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**HOW DOES THE EU'S  
GLOBAL GATEWAY  
INITIATIVE FARE  
IN ITS GEO-ECONOMIC  
COMPETITION WITH  
CHINA'S BELT AND  
ROAD INITIATIVE?**

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## EXECUTIVE SUMMARY

*China's major infrastructure investment initiative, the Belt and Road Initiative (BRI) was launched in 2013 by President Xi Jinping with the aim to create a stable, interconnected global market with China at its centre, with fully integrated global supply-and-demand chains for a high-tech economy. It is part and parcel of President Xi Jinping's vision of China becoming a global leader in the 21st century, seeking to solidify a new multipolar world order and expand its global influence through economic leadership. In 2021, the EU responded with its own major infrastructure investment programme in the Global South, the Global Gateway Initiative (GG), which has seen its first selection of ambitious flagship projects unfold since 2023. The following analysis frames GG as a geostrategic tool which has great potential to contribute to the European Union gain enhanced momentum in its intensifying competition with China. It examines how the EU has changed its approach towards China's BRI over time and concludes with concrete policy recommendations for the new European Commission term (2025-2029), to make the Global Gateway Initiative the well-crafted tool it aims to be.*

## INTRODUCTION

On 7 December 2023, President Xi Jinping stated at the EU-China Summit in Beijing that

[...] the Belt and Road Initiative (BRI) is an inclusive platform that has brought benefits to over 150 countries and their peoples. As the saying goes, when you give roses to others, the fragrance lingers on your hand. China will continue to promote high-quality Belt and Road cooperation, including by creating synergy between the BRI and the EU's Global Gateway to help developing countries grow faster.<sup>1</sup>

Are we looking at cooperation on the base of synergy, or is there increasing competition between two alternative initiatives?

The EU has been confronted with the policy question whether to create synergies or pursue competition with China's external infrastructure investment strategy since the very beginning of the Belt and Road Initiative in 2013. And it has been answered differently at the political level over the course of the last ten years. Several dimensions need to be considered: the evolving relationship between the EU and China; the EU's own internal approach to infrastructure development and its policy on regional, inter-regional, and global connectivity; differences between this EU policy and individual Member States' approaches; the evolving international definition of sustainable connectivity; as well as the EU's and China's interaction with third country partners.

There is one common starting point for all, including China and the EU: the recognition of a **significant global infrastructure investment gap**. Both the BRI and the Global

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<sup>1</sup> Chinese Ministry of Foreign Affairs, accessed 12 December, 2023. <https://www.fmprc.gov.cn/eng/>.

Gateway (GG) initiative, as well as similar connectivity initiatives intend to address this infrastructure gap, which is recognized as a barrier to economic development in emerging countries and as an obstacle to inter-connectedness—and thus to further globalization of economies and societies. In this context, the changing mentality of many development partners needs to be taken into account. Most look at the current geopolitical landscape as a marketplace from which to choose for their infrastructure investments. Price and speed matter, not only quality.

The G20 Global Infrastructure Hub estimates that the gap between the current investment trends and the investment needed for global infrastructure development will reach a deficit of USD 15 trillion by 2040. This figure climbs to USD 18 trillion when taking into account the infrastructure needed to address climate change impact and environmental degradation in accordance with the Sustainable Development Goals (SDGs).<sup>2</sup> In turn, the February 2019 World Bank report *"Beyond the Gap"* concludes that investments of 4.5% of GDP—USD 1.5 trillion annually—will allow developing countries to achieve their infrastructure-related SDGs. World Bank President Kristalina Georgieva stated then that "with the right choices, infrastructure can be built that helps achieve globally agreed emissions targets. The focus must be on smarter and more resilient investments, not necessarily more money."<sup>3</sup> Beyond these general assessments, the key questions to be asked are: **who invests where, how, and into which kind of infrastructure? This framework helps determining whether the investments made turn into a geopolitical competition, or a common global development effort.**

As Parag Khanna stated in his ground-breaking book on "Connectography" in 2016:

[...] the nature of geopolitical competition is evolving from war over territory to war over connectivity. Competing over connectivity plays out as a tug-of-war over global supply chains, energy markets, industrial production, and the valuable flows of finance, technology and talent. Tug-of-war represents the shift from a war between systems [...] to a war within one collective supply chain system.<sup>4</sup>

The launch of the EU's Global Gateway initiative of 2021 is to be analyzed in this geopolitical "tug-of-war" framework, however, not without first taking a closer look at its trigger, the launch of the Belt and Road Initiative by China in 2013 as well as related EU and EU Member States' responses and policy adaptations that we have observed since then.

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<sup>2</sup> Cf. The Global Infrastructure Hub – Infrastructure Outlook, accessed 31 May, 2024.  
<https://outlook.gihub.org/>.

<sup>3</sup> Rozenberg, Julie, and Mary Faye, "Beyond the Gap: How Countries Can Afford the Infrastructure They Need while Protecting the Planet," *The World Bank Report* 2019.  
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/189471550755819133/beyond-the-gap-how-countries-can-afford-the-infrastructure-they-need-while-protecting-the-planet>.

<sup>4</sup> Khanna, Parag, *Connectography: Mapping the Global Network Revolution*, London: Orion (2016), 11.

## 1. FROM CONNECTIVITY COOPERATION TO CONDITIONAL ENGAGEMENT: HOW THE EU HAS CHANGED ITS APPROACH TOWARDS CHINA'S BRI BETWEEN 2013 AND 2020

China's Belt and Road Initiative was launched under the name "New Silk Road" in 2013, with President Xi Jinping announcing a "Silk Road Economic Belt" in Kazakhstan and a "21st Century Maritime Silk Road" in Indonesia in 2013. The BRI is designed to create a stable, interconnected market with China at its center, with fully integrated global supply and demand chains for a high-tech economy. It is thus part and parcel of President Xi Jinping's vision of China becoming a global leader in the 21<sup>st</sup> century and expanding its global influence by promoting China's vision of a new multipolar world order in a concrete way.<sup>5</sup> It was incorporated into the constitution of the Chinese Communist Party in 2017 and has a target date for completion in 2049, coinciding with the centenary celebrations of the foundation of the People's Republic of China. Among the main motivations to launch the BRI were a need to revitalize the economy of central provinces and to provide an alternative market to big Chinese state-owned enterprises beyond domestic infrastructure development, as well as the perceived need to establish alternative, secure trade routes with interdependence between participating states and the Chinese economy.

**The BRI engages partner countries by building loan-funded infrastructure using Chinese companies, thus diversifying resource and energy supplies and creating new markets for China.** It is implemented by the National Development and Reform Commission (NDRC), with direct investments provided for by the China Investment Corporation (CIC). The Silk Road Fund is a state-backed investment fund, which has primarily provided for investments in Africa. China has also become the largest sovereign bilateral lender in the world. Loans are often backed by a collateral. Frequent restructuring in heavily indebted countries (such as Pakistan, Sri Lanka, Tajikistan, Montenegro) is often necessary, with debts accumulating, and rescheduling resulting in increased political influence. The investments are not limited to developing countries, but extend also to several EU Member States.<sup>6</sup>

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<sup>5</sup> On Chinese thinking on the BRI, see: Wang, Yiwei: *An Interconnected World: China and the Belt and Road Initiative*, Beijing: China International Publishing Group/Foreign Language Group (2019).

<sup>6</sup> Chinese investments executed or planned under the BRI are of great relevance for China-EU trade, notably with Mediterranean, but also increasingly with North Sea ports. There have also been other large Chinese infrastructure investments in several EU member states, with the takeover of the Portuguese electricity transmission system operator (TSO) Energias de Portugal (EDP) in 2011 being the most prominent. Cf. Smit Jacobs, Karin, "Chinese Strategic Interests in European Ports," *European Parliament Research Service Briefing*, published February 2023; Pèlerin, Clémence, and Hugo Marciot, "China's at the Gate of the European Power Grid: China's Conquest of the European Power Sector," published September 2021. <https://geopolitique.eu/en/articles/chinas-at-the-gate-of-the-european-power-grid/>. Together with the Budapest-Belgrade railway, a BRI project that was highlighted during President Xi Jinping's visit to Hungary in May 2024 (see "The Budapest-Belgrade Railway is Testament to the Mutually Beneficial Cooperation," *China Today*, 10 May, 2024. [http://www.chinatoday.com.cn/ctenglish/2018/commentaries/202405/t20240510\\_800365229.html](http://www.chinatoday.com.cn/ctenglish/2018/commentaries/202405/t20240510_800365229.html)).

**It is estimated that by 2023, 10 years after the BRI announcement, cumulative BRI engagement had reached USD 1.053 trillion, with about USD 643 billion in construction contracts and USD 419 billion allocated as non-financial investments.<sup>7</sup>**

To answer the question whether the Global Gateway initiative launched in 2021 is a European alternative to the BRI, or whether there can be co-operation and synergies between the two, three phases of interaction between the EU and China on connectivity can be distinguished:

- a short phase of open EU–China cooperation with connectivity synergies between 2013 and 2015;
- conditional EU engagement with China on the BRI between 2016 and 2020;
- competing approaches between the BRI and GG since 2021.

Transport connectivity cooperation between China and the EU was for the first time agreed in November 2013, as part of the new 2020 Strategic Cooperation Agenda. This Agenda identified many areas of concrete cooperation and was based on the 2003 EU-China “Comprehensive Strategic Partnership”. Economic interdependence was steadily advancing and *cooperation* was the main word, with *multipolarity* as a shared outlook.

There was a concrete and positive attitude of mutual openness and cooperation on connectivity on both sides in 2014/2015, but this initial enthusiasm evaporated on the EU’s side about two years later. In practice, work under the new EU-China Connectivity Partnership of 2015 did not really advance despite the good intentions stated at the 2015 EU-China summit. Too many negative reports, including from several Member States, about the way BRI projects were conceived and implemented had reached Brussels and Member States’ capitals.

### **Criticism and concerns related to China’s BRI projects**

#### **The human rights situation in China**

Significant human rights violations, in particular as regards the Uyghur minority in Xinjiang, a key province for the BRI land routes, have been recorded.

#### **Market access for European business in the People’s Republic**

The lack of possibilities for EU companies to meaningfully contribute under Chinese procurement practices was publicly denounced by the EU-China Chamber of Commerce in 2020.<sup>8</sup>

<sup>7</sup> See section “BRI Key Findings 2023” in: Nedophil, Christopher: *China Belt and Road Initiative (BRI) Investment Report 2023s*, published by Griffith Asia Institute, Griffith University, Brisbane Australia and Green Finance and Development Center, FISF Fudan University (Shanghai). DOI:10.25904/1912/5140.

<sup>8</sup> A detailed overview is given in European Chamber of Commerce in China, “The Road Less Travelled:

### **The situation in BRI beneficiary countries outside of the EU**

Observers note a lack of environmental sustainability, a disregard for social sustainability with a lack of workers' rights in projects (which are often exclusively implemented by Chinese companies and workers), a disregard for international standards and rules, a lack of access for any other than Chinese companies, a lack of fiscal sustainability leading to unsustainable levels of indebtedness ("debt trap diplomacy"), and the practice of corrupting local decision-makers and counterparts.

### **Implementation of BRI projects in Europe**

A disregard for the need to respect and apply EU standards, including in candidate countries, is observed, as well as a disregard to incorporate Trans-European Networks (TEN) planning in Chinese projects.

In 2016, the EU engaged in a re-evaluation of its partnership with China<sup>9</sup>. This was based on a realistic assessment of China's rise and ambitions, with strong references to the need for reciprocity and a level playing field. As regards connectivity, a clear conditionality for co-operation under the BRI was expressed, making it dependent on "China fulfilling its declared aim of making it an open platform which adheres to market rules and international norms in order to deliver benefits for all."<sup>10</sup>

Almost simultaneously, High Representative for Foreign Affairs and Security Policy and Vice President of the EU Commission, Federica Mogherini presented a new Global Strategy for the EU's Foreign and Security Policy, which stated that **"there is a direct connection between European prosperity and Asian security", that "the EU will engage China based on respect for the rule of law, both domestically and internationally", and that "we will pursue a coherent approach to China's connectivity drives westwards by maximizing the potential of the EU-China**

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European Involvement in China's Belt and Road Initiative," published 2020.

[https://www.europeanchamber.com.cn/en/publications-archive/762/The\\_Road\\_Less\\_Travelled\\_European\\_Involvement\\_in\\_China\\_s\\_Belt\\_and\\_Road\\_Initiative](https://www.europeanchamber.com.cn/en/publications-archive/762/The_Road_Less_Travelled_European_Involvement_in_China_s_Belt_and_Road_Initiative). This report offers very concrete criticism regarding the difficulties to a) know about and b) obtain any contract for the implementation of BRI projects either in China or abroad. The survey reports that only 12 (!) EU companies won some projects and very few won about 50 projects, always in a 'filling a gap/niche mode'. The report also contains criticism regarding the fact that the 2018 Joint Communication on Connectivity had not been effectively followed up with a proper roll-out of EU projects, **to compete with BRI.**

<sup>9</sup> "Elements for a New EU Strategy on China," European Commission/High Representative Joint Communication, published 22 June, 2016.

[https://www.eeas.europa.eu/sites/default/files/joint\\_communication\\_to\\_the\\_european\\_parliament\\_and\\_the\\_council\\_-\\_elements\\_for\\_a\\_new\\_eu\\_strategy\\_on\\_china.pdf](https://www.eeas.europa.eu/sites/default/files/joint_communication_to_the_european_parliament_and_the_council_-_elements_for_a_new_eu_strategy_on_china.pdf)

<sup>10</sup> *Ibid.*, 10.



**Connectivity Platform<sup>11</sup>, and the ASEM/ EU- ASEAN frameworks<sup>12</sup>.** This part was little noticed at the time, but signaled the intent of increased EU multilateral action, as well as the EU's ambition to formulate its own "coherent approach" on connectivity. In effect, this intent provided the political impetus for the EU and its Member States to seek agreement with all Asian partners on the first multilateral definition of connectivity, which was achieved at the ASEM Ministerial in November 2017.<sup>13</sup> The quasi-monopoly of the Chinese side to define the terms of connectivity by its actions was overcome.

In the years that followed, the EU further developed its own independent connectivity policy framework. In September 2018<sup>14</sup>, the European Commission and the High Representative for Foreign and Security Policy put forward a Joint Communication on "Connecting Europe and Asia", stressing the importance of being at the same time sustainable, comprehensive, and rules based. EU connectivity policy should simultaneously integrate transport, energy, digital networks and the flow of people, goods, and services as well as capital that pass through the connected countries. Connectivity partnerships with Asian countries and organizations should create transport links, energy and digital networks as well as human connections by building on Trans-European Networks (TEN) and extending them to countries bordering Asia. They should promote sustainable finance by utilizing various financial tools, referring to the Asian Development Bank estimating annual financing needs in the region amounting to USD 1.3 trillion for infrastructure investment, provided that robust legal frameworks be in place.

For the first time, the EU established thus its own connectivity approach, recognizing the differences in approach and implementation with China, and insisting on the need for interoperability between systems and networks. It signaled willingness to continue finding synergies but became adamant about the need to apply global rules and standards, creating level playing field and opportunities for all.

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<sup>11</sup> [https://transport.ec.europa.eu/transport-themes/international-relations/eu-china-connectivity-platform\\_en#:~:text=create%20a%20favourable%20environment%20for%20sustainable%20and%20interoperable](https://transport.ec.europa.eu/transport-themes/international-relations/eu-china-connectivity-platform_en#:~:text=create%20a%20favourable%20environment%20for%20sustainable%20and%20interoperable)

<sup>12</sup> European External Action Service Publications Office, *Shared Vision, Common Action: A Stronger Europe. – A Global Strategy for the European Union's Foreign and Security Policy*, published 2016. <https://data.europa.eu/doi/10.2871/9875>.

<sup>13</sup> The 13th Asia–Europe Foreign Ministers' Meeting (ASEM), held 20–21 November 2017 in Nay Pyi Taw, Myanmar, endorsed a *definition of ASEM connectivity*. The Chinese dominance in defining connectivity *via the BRI was over*. ASEM adopted a *comprehensive definition of connectivity, which referred clearly to the need to respect international norms, to ensure social and environmental sustainability, to guarantee economic viability and ensure financial sustainability, while using international standards and be open to all for implementation*.

<sup>14</sup> "Connecting Europe and Asia: Building Blocks for an EU Strategy," European Commission/High Representative Joint Communication, published 19 September 2018. [https://www.eeas.europa.eu/sites/default/files/joint\\_communication\\_-\\_connecting\\_europe\\_and\\_asia\\_-\\_building\\_blocks\\_for\\_an\\_eu\\_strategy\\_2018-09-19.pdf](https://www.eeas.europa.eu/sites/default/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf).

At the same time, the global discussion was clearly shifting, and the Chinese rhetoric shifted with it — but without the Chinese government changing its practices. In 2018, China launched preparations for its “Green Silk Road”, recognizing that many Western governments and civil society had criticized the BRI for its lack of environmental sustainability, and that many BRI partner countries were lagging in their SDG implementation. China released the Green Investment Principles (GIP) for the BRI during the same year and established the BRI International Green Development Coalition in 2019.<sup>15</sup> The multilateral battle for a sustainable approach culminated in June 2019 with the adoption of the six detailed Principles for Quality Infrastructure<sup>16</sup> by the G20 Summit in Osaka.

The EU, in turn, decided to cooperate closely on connectivity projects in third countries with key likeminded partners, such as Japan and India. On 27 September 2019, Commission President Juncker signed the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure at the first EU-Asia Connectivity Forum in Brussels together with Japanese Prime Minister Shinzo Abe, benefitting from Japan’s longstanding experience as a major investor across the world in infrastructure development.<sup>17</sup> An EU-India Connectivity Partnership followed at the May 2021 EU-India summit in Porto, which was agreed between Prime Minister Narendra Modi and Commission President Ursula von der Leyen.

## 2. COMPETING APPROACHES BETWEEN BRI AND GG SINCE 2021

A significant qualitative change occurred in December 2021, when President von der Leyen presented the EU’s new Global Gateway initiative (GG), together with EU High Representative/Vice President Josep Borrell and Commissioner for International Partnerships Jutta Urpilainen. It explicitly builds on the 2018 EU-Asia Connectivity Strategy, as well as on the EU’s Connectivity Partnerships with Japan and India. The GG enhances the 2018 approach in significant and operationally relevant ways. This qualitative change consists first and foremost in its global scope, and is characterized by seven criteria:

**1) It states plainly that democracies must be able to deliver on global challenges and make a positive offer**, with GG being an EU plan for major investment in infrastructure development around the world.

**2) It focuses on physical infrastructure to strengthen digital, transport and energy networks**, and to provide an enabling environment to ensure projects deliver.

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<sup>15</sup> “Green Silk Road Drives Sustainable Development in BRI Landscape,” *China Daily*, 15 May 2023. <https://www.chinadaily.com.cn/a/202305/15/WS646187eba310b6054fad2ec7.html>.

<sup>16</sup> These being non-binding principles, as the Chinese side keeps emphasizing.

<sup>17</sup> See Okano-Heijmans, Maaïke, “Empowering the EU-Japan Connectivity Partnership,” *Clingendael Magazine*, 4 November 2019. <https://www.clingendael.org/publication/empowering-eu-japan-connectivity-partnership>.



- 3) It adds health (post-COVID!), education and research to the areas of action.
- 4) It intends to mobilize investments of up to EUR 300 billion between 2021 and 2027, with new possibilities for guarantees under the new European Fund for Sustainable Development + , with additional blending and grant assistance.
- 5) It pursues a Team Europe approach ("Team Europe" refers to coordinated implementation efforts aligning the EU institutions, its Member States, the European financial institutions (EIB, EBRD), as well as national development financial institutions).
- 6) It recognizes the importance of private sector inclusion and mobilization for investments.
- 7) It dovetails with likeminded partners' work, now pursued under the G7 Partnership for Global Infrastructure Investment (PGII).

The implementation of the Global Gateway initiative follows six key principles:

Key principles of the EU Global Gateway Initiative
<p><i>Democratic values and high standards</i></p> <p>A value-based option for partners to choose from when deciding how to meet infrastructure development needs: Rule of Law, high standards of human rights, social and workers' rights, respecting international rules and standards; IPR. Sustainable investments with an ethical approach: no unsustainable debt or unwanted dependencies.</p>
<p><i>Good Governance and Transparency</i></p> <p>Transparency; accountability; financial sustainability; open access to public procurement; level playing field for investors.</p>
<p><i>Equal partnerships</i></p> <p>Needs and opportunities are identified with partner countries for their local economies/communities, taking into account capacity of host country to maintain infrastructure)</p>
<p><i>Green and clean</i></p> <p>Climate resilience; on pathway towards net-zero emissions.</p>

*Security-focused*

Resilience with regard to global economy/ supply chains.

*Catalyzing private-sector investment*

Combining and leveraging public resources and using these to crowd in private capital.

Global Gateway financing volume		
EUR 300 billion for 2021–2027		
Up to EUR 135 billion by the European Fund for Sustainable Development Plus (EFSD+). <sup>18</sup> → Includes EIB initiative that could bring EUR 25 billion in investments.	Grant financing up to EUR 18 billion under other EU external assistance programmes <sup>19</sup>	EUR 145 billion of planned investment volumes by European financial and development finance institutions (Team Europe)

Commission President von der Leyen gave a distinct answer to the repeated invitation by the Chinese side for the EU to create synergies with China's BRI at the Global Gateway Forum in October 2023 in Brussels, when she stated that

[...] Global Gateway lays out a new approach to big infrastructure projects. For us, it is important that Global Gateway is about giving choices to countries—better choices. Because for many countries around the world, investment options are not only limited, but they all come with a lot of small print, and sometimes with a very high price. Sometimes it is the environment that pays the price. Sometimes it is workers who are stripped of their rights. Sometimes foreign workers are brought in. And sometimes national sovereignty is compromised. No country should be faced with a situation in which

<sup>18</sup> The EFSD+ is an innovative instrument that helps to generate investments in a variety of GG sectors through its guarantee capacity and blending grants. It makes EUR 40 billion available in guarantee capacity. The guarantees allow investors to finance projects in more challenging markets. This, in turn, attracts EU's development finance partners to come in with matching guarantees.

<sup>19</sup> Most of the grant financing stems from the Neighborhood, Development and International Cooperation Instrument. For reference: the NDICI-Global Europe total budget is EUR 79 billion in grant financing for the period 2021–2027.

the only option to finance its essential infrastructure is to sell its future. We, in Europe, have a clear strategic interest to join forces, at eyes' level, to overcome global challenges.<sup>20</sup>

Despite the implicit language, the message is very clear: The GG is meant to be an alternative to the BRI. **The EU/ Team Europe with Global Gateway is now in competition with China in the global race for infrastructure development and secure supply chains.**

This is notwithstanding continued bilateral co-operation of several EU Member States with China as regards national infrastructure investments under the BRI, provided these are compatible with the EU's FDI Regulation.<sup>21</sup> The most prominent recent case was the acquisition of a minority share by the Chinese shipping company COSCO in a Hamburg port container terminal. The main concerns were linked to the possibility of a veto right and of potential access to security relevant data of Hamburg port. This was ultimately avoided due to a reduction of the minority share acquired. This decision came on top of previous, significant Chinese investments in Mediterranean and North Sea EU ports, prior to the entering into force of the EU's FDI Regulation.<sup>22</sup>

### **But what is the EU's track record of implementation, in providing options to partners around the world?**

The overall performance is difficult to gauge for a lack of precise information about this unique, new Team Europe approach, which was announced in 2021 and required a significant re-programming and project identification effort during the year 2022 to only become fully operational in 2023, some 10 years after the start of BRI of in 2013. Commission President von der Leyen shared at the October 2023 GG Forum in Brussels:

"Since we launched GG in 2021 the EU has already committed EUR 66 billion into transformative projects. Almost half of this are grants that do not have to be paid back. All from the EU budget. On top come Member States and private finance."

In the meantime, Member States and the European Investment Bank have worked together with the European Commission and Team Europe to launch about 87 flagship projects around the globe in 2023, and some 138 additional flagship projects during the year of 2024.

In addition, it should be noted that work with likeminded international partners has also improved since 2022:

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<sup>20</sup> *Opening Speech by the President: Global Gateway Forum*, Brussels, 25 October 2023, 1. [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_23\\_5305](https://ec.europa.eu/commission/presscorner/detail/en/speech_23_5305).

<sup>21</sup> The EU Foreign Direct Investment Regulation 's objective is to ensure that the EU is better equipped to identify, assess and mitigate potential risks to security or public order, while remaining open to foreign investment. It has been applied since 11 October 2020 (EU-Regulation 2019/452). In January 2014, the EU Commission had proposed a further strengthening by improved screening of FDI into the EU, as part of its legislative package proposal on Economic Security.

<sup>22</sup> "COSCO's Investment in Hamburg Terminal Finalized," *The Maritime Executive*, 19 June 2023. <https://maritime-executive.com/article/cosco-s-investment-in-hamburg-terminal-finalized>.

- G7 leaders have formally launched the **Partnership for Global Infrastructure and Investment (PGII)** at their summit in Germany in June 2022, when US President Biden announced US mobilization of 200 USD billion for the years 2022—2027. The G7 partners' common aim is to mobilize USD 600 billion by 2027 in global infrastructure investments.
- At the EU-India G20 summit in September 2023, a new **India-Middle East-Europe Economic Corridor (IMEEC)** was announced, which will benefit from support of the PGII, and thus also from the EU.<sup>23</sup>
- At the GG Forum in October 2023, concrete implementation progress became very visible for the first time. Most notably, **three MoUs with the Democratic Republic of Congo, Zambia and the Republic of Angola as well as with the African Development Bank and the Africa Finance Corporation** were among the many projects announced at that occasion. They are supposed to develop critical and strategic raw materials value chains and boost transport connectivity, connecting the DRC, Zambia and the Port of Lobito in Angola (the "**Lobito Corridor**"). The EU and the US are both supporting the development of the corridor.<sup>24</sup>
- There were also significant amounts agreed in support of the **G7 Just Energy Transition Partnerships (JETP) with Vietnam** (EIB loan of EUR 500 million) and **Indonesia** (EIB loan of EUR 500 million)), as well as for the **Bangladesh Renewable Energy Facility** (EIB loan of EUR 350 million).
- In January 2024, at the **EU-Central Asia Investors' Forum** in Brussels, four Memoranda of Understanding (MoU) were signed by the EIB. The total support by the EU and **likeminded partners to Central Asian partners amounts to EUR 10 billion.**

### 3. GLOBAL GATEWAY OUTLOOK: POLICY RECOMMENDATIONS FOR THE NEXT COMMISSION AND TEAM EUROPE 2025-2029

When commenting about the Commission's first connectivity policy initiative, Jonas Parello-Plesner wrote in 2019:

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<sup>23</sup> Ahead of the 2024 G7 summit in Italy, Kaush Arha and Carlos Roa assess IMEC's potential economic development contribution and geo-economic importance positively, despite the massive negative impact of the Israel-Hamas war and the Houthi attacks in the Red Sea. Arha, Kaush, and Carlos Roa, "IMEC's Road Ahead," *The National Interest*, 3 May 2024. <https://nationalinterest.org/feature/imec%E2%80%99s-road-ahead-210890>.

<sup>24</sup> European Commission, *Joint Statement from the European Union and the United States*, New Delhi, 9 September, 2023. [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement\\_23\\_4419/STATEMENT\\_23\\_4419\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement_23_4419/STATEMENT_23_4419_EN.pdf); European Commission, "Global Gateway: EU Signs Strategic Partnerships on Critical Raw Materials Value Chains with DRC and Zambia and Advances Cooperation with US and Other Key Partners to Develop the 'Lobito Corridor'," Press Release, 26 October, 2023. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_5303](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5303).

“The success of the EU strategy will largely depend on adequate financing, private-sector interest and cooperation with like-minded partners — and the speed with which it can be implemented.”<sup>25</sup>

This remains very valid, also when assessing the Global Gateway initiative of 2021.<sup>26</sup> **EU Global Gateway practitioners, Member States experts and business representatives converge that the ship is now finally on the right course, but that far more needs to be done to increase speed and impact of GG projects.** The key is to properly maintain the Global Gateway initiative as it has been designed, and not to invent something new—as happens often when a new Commission starts—but instead to step up implementation efforts during the next mandate 2025–2029 on the base of lessons learnt since 2021. The following recommendations are designed to help draw the right conclusions when addressing current deficits with regard to vision and steer, organization, Team Europe as well as partners and communication:

1. **Provide a long-term and geo-economic steer at political level**

Global interconnectivity reflecting EU economic interests, including the need for de-risking through diversification and stable supply chains, needs to be pursued in synergy with EU foreign and security policy, trade policy and a great variety of sectoral policies (such as digital, energy, transport, climate, environment). This requires a political, horizontal steering capacity by the Commissioner designate for International Partnerships Jozef Sikela, together with the High Representative for the Common Foreign and Security Policy / Vice President of the European Commission Kaja Kallas.

2. **Establish a top management operational steering group**

The current lead management responsibility lies with the Development Policy Director General (DG INPTA). This should be complemented with a Deputy Secretary General of the European Commission (to improve coherence with sectoral policy services and boost private sector involvement) as well as with a Deputy Secretary General of the European External Action Service (EEAS) (to better cater for the political and security related dimensions), with the top management of the relevant Commission services associated.

3. **Appoint a Vice President of the European Investment Bank (EIB) to join the top management operational steering group**

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<sup>25</sup> Parello-Plesner, Jonas: “A Health Check to Reset the EU’s China Policy,” *Policy Brief* published by The German Marshall Fund of the United States, 18 March, 2019. <https://www.gmfus.org/news/health-check-reset-eus-china-policy>.

<sup>26</sup> For an assessment of the GG, see Teeavan, Chloe, San Bilal, Ennatu Domingo, and Alfonso Medinilla, “The Global Gateway: A Recipe for EU Geopolitical Relevance?,” in: *ECDPM Discussion Paper 323* (June 2022), 15; Vlahutin, Romana: “Can the Global South Win from China’s Loss?,” *Euractiv*, 28 November, 2023. <https://www.euractiv.com/section/global-europe/opinion/can-the-global-south-win-from-chinas-loss/>; Meehan Rémi, and Earl Wang, “Euroviews: The EU’s Global Gateway Strategy’s Alleged Weaknesses Are Actually Its Strengths,” *Euronews*, 10 January, 2024. <https://www.euronews.com/my-europe/2024/01/10/the-eus-global-gateway-strategys-alleged-weaknesses-are-actually-its-strengths>.

To bring in the main implementing financial institution at an early stage of decision-making would help steer and possibly speed-up implementation inside the EIB, as well as coordination between the EIB and the Commission.

4. **Cater for the strategic planning needs**

In order to move away from the current bottom-up approach of project identification, strategic planning and corresponding programming needs to be developed well before the next Financial Perspectives and be based on the EU's economic interests, (notably: increased supply chain security) and focus on major network and corridor investments. This must be combined with partner countries' national and regional development plans and prepared systematically by a special inter-service GG Task Force at management level.

5. **Make the current financial architecture fit for purpose**

The GG's financial setup needs to be reconsidered and rendered fit for purpose. It needs to be well embedded in the EU's next Multi-Annual Financial Framework, and the time between the identification of projects and their implementation needs to be significantly shortened to remain credible.

6. **Enhance private sector mobilization.**

Private investment is critical for the success of GG, since the necessary levels of investment can only be achieved together with European businesses. There is a significant lack of transparency for companies wishing to participate (tendering) or to submit their own investment projects. Business interest needs to be catered for, both for strategic orientations as well as for the submission or implementation of projects. A dedicated GG Business Service should be created, endowed with relevant business finance experience to improve synergies between the public and the private sides of Team Europe.

7. **Increase the buy-in of Member States significantly, also in financial terms**, if the mobilization target of EUR 300 billion are to be reached by 2027. This requires more joint programming and more shared implementation responsibilities.

8. Have the **EIB further develop its capacity to act externally as a European Development Bank**. The EIB should build on its own lending practice as well as its responsibility for implementing some 50% of the European Fund for Sustainable Development (EFSD+), which provides an umbrella for blended finance and guarantee operations in EU external action within the framework of the NDCI-Global Europe Instrument <sup>27</sup>

9. **Step up co-operation with multilateral development banks to achieve economies of scale. Tested examples are the African Development Bank** in the case of the "Lobito Corridor" and the *Asian Development Bank* in the case of the ASEAN Catalytic Green Growth Facility. Any extension of co-operation should

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<sup>27</sup> See the detailed study: Lundsgaarde, Erik, María-Luisa Sánchez Barrueco, and Andreea Hancu Budui, *The New EFSD+ and the EIB's External Lending Mandate*, published by Policy Department for Budgetary Affairs, European Parliament, February 2022, 98.  
[https://www.europarl.europa.eu/RegData/etudes/STUD/2022/729264/IPOL\\_STU\(2022\)729264\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/729264/IPOL_STU(2022)729264_EN.pdf).



include also the *Asian Infrastructure Investment Bank* and the *World Bank*, while ensuring EU visibility.

10. **Seek close cooperation with like-minded partners to achieve the critical mass for effectiveness.** The bases have been created through connectivity partnerships with Japan and India, as well as the G7 Partnership for Global Infrastructure Investment. This co-operation needs to be intensified. In particular, the significant infrastructure investment results achieved by Japan in developing countries should lead to a much closer operational partnership with Japan.
11. **Refrain from using the brand “Global Gateway” indiscriminately.** It is inflationary when all types of development aid projects are now subsumed under GG, (possibly in order to reach the global mobilization figure of EUR 300 billion by 2027). The opposite effect is happening, with a loss of credibility on behalf of the GG initiative.
12. **Only use the label “flagship project” when it is warranted due to the project’s pilot function, size or overall economic or strategic importance.** Currently, there is a rather indiscriminate use of the term “flagship project”, linked to the maturity of projects for public communication purposes. This should be discontinued, and 2023 and 2024 flagship project lists should be made public as an immediate measure to increase transparency.
13. **Significantly strengthen public communication about the GG.** To date, public communication does not sufficiently provide essential information about the project, such as financial volume, implementation period, implementing partners, or progress in implementation. Existing information maps do not reveal much more than the beneficiary and the overall project volume. The current focus on announcements results in a lack of communication impact, both in partner countries and in the EU. This must be addressed fast to provide factual and real-life stories about projects. It also reflects the fact that too many projects continue to be sub-contracted, limiting the EU’s public and political impact.

**The EU is on the right path towards competing effectively with China’s BRI, but it is still at the beginning of this path.** Some of the EU’s implementation difficulties with the Global Gateway are linked to the simple fact that there are many beneficiary countries, which do not have an interest in fulfilling basic EU criteria under the Global Gateway, especially those linked to transparency and democratic standards. Faster delivery of BRI loans with less good governance criteria will continue to appear to many as more attractive. The EU has also had to re-acquire the capacity to mobilize investments into infrastructure development. This had originally been at the heart of EU development aid to LDCs in the 1960s–1980s, but had subsequently been largely abandoned in favor of sectoral policy support, with policy dialogue and direct budget support as the main approach. The EU, together with likeminded partners, intends to offer alternative choices. But if the EU really wants to win over partners across the

globe for a values- and market-based approach, then it needs to step-up significantly its implementing capacity as Team Europe and unleash the European business potential for investments. **A quality leap in strategic planning and project selection, as well as an improved implementing capability in much closer operational coordination with Member States and financial intermediaries will be necessary** for this to happen. Probably the Indian author Girish Luthra was right when he recently wrote that

“[...] the BRI faces resistance and pushback from some countries but is likely to sustain its efforts to expand and develop a positive image. The GG has made a good beginning but is yet to establish itself. It adopts a new approach that gives choices to other countries. Similar alternatives may be offered by other countries. All the initiatives are likely to co-exist for some time, and choices largely made by partners will shape the global environment in the coming decade.<sup>28</sup>”

The EU needs now to ensure that it does not only have the ambition, but also the capability to offer partners real choices, and in good time. But it is well capable of doing so, if sufficient priority is given to making the GG the well-crafted tool it aims to be.

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<sup>28</sup> Luthra, Girish, “The GG and BRI Forums: Few Similarities, Striking Differences,” published by Observer Research Foundation, 14 November, 2023. <https://www.orfonline.org/expert-speak/the-global-gateway-and-bri-forums-few-similarities-striking-differences>.

## About the author

Gunnar Wiegand is the former Managing Director for Asia and the Pacific at the European External Action Service (EEAS), 2016-2023. In this capacity, he was a key contributor to the EU's new policy orientations on EU-Asia Connectivity (2018, precursor of the EU's Global Gateway initiative), on relations with China (2016, 2019) and India (2018), as well on the Strategy for Cooperation in the Indo-Pacific (2021). He led the negotiations on the establishment of the EU-ASEAN Strategic Partnership (2021) and was also the EU's Chief Negotiator for the new EU-Japan Strategic Partnership Agreement (2019). Prior to this function, Gunnar Wiegand served as Director for Russia, Eastern Partnership, Southern Caucasus, Central Asia and the OSCE since 2008, first at the European Commission and then at the EEAS since 2011.

At present, he is Visiting Professor at the College of Europe in Bruges, Belgium, and at the Paris School of International Affairs (Sciences Politiques). He is also Visiting Distinguished Fellow at the Indo-Pacific Program of the German Marshall Fund of the United States (GMF, Brussels Office) and Senior Adviser and Member of the Strategic Board of the European Policy Centre (EPC).

Among his publications are:

„China-Russia Alignment: A Threat to Europe's Security“, with Sabanadze, Natalie and Vasselier, Abigaël in *MERICCS Report*, Chatham House and GMF, 26 June 2024, <https://www.gmfus.org/news/china-russia-alignment-threat-europes-security>;

## About the project region

The European Dialogue of the Friedrich Naumann Foundation for Freedom has offices in Brussels, Madrid and Prague. By networking EU experts, civil society and decision-makers, the European Dialogue seeks to promote an open dialogue and develop liberal political solutions to European challenges. Together with our liberal partners, formats and campaigns are developed to promote the rule of law, free markets and human rights. In addition, the European Dialogue coordinates EU co-financed projects in the areas of democracy promotion, development cooperation and human rights protection.

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