advanced ones have a very long implementation time horizon means that their impact is difficult to assess. Yet, regular monitoring and reporting should be conducted and communicated on a systematic basis, to ensure an effective follow-up on implementation.

The proliferation of flagship projects, with 87 identified in 2023 and an additional 138 agreed upon for 2024, raises serious doubts about the development and foreign policy strategic significance of all these 225 GG flagship projects for the EU and its member states. Beyond branding, a concern relates to the added value of GG flagship projects compared to GG non-flagship projects. One of the answers is that it raises the political profile and attention of a project, among the EU actors and with its partner. Yet, having too many flagship projects inevitably dilutes that effect.

2.4. Some illustrative strategic flagship projects

Thus, the European Commission, together with some EU member states and often with the involvement of the EIB, is also focusing quite a lot of efforts and high-level communication on a number of very significant flagship projects that have the potential to provide proof of concept and to really demonstrate that GG is something new. These may include 15–20 very large and/or innovative projects that are more clearly strategic and/or include strong private-sector engagement potential, adopting a 360-degree approach, combining supply and demand sides with an enabling environment. For the sake of illustration, some of the more strategically salient flagship projects to be highlighted include:

- **The Manufacturing and Access to Vaccines, Medicines, and Health Technology Products in Africa (MAV+)** initiative, launched in response to the COVID-19 pandemic, is a Team Europe Initiative aimed at enhancing pharmaceutical systems and manufacturing capacity in Africa and has been one of the most widely cited GG Flagship projects. The initiative aims to increase African vaccine production to 60% of the continent's needs by 2040 by tackling the issue from a 360-degree approach: supply side (production), demand side (to ensure off-take for the products produced in Africa), and the enabling environment (linked to better pharmaceutical and health systems, building a skilled workforce, ensuring regulatory frameworks and oversight, etc.). It combines interventions by different categories of European actors (the Commission, some EU member states, development financiers and implementing agencies, private sector), in a truly Team Europe approach, supporting a fully-owned African initiative, in an AU-EU partnership spirit, in line with international endeavours. The EU supports the Partnership for African Vaccine Manufacturing (PAVM), hosted by the Africa Centres for Disease Control and Prevention (AfCDC); EU funding is mobilised to work with the African Union Development Agency (AUDA-NEPAD) on regulatory strengthening, including in view of the operationalisation of the African Medicines Agency (AMA); and the EU supports technology transfer through WHO's mRNA hub in South Africa. It involves a broad range of local, European and international actors, including private sector ones. At the country level, projects in Senegal, South Africa, Rwanda, Ghana, Nigeria and Egypt are underway, with various deliveries, fostering local production and creating ecosystems for investment. Announced in the wake of the acrimony over the unequal distribution of COVID-19 vaccines in 2021 and the EU's objection to a waiver on COVID-19 vaccines, this TEI had a clear geopolitical dimension. It aimed to show that the EU had a real interest in supporting Africa's desire to become more self-sufficient in vaccines (Karaki et al. 2022, Karaki & Ahairwe 2022). The initiative is one of the most well-developed and widely communicated. There is a clear integration of local ownership with a range of African countries and institutions involved, while it is also the most high-profile GG flagship with a clear focus on human development.
- **The Lobito Corridor** connecting Zambia and the Democratic Republic of the Congo (DRC) mining areas with Angola's Port of Lobito, connecting them to the Atlantic Ocean – and associated **partnerships on critical raw materials value chains** – is one of the

most high-profile and talked about GG flagship projects. It is the first strategic economic corridor launched under the G7 Partnership for Global Infrastructure and Investment (PGII), and benefits from the support of the EU, the US, the Africa Finance Corporation (AFC), and the African Development Bank (AfDB), in partnerships with Angola, DRC and Zambia. It aims to cover infrastructure investments, soft measures for trade and transit facilitation, and investments in related sectors (agriculture value chains, energy, logistics, TVET) along the Corridor. While only at the pre-feasibility studies stage for infrastructure development, it aims to enhance EU access to CRM while developing local value chains. It also entails strong potential involvement for European companies.⁵ This flagship project is also strategic in the sense that it seeks to embody the EU's comprehensive and cooperative approach to bolstering critical raw materials value chains and enhancing transport connectivity (EC 2023a). As such it is a good example of a project that is both geopolitically highly relevant and has a clear development potential. Yet, effectively realising the development opportunities will be key for the credibility of the GG and Team Europe approach, in partnership with international and local actors, and to demonstrate that is not a mere mercantilist approach of the EU to securing critical raw materials at the cost of development aid.

- The **Namibia Strategic partnership on critical raw materials and green hydrogen value chains**, and the **Renewable hydrogen development in Chile** are other prominent GG flagship projects with a strong Team Europe dimension and a clear geostrategic value for the EU while seeking more local value addition and contributing to green transformation in these partner countries.
- The **Philippine digital flagship**, as part of the EU Copernicus global programme to develop global satellite networks and ground base systems to generate earth observation data and images, is another example of potential geostrategic engagement by the EU in digital transformation, based on a comprehensive approach. It supports the Philippines' own digital transformation plan, and complements other international and regional digital initiatives in the Philippines, including by the World Bank and Asian Development Bank.
- The **Medusa Cable**, spearheaded by AFR-IX Telecom and manufactured by Alcatel Submarine Networks, is set to become the largest submarine high-capacity optical-fibre cable initiative in the Mediterranean, spanning 7,100 km and connecting both shores of the sea. The flagship also aims to support the exchange of scientific knowledge and to foster ties between North African and European peer organisations (universities, education and research centres), with a view to supporting innovation and

⁵ These include the consortium Lobito Atlantic Railways (composed of Trafigura, Mota Engil and Vecturis), which was awarded the concession for the management of the Corridor in Angola, as well as Africa Global Logistics (part of the MSC Group) which was awarded the tender for the Port of Lobito. A concrete example is the Logistics Hub which the Netherlands is supporting in Caála, along the Lobito Corridor in Angola. Developed by Flying Swans (a partnership between the government of The Netherlands and Dutch companies) and the Angolan Cargo and Logistics Regulatory Agency, the platform will allow for the storage of perishable products at low temperatures, fostering export possibilities for one of the Angolan provinces with the highest agricultural production.

job creation in North Africa, highlighting both the development and geostrategic merits of the project.

- In Central Asia, **the Trans-Caspian Transport Corridor**, linking Europe and Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) through hard infrastructure and soft connectivity actions, and the **Rogun Hydropower Plant in Tajikistan**, which could significantly enhance green energy transition in the region, together with other regional and international development financiers, are illustrative of strategic development endeavours promoted by the EU, in line with GG ambitions.

The flagship projects above are only illustrative of the range of more strategic projects under GG. It does not aim to be complete. Several other flagship projects could have been mentioned, as worth specific geostrategic attention, such as the extension of the BELLA cable with Latin America (BELLA II) and the Arctic submarine cable (promoted by the European private sector) to connect Europe to Asia are other such initiatives. Yet, not all 225 flagship projects have the same strategic value, and only a handful are clearly really strategic, from development, geopolitical, geoeconomic and/or security perspectives.

3. GG strategic guidance and governance

The legitimate questions, however, are how these flagship projects are identified, how their strategic value is assessed (based on which criteria), and to what extent they build on private initiatives and respond to partners' needs and priorities. In principle, GG aims to be geostrategic. A clear set of criteria has been elaborated to identify and select flagship projects, as discussed in subsection 2.3. In practice, the identification of flagship projects has been partly *ad hoc*, underpinned at times by sectoral logic along development priorities with unclear geostrategic considerations. To understand why, it is important to consider the emerging governance of GG.

GG is not a legal framework. Its governance rests on the initiatives between the European Commission, the High Representative, the Council, and EU member states, spelt out in a Council public document (CoEU 2022a). The European Parliament is notably silent, as an observer, while kept informed about the GG developments.

The **European Council's role is to provide the overall political and strategic direction** for GG and ensure that member states have ownership at the political level. The Committee of the Permanent Representatives of the Governments of the member states to the European Union (COREPER) is meanwhile responsible for the overall coordination of GG. In March 2022, the Foreign Affairs Council also established the Working Party of Foreign Relations Counsellors (RELEX) – **Horizontal Questions (RELEX-HQ)** which is responsible for horizontal files in the field of external relations that go beyond the remit of a given geographical or thematic working party (e.g. Global Gateway, climate, digital, technologies). RELEX-HQ prepares COREPER work in relation to the political steer of GG and reports to COREPER. The European Council and COREPER

have a horizontal coordinating role and are thus competent to be seized with any policy matter, not only external affairs, allowing them to deal across policy areas with regard to GG.

The **GG Board** has been set up by the European Commission to provide strategic guidance on the implementation of GG, with the first and only meeting held on 11 December 2022. It is called and chaired by the President of the European Commission and includes the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the Commissioner for International Partnerships, the Commissioner for Neighbourhood and Enlargement Negotiations, the Commissioners responsible respectively for the thematic areas of GG, and representatives of the EU member states at the level of Minister of Foreign Affairs (or representative). The European Parliament is invited as an observer, and so can be other actors, such as European financial institutions, including member states' development financial institutions. The GG Broad provide strategic guidance on the GG implementation and its coordination, takes stock of the implementation of key GG flagship projects, steers on the way forward for both the programmed EU budget and EU member states' contributions, and identifies opportunities to showcase the impact of Global Gateway initiatives (CoEU 2022a).

The European Commission's internal preparation and coordination, including for the GG Broad, is conducted by the GG Steering Group, which also includes EEAS. EU Delegations also have an important role in shaping and implementing GG actions in the EU's partner countries and regions and provide input to the Steering Group.

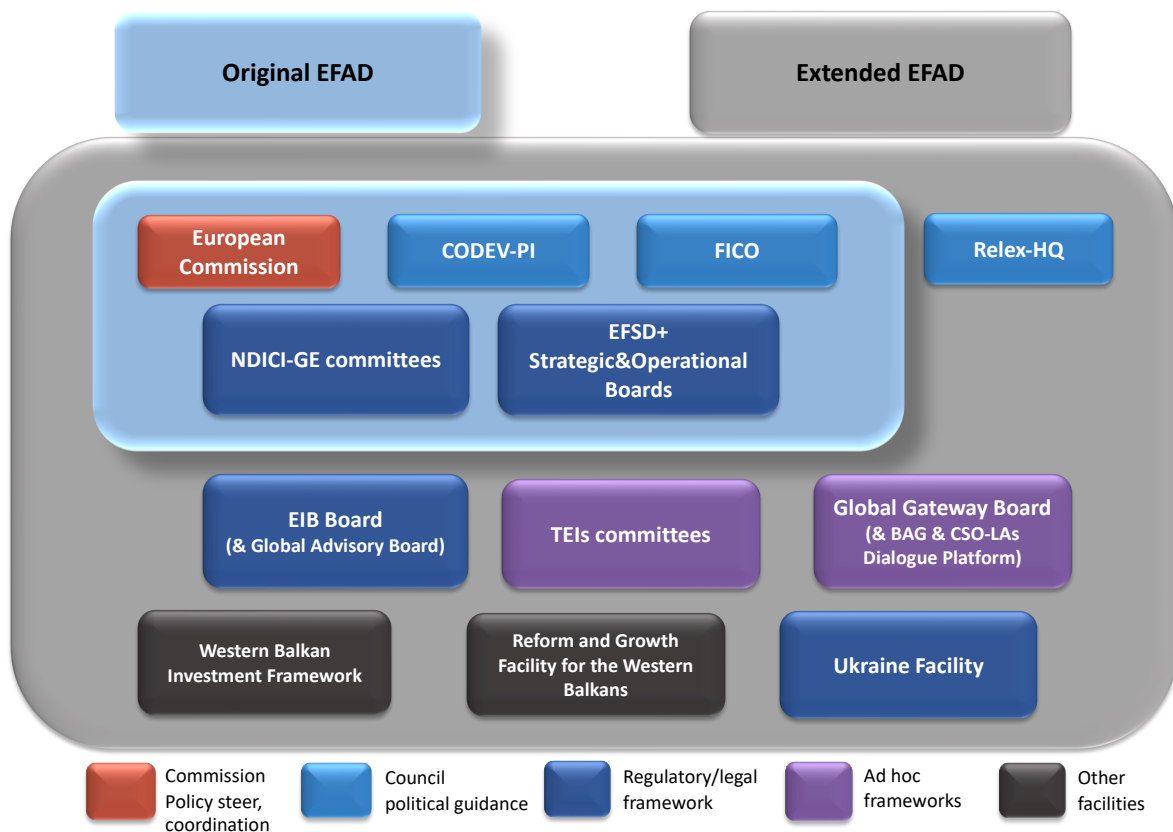
Two consultative bodies have also been established, whose members have been selected following an open call: (i) **the Business Advisory Group (BAG)**, which provides opportunities for strategic exchanges from European private sector actors (47 companies) and representatives (13 trade & business associations) on GG thematic areas and regulatory issues (e.g. public procurement, tied aid and industrial policies). The BAG has no decision power and does not focus on specific flagship projects; and (ii) the **GG Civil Society and Local Authorities Dialogue Platform**, which includes 42 networks and platforms of civil society organisations (CSOs), 4 social partners, professional and business associations, and 11 associations of local authorities, to provide feedback to the European Commission on the GG implementation and help identify opportunities for GG partnerships in EU partner countries.

Rather surprisingly, given their critical role in mobilising public and private investments under GG, the EIB, EBRD, European DFIs, PDBs, and export credit agencies (ECAs) are not members of any of these bodies. Some have an observer status in the BAG by direct invitation. They can also be directly invited to the GG Board and by the RELEX-HQ as observers on an ad hoc basis. They are also consulted in meetings with the European Commission and EU Delegations.

While the GG governance has no legal status, it must operate within the wider governance setup of the European financial architecture for development (EFAD), including the parts embodied in a legal framework. Figure 2 illustrates this complex structure. Those GG actions that directly benefit from funding or guarantees from the EU budget must comply with the NDICI-GE Regulation and its governance, including the NDICI-GE Committee and the EFSD+'s

Strategic Board and Regional Operational Boards, or the Instrument for Pre-accession Assistance (IPA III). Facilities (see Figure 2) have their own governance structure, enshrined in [EU Regulation \(EU\) 2024/792](#) in the case of the Ukraine Facility. The EIB has its own governance structure, with only EU member states and the European Commission on its board (with Ministry of Finance representatives, not from the Ministry of Foreign Affairs and Development). Team Europe Initiatives (TEIs) also have their own informal coordination setup. Driving a coherent and strategically focused GG remains a challenge in this multi-layer governance construct.

Figure 2: The complex (extended) EFAD governance includes Global Gateway



Source: Authors

For the Council to provide strong policy and geostrategic guidance, it should consider improving its internal coordination mechanism and information flow, notably between CODEV (in charge of development guidance), FICO (in charge of economic & financial aid guidance, and EIB & ERBD related issues) and RELEX-HQ (in charge of the geostrategic guidance and horizontal coordination). To be effective, GG requires a whole-of-government approach at the EU level and in EU member states, i.e. whole-of-the EU. At the Council level, this requires a whole-of-the-Council approach. Similarly, at the Commission level, it requires a whole-of-the-Commission approach, combining not only Directorate Generals (DGs) with an explicit external orientation (DG INTPA, NEAR, TRADE) and the European External Action Service (EEAS), but also the other DGs relevant for GG actions (e.g. DG CLIMA, DIGIT, ECFIN, ENER, GROW, etc.).

Insufficiently strong geostrategic steer might partly explain the proliferation of flagship projects in GG. While this may result from the appeal of the GG branding, attractive in terms of communication around the Team Europe approach, it may also undermine the perceived added value of a project being categorised as a GG flagship. It may also reflect an insufficient ability of the EU to collectively make strategic choices and focus its efforts on a few highly strategic GG flagship projects. In practice, for the sake of inclusiveness, all the flagship projects proposed by EU member states were accepted, as no member state saw the value of opposing another member state's proposal. Similarly, most of the flagship projects proposed by the Commission were endorsed. Going forward, the EU and its member states should be well advised to become more selective. But to do so, they will need to ensure full ownership of the GG governance and its alignment with other EU development and external investment governance settings.

The role of the private sector (with special attention to SMEs) and financial institutions (including DFIs and PDBs) should also be reconsidered. Beyond advising the European Commission, it remains unclear how European private sector priorities and interests are taken into consideration in shaping GG engagements. A wide ecosystem of European companies and private financiers, from large entities to smaller ones, could be harnessed to the GG's ambitions. Engaging European SMEs in particular should be a priority, notably through supply chains with larger companies. This requires greater transparency on the flagship process and modalities and a better identification of the channels through which the private sector could tap into these opportunities. The GG Platform, set up by the European Commission for EU member states only, should be made public and business-friendly. A one-stop shop, involving cooperation with relevant business and trade associations, could also be considered if managed effectively. The BAG and other GG-related business fora should also stimulate interaction with EU member states, besides the European Commission, if greater ownership and steering of GG is expected by EU member states.

The linkages between GG flagship projects and the priorities and pipelines of projects of European DFIs and PDBs, including their proposed investment proposals (PIPs) under the EFSD+, remain elusive, with the notable exception of the EIB, as discussed above. This is particularly the case for European DFIs, which do not invest much in infrastructure and public-private partnerships, key to many flagship projects, but rather in private sector financial inclusion and mobilisation. Engaging more closely with public development financiers in the design and implementation of GG should be a priority. But this will not suffice, in particular as the GG's ambition is not only to promote sustainable development but also to support EU economic interests. To this end, European investment promotion and export credit agencies should also be more closely associated with GG endeavours, building on the recently set up Commission Expert Group on Enhanced Coordination of External Financial Tools, which brings together ECAs and DFIs with EU member states representatives.

Special attention should also be given to multilateral and international actors, in particular multilateral development banks (MDBs) and development financiers and donors from like-

mind EU partners, as in the case of the PGI and other G7 initiatives. The EU and its member states can leverage such partners and initiatives to achieve GG ambitions more effectively (notably in terms of investment mobilisation development impact).

Last, but not least, the EU seems to be paying lip service to the engagement with CSOs. Several CSOs have expressed frustration at the consultation through the GG Civil Society and Local Authorities Dialogue Platform, which appears to many more as a tick-the-box exercise than a true interest in ensuring that the voice and concerns of civil society actors are integrated into the GG way forward on development and values issues. In this respect, it is also worth highlighting the opportunities for GG implementation of a meaningful engagement with CSOs at the local level and local authorities, as key actors to ensure EU sustainable investments benefit local communities.

4. A Strategic Approach to Partner Countries

While GG ambitions to provide greater strategic focus and development impact of EU actions, the GG approach thus far appears to remain too varied and scattered, in terms of geographies and types of projects. The EU still seems to be trying to do too many things in too many places, and as a result, is not having a very strong impact in specific partner countries. Further, while GG flagship projects are in some cases being developed and launched as part of a more comprehensive political dialogue, it is not at all clear that this is the case in the vast majority of countries. This complicates the communication around the Global Gateway and calls into question the strategic framing of many of the GG flagship projects. Indeed, many GG flagship projects were developed as part of the development programming process in partner countries and were then designated GG flagship projects without consulting partner countries about this designation, leading to questions about real local ownership.

Strategic engagement with partner countries and regions on GG has taken place in a variety of forms. The recent high point was in the context of the Global Gateway Forum in October 2023, which brought in Brussels EU partners from across the world, including some 40 high-level government representatives. EU summits with third parties also play a critical role, as in the case of the EU-Africa Summit and EU-ASEAN Summit in 2022, and the EU-LAC Summit in July 2023 with the adoption of the EU-LAC Global Gateway Investment Agenda (GGIA). GG bilateral missions were also organised through a Team Europe approach, as in the case in February 2024 of the Team Europe visit in Addis Ababa, Ethiopia, to strengthen Africa-EU cooperation on health (also connected to MAV+ mentioned above in subsection 2.4), next to regular bilateral engagement by the EU Delegation and other EU representatives in partner countries and regions where GG is also addressed.

There are some first signs of a more comprehensive approach, notably in the neighbourhood, with GG projects being presented as part of wider partnerships, and with other key ‘priority countries’ such as those highlighted by the EU Global Outreach Action Plan (Barigazzi 2023). Such an approach combines political partnerships, loans, investments, and discussions

around debt and migration under a single umbrella. For example, during the European Commission President Ursula von der Leyen's recent visit to Mauritania, she spoke to a real political dialogue touching on security, migration and support under GG to really drive local economic development and job creation. The President of the European Commission, Ursula von der Leyen, even suggested that Mauritania should in future be not only a source of green hydrogen but even of green steel, suggesting a real shift towards supporting a key partner country's domestic industrialisation agenda (von der Leyen 2024). Global Gateway was repeatedly mentioned in her declaration to the press, and the fact sheet disseminated afterwards reflected Global Gateway's branding. Similarly, although there is less focus on Global Gateway branding, the EU-Egypt Strategic and Comprehensive partnership, which includes a [€7.4 billion](#) financial and investment support package for Egypt for 2024–2027, also suggests the beginning of this kind of more comprehensive approach integrating political dialogue, migration, concessional loans, a series of investments and grants. While the [Joint Declaration](#) between Egypt and the EU and the [fact sheet](#) disseminated about the partnership lacked direct references to the Global Gateway, this partnership does integrate Global Gateway flagship projects and like Mauritania, points to the potential for a more comprehensive approach (Stanicek 2024).

Irrespective of the branding, the development of a more comprehensive approach, mixing political dialogue, investments, and loans together in a package, suggests a more strategic approach to partner countries. Discussions around debt and debt for climate swaps would also be important for certain partnerships (Karaki and Bilal 2024). This highlights a way to integrate strategic investments in a more geopolitical and developmental comprehensive perspective, based on EU values and interests, in a mutually beneficial approach, in line with the ambitions of GG.

5. Linking internal and external policy

Despite the very strong focus on industrial policy and economic security within the EU, there remains some disconnect between these internal conversations and the development and roll-out of the Global Gateway. It is significant that GG comes at a moment when Industrial policy is back in a huge way in the West, with debates about industrial policy ramping up with the approach of the EU elections, including the Belgian-led [Antwerp Declaration for a European Industrial Deal](#) and the release of the [Letta Report](#) on the EU Single Market calling for an EU equivalent to the US Inflation Reduction Act (Letta 2024). Indeed, the EU has already combined some offensive measures, such as the Chips Act and the Critical Raw Materials Act, with a number of defensive measures, including the Carbon Border Adjustment Mechanism (CBAM) and the Economic Security Strategy. This combination of renewed interests in investments in European industrial policy, together with what are often perceived as protectionist measures and described as 'irritants' in the EU relations with its partners, is not a reassuring combination for many developing and emerging economies. This combination of measures suggests to many developing countries that they will once again be looked to for raw materials, even as

measures like CBAM, deforestation and due diligence regulations add additional hurdles to potential industrial exports.

Indeed, GG has in some cases increased fears of EU mercantilism and extractivism. Some criticisms from the Global South, including notably with regard to the Lobito Corridor connecting Angola with Zambia and Southern DRC, claim that the transport corridors and other infrastructure are simply focused on extracting and exporting Africa's mineral wealth without due consideration for Africa's own economic development. In the words of the Africa Europe Faith and Justice Network, "the EU Global Gateway is strategically designed to continue fleecing Africa; it is a wolf posing as a sheep", thereby pursuing "the neo-colonial economic model that shaped the EU-Africa relations through the years" (AEFJN 2023). While such rhetoric is perhaps not very nuanced, it reflects a real concern that the mistakes of the past when it comes to the extraction of raw materials will be repeated.

Indeed, countries across Africa, Latin America and Asia that have long aspired to industrial development, and are increasingly vocal in looking for partners that can support real economic transformation and industrialisation. The hard infrastructure investments promised by Global Gateway will be part of the equation, but without a wider political and economic dialogue to accompany these investments and accompanying investments in local industrial development, there is the risk that Europe's actions are interpreted as purely self-serving. The GG must be much more thoroughly integrated into the EU's emerging industrial and economic security strategy. For example, it is vital that the EU uses CBAM not only to protect its own competitiveness but also to stimulate low-carbon innovation and investment in other countries, including the Global South (Oguntoye et al. 2023). Similarly, EU partnerships around critical raw materials with countries in the Global South must deliver on realistic promises of industrial upscaling so that these countries also reap some benefits of green industrialisation (Blot 2024, Buisse and Essers 2023, EC 2023b, Karkare and Medinilla 2023, Schulze 2024).

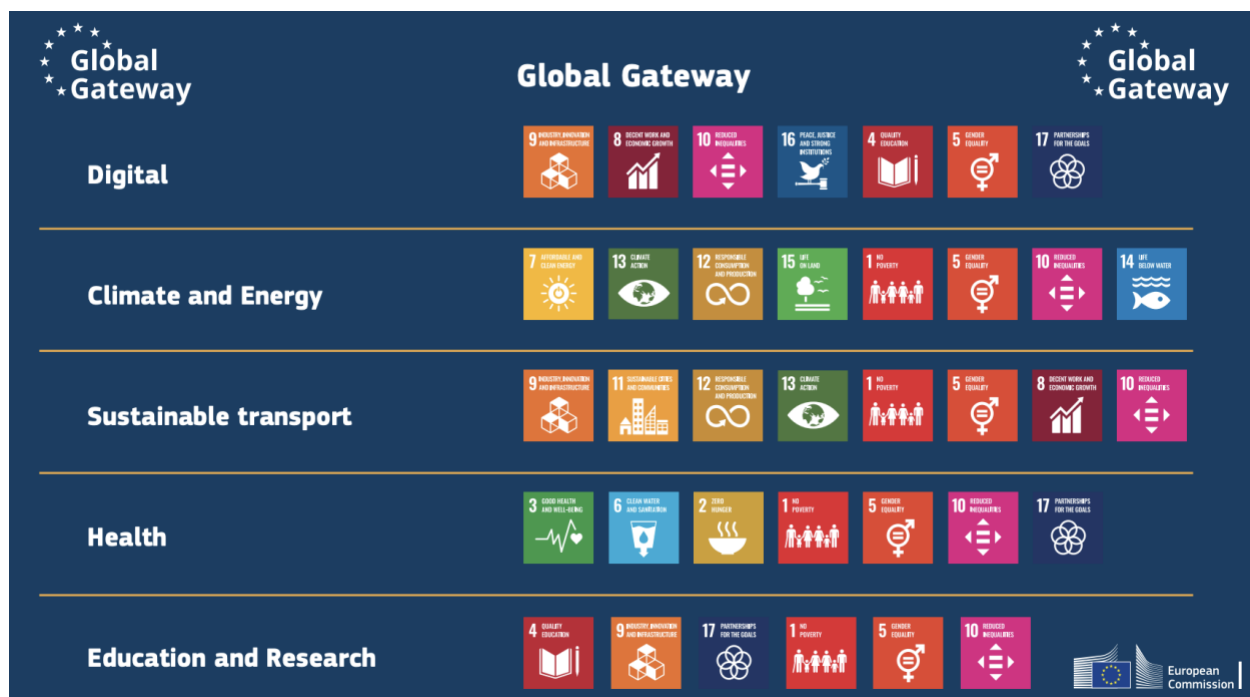
The EU should better connect its internal and external agenda, not only in projecting its domestic twin green-digital transition externally but also in ensuring that its partnerships with partner countries integrate and address some of their fears and concerns. GG needs to integrate a truly mutually beneficial agenda that notably supports partner countries' industrial development through a process of friend-shoring (Medinilla and Teevan 2024). It is important that the agenda is not captured by self-serving EU ambitions, but truly serves a mutually beneficial agenda. GG should help better combine the EU development, trade and investment agenda with the interests and priorities of its partners. As stated by Enrico Letta in his report: *"In the face of an increasingly complex and unpredictable global landscape, the European Union is compelled to extend its focus beyond internal concerns, placing significant emphasis on the external dimension of the Single Market. Today, it is no longer possible to make a clear distinction between these two dimensions, we must take them in consideration together. [...] The external dimension is closely tied to the Single Market's interactions in terms of trade, investment, and the movement of people."* (Letta 2024).

6. Promoting the SDGs, enshrined in EU values and principles

GG is a key pillar of the EU development cooperation, significantly enshrined in the NDICI-GE aims, principles and implementation. The pursuit of EU strategic interests should remain supported by its development cooperation approach, and not contradict or undermine it.

A recent review of the EU's implementation of the 2030 Agenda for Sustainable Development states that the Global Gateway is presented as the EU's contribution to enhancing the global partnership (SDG 17), pursuing the 2030 Agenda, the SDGs, and contributing to the Paris Agreement (see Figure 3). It mentions that each Global Gateway initiative, which is financed by the EU budget will "identify and integrate the relevant SDGs at all stages – from design to implementation and reporting." (EU 2023).

Figure 3: Global Gateway's contributions to the SDGs



Source: EU 2023, Fig. 9

Some development institutions, such as the Agence française du développement (AFD), are fully SDG-aligned and have developed a methodology for a more systematic SDG analysis (AFD 2023a, AFD 2023b). This allows the AFD to report all their investments in terms of their specific contributions to the SDGs (AFD 2022, AFD 2023c). The German development bank KfW also reports its investment operations according to the SDGs based on its specific SDG methodology (KfW 2022, KfW 2023). This reflects a more general opportunity for public development banks to align and report their investment activities along not only the Paris Agreement but also the SDGs (Dufief and Barchiche 2022, Riaño et al. 2021, IDFC 2023).

The EU could adopt a similar approach to report all Global Gateway projects according to the SDGs, thereby providing greater transparency and accountability to its SDG ambitions. Specific attention should notably be given to the financial and development additionality of GG projects, as well as their transformational impact (Winckler Andersen et al. 2021). Indeed, there is a tendency, by some critical voices, to consider hard infrastructure, primarily pursued under the Global Gateway, as divergent from social and human development objectives. Yet, depending on the project designs and their implementation, there can be a strong synergy and complementary between hard infrastructure developments and human development. Adopting a sound analytical framework for SDG reporting of the Global Gateway projects would shed light on the effective contributions of the flagship projects to the various SDGs.

The EIB, by applying all EU standards and fully aligned to EU objectives, also has an important role to play in promoting EU values and principles enshrined in the EU development and sustainability financing approach and taxonomy.

7. Recommendations

With the Global Gateway, the EU is trying to shift its model of cooperation with its partner countries and regions, offering partnerships based on mutual benefits and leveraging private-sector investment in hard and soft infrastructure alongside more traditional development cooperation, in a more geostrategic manner. However, to date, GG remains too much of a scattered array of projects, which, in many cases, is not accompanied by a sufficiently clear political dialogue to drive real strategic change, and with still insufficient linkages to Europe's domestic economic and political agenda and development priorities.

Going forward, it is vital that GG translates into concrete changes in the way of working that allow the EU and its member states to achieve their strategic and developmental aims in a combined and self-reinforcing (win-win) manner, in cooperation with partners. GG must lead to changes in how the EU interacts with and is perceived by its partners.

1. Streamlining the approach to achieve GG's aims

The GG must lead to real shifts in the way of working, at the levels of both the EU and its member states, adopting a meaningful **whole-of-government approach**, at national and EU levels, also using the Team Europe approach to foster a whole-of-the-EU approach, ensuring coherence between development and strategic objectives. Geostrategic considerations should usefully be integrated into the Policy Coherence for Sustainable Development (PCSD) agenda of the EU, as driving principles for GG. Some EU institutions and EU member states have already begun to develop a truly joined-up geoeconomic-development approach, better combining aid, development finance, trade, and investment promotion.

GG is part and parcel of the external action range of policies and instruments, at the EU and EU member state levels, and there must be a clear effort to enhance the coordination of the EU's

external actions. At the developmental level, GG's thematic actions and flagship should be more explicitly **linked to financial instruments** and initiatives, in particular in the context of the **EFSD+** and EFAD framework. A greater focus should be put on the enhanced coordination of development and non-ODA public finance (e.g., DFIs/PDBs— ECAs coordination) and with private sector initiatives and instruments.

The EU could consider adjustments to its **public procurement approach and rules** to ensure a level playing field for European companies with higher standards.

GG's ambitions rest on the EU's collective capacity to **mobilise public and private finance and actors in a more geostrategic and impactful manner**. This requires better engagement and coordination with the private sector actors, development financiers, donors and implementing agencies, as well as investment promotion agencies and ECAs. In particular, the articulation of the EFSD+ (and the proposed investment programmes) with GG and relevant flagship projects should be strengthened and made more explicit. This requires a more active engagement with European PDBs and DFIs, as well as enhanced coordination with ECAs (as by the Commission Expert Group on Enhanced Coordination of External Financial Tools), together with private sector actors (notably in the BAG).

2. GG strategic guidance and governance

The **strategic and operational governance** of GG could also be reconsidered and adjusted as needed. This could include reflections around the Council Working Party's configuration and coordination (notably strengthening linkages and coherence between CODEV, FICO and RELEX -HQ); the composition and agenda setting of the GG's Board (for greater ownership by EU member states and concerned stakeholders); clearer entry points for strategic engagement and implementation processes for private sector and European financial institutions (PDBs/DFIs but also ECAs); building on opportunities for engaging local authorities and promoting genuine dialogue with CSOs.

EU member states should consider more proactive engagement in the GG's strategic shaping. They already have a role to play in the selection/prioritisation of flagship projects, and as they organise themselves better, they can play an ever more important role in shaping stronger strategic prioritisation and focus, and how this process unfolds. Ultimately, it is up to the member states to make sure that the GG builds on national and EU strategic and development priorities, alongside the European Commission and EEAS.

The European Commission and concerned EU member states should provide more detailed information on the flagship projects in order to ensure greater transparency and effective reporting and monitoring. They could do this, through a more user-friendly and more broadly accessible **GG Platform**. For each flagship, it should specify at least key characteristics, (evolving) commitments, sources of funding, stage of implementation, key milestones and key partners, as well as a contact point. Better efforts should be made to communicate in a more complete and comprehensive manner about GG overview and flagship projects to key

stakeholders, including member states, members of the European Parliament, stakeholders in partner countries, and indeed the general public in Europe and partner countries at some point.

Regular reporting & monitoring on the implementation of GG flagship projects should also be conducted and be made available, including their compliance with relevant prescriptions and guidelines (including NDICI-GE or IPA III when directly funded under the EU budget) and their specific development impact and contribution to SDGs.

3. A more strategic and focused approach to key partner countries and regions

If GG is to play a role in shifting relations with countries in the Global South, as a pillar of the EU external framework, it will need to be integrated into a much **more strategic approach** to key partner countries and to go hand-in-hand with a much more overt political dialogue. Branding and communications strategies must follow dialogue, and cannot substitute for it. Only by building on local ownership and through genuine consultation and engagement can the EU's GG really respond to the needs of partner countries and ensure an attractive offer, in line with the EU Global Outreach Strategy and its comprehensive partnerships ambitions.

A **more focused approach** on a number of key geographies and a more comprehensive sectoral approach must be developed, while the EU's offer should come in the form of much more comprehensive packages linking infrastructure with clear support for local industrial and ecosystem development. Indeed, GG should be part of wider political dialogues with partners, which tackle both key political concerns (e.g. migration, security, multilateralism) alongside economic and industrial concerns (e.g. energy policy, digital policy, trade and an infrastructure offer developed to support targeted industrial sectors), in a strongly mutually beneficial development perspective.

To be more impactful, flagship projects should be anchored into a partner's development and reform agenda. Where appropriate **country-led or regional co-financing platforms** could help the EU attract like-minded investors to coordinate and scale up the GG ambitions. This would align with the ambitions of the Global Collaborative Co-Financing Platform that 10 MDBs, including EIB and EBRD, launched on 19 April 2024 to share pipelines and identify co-financing opportunities (World Bank 2024).

Further engage in high-level Team Europe GG missions in partner countries, which have sent a positive signal to partners. Such missions should not only be a public relations opportunity but could also be an opportunity to address potential opportunities, as well as irritants, with the political leadership of partner countries and (national and local) authorities, as well as concerned stakeholders, including the local private sectors and civil society actors. Such missions could also be an opportunity to strengthen local coordination among Team Europe actors, including private sectors.

4. Linking Internal and external policy agendas

The Global Gateway must develop clearer linkages to Europe's evolving domestic industrial strategy, and build on domestic evolutions in order to offer a positive agenda to partner countries. The EU will need to avoid growing calls for protectionism and create conditions for a new industrial deal with emerging and developing economies, building first on nearshoring and friend-shoring with the EU's closest neighbours in the Western Balkans, the Southern Mediterranean and Eastern Europe, but also ultimately building stronger partnerships with key players in Africa, Latin America and Central and South-Eastern Asia (Medinilla and Teevan 2024).

Building these kinds of "win-win outcomes" will require a realistic consideration of the external dimension of all EU domestic policies and a meaningful analysis of how the Global Gateway can play a role in integrating partner countries into European value chains. As the EU greens its industries, it should look to its Southern neighbours not only to supply materials and energy but also as part of an interconnected industrial geography. The growth and prosperity of the EU's neighbours and partners can help to demonstrate the viability of a European green industrial transition and provide valuable markets, helping the EU to achieve scale as it seeks to rebuild and strengthen key industries in the technology, defence and health sectors.

5. Reconciling geostrategic and development goals

The geostrategic nature of the Global Gateway should not come at the expense of the SDGs. Indeed, for most partner countries, the impact of projects ultimately matters. Focusing on impact will reflect the EU's added value and bring the EU meaningful visibility. There is a need to ensure that the SDGs are integrated into every GG flagship, potentially by **integrating SDG indicators** into all reporting on GG flagship projects, following the example of the AFD and KfW, among other development banks.

From both a geostrategic and developmental perspective, it will be vital to ensure that infrastructure flagship projects do not end up as white elephants that serve little real purpose. This means that **investments in human development**, particularly a skills dimension, should be built into the various thematic GG flagship projects whenever possible. Given GG's longer-term investment focus, investing in not only hard and soft infrastructure but also human capital development (health, education and research) is vital.

For those flagship projects that use ODA funding, there will be a need to ensure that there is **no capture of ODA by vested interests** and that development funds are actually being used for development purposes. For GG to keep its strong development dimension, it should remain strongly anchored in the aid effectiveness principles, at least when ODA is mobilised, while enhancing coordination with non-development instruments and policies.

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HEAD OFFICE
SIÈGE
Onze Lieve Vrouweplein 21
6211 HE Maastricht
The Netherlands *Pays Bas*
Tel +31 (0)433 502 900

BRUSSELS OFFICE
BUREAU DE BRUXELLES
Avenue des Arts 44, 1000
Brussels *Bruxelles*
Belgium *Belgique*
Tel +32 (0)28 825 008

info@ecdpm.org
www.ecdpm.org
KvK 41077447