



Global Gateway – Suggestions and Way Forward

- BusinessEurope has welcomed the Global Gateway initiative and sees a lot of potential in bundling the expertise and influence of the different Commission services and Member States in an ambitious connectivity and economic development strategy.
- Global Gateway is a rare opportunity for the European Union to improve its “value proposition” to the rest of the world. Combined with an incoherent EU foreign policy, many of the EU’s unilateral trade measures have made doing business with the EU less attractive.
 - ➔ Global Gateway can reverse this trend and offer third countries a win-win cooperation by combining capacity building, trade policies, investment, digital and raw material partnerships. It is a way to keep engaging with strategic partners and close the seeming divide between the G7 and the rest of the world.
 - ➔ The Global Gateway flagships provide new, untapped opportunities for European firms in foreign markets, notably to build advanced, resilient and trusted connectivity and integrate global supply chains in key sectors related to the green and digital transitions.
 - ➔ Moreover, Global Gateway can reinforce European Economic Security and the pursuit of our strategic interests. Associating the projects to raw material agreements and partnerships would offer a tool to make more attractive offers to sourcing countries. In this way, Global Gateway can help with the broader goal of diversifying sources of inputs where high dependencies exist. Global Gateway can also be useful to co-finance resilient industrial supply chains, especially considering the extraterritorial impacts of European legislation on our suppliers.
- A persisting issue highlighted by business lies in the lack of clarity, transparency and information in terms of projects under the Global Gateway. Although the Commission has made important efforts to explain Global Gateway to companies through Q&A sessions and via members of the Business Advisory Group, many actors remain unaware or poorly informed of the status of flagships, from the identification of projects, to the establishment of funding sources, access to funding and their implementation. In the short term, the priority should be to centralise and enhance access to information for firms, in a timely manner.
 - ➔ Further clarity is needed on the process of identification of flagships, their state of play, their different components, the stakeholders (beneficiaries and funders) involved, and the strategic priorities pursued in their implementation. Clear points of contact for each project should be made available for firms that could have an interest in being involved.
 - ➔ We recognise that the creation of a “one stop shop” with funding and tendering opportunities is likely challenging considering the diversity of sources of funding. Instead, the Commission could adopt a project-driven approach, with a designated responsible person playing an active role in the formation of ‘coalitions of the willing’ between partners, as well as offering enhanced communication on the



development of these projects and the opportunities for involvement for new partners. This would be highly valuable, particularly for SMEs.

- ➔ At the moment, there is a perception of Global Gateway as functioning mainly as a vehicle to support existing projects rather than providing incentive for projects that would otherwise not happen. We believe there should be more visible and streamlined possibilities for a broader range of economic operators to engage in the definition of new projects. An increased involvement of the business sector in this earlier stage of Global Gateway is key to incentivising new projects and enabling a mutually beneficial engagement in subsequent stages.
- Another barrier lies in the lack of legal certainty and poor institutional environment in certain partner countries, which forms a particular obstacle for smaller, more risk-averse companies.
 - ➔ Global Gateway projects should be conditional on the respect for internationally recognised regulatory standards to build an open, technology neutral, non-discriminatory and stable environment for companies, following the WTO TBT Principles for the Development of International Standards, and promote the deployment of trusted digital connectivity.
 - ➔ Investment packages should aim to build up local infrastructure, institutional environment, skills and capacity building to overcome gaps in these areas in partner countries that would allow further investment to be more conducive. Larger companies can also be encouraged to involve their traditional suppliers in their projects so as to facilitate the participation of European SMEs.
- The current size of investment packages may not be sufficient to attract firms with clear opportunities in the flagship projects discussed.
 - ➔ The development of an “enhanced coordination” approach between export credits and development financing should have a focus on de-risking investment from firms. This approach would prioritise the simplification and acceleration of blending procedures, as well as support for project preparation, in order to help overcome the high rate of risk in the initial stages of implementing new businesses.
 - ➔ By establishing guarantees tailored to cover country risks and other credit-related uncertainties, Globally Gateway initiatives should enhance the confidence of commercial banks in financing projects.
 - ➔ New investment packages should also maintain a focus on sustainability and the objectives of the green and digital transitions. These projects must nevertheless be economically and financially viable to attract private investment and have a real contribution to sustainable development in partner countries.
- The establishment of an effective consultation mechanism to enable collaboration between members of Team Europe and the private sector would improve the effective implementation of projects.
 - ➔ A useful tool would be a catalogue of guidelines and best practices for implementing partners on how to engage with the private sector. These could



include simplified application procedures, maximum periods for answering applicants, procedures for cooperating with selected companies during the implementation of projects or best practices on communication and outreach activities.

- EEAS delegations should regularly interact with the private sector – whose experience is key to building sustainable local markets and play an active role in the identification of viable projects that could form part of Global Gateway in partner countries. This effort should be conducted in close coordination with European national governments, which should promote relevant projects in communication with local networks. This would be done in parallel with explicit dialogue on GG priorities and projects with the hosting countries.
- Without the back-up of their respective member states, it is difficult for companies to launch proposals and benefit from Global Gateway projects. As such, the EU's "whole of government approach" to Global Gateway should also be matched by an institutional framework at the national level, with closer coordination amongst national ministries, agencies and businesses in the member states. Some countries as yet do not dispose of such a developed national framework, limiting their companies' investment opportunities.
- Use of public funds should be conditional on development banks accepting to update rules on procurement in order to further integrate quality and sustainability considerations alongside the criteria of technical feasibility and price. This would allow a more level playing field in tender opportunities for European firms that face higher standards than their competitors.
- Special emphasis should be put on the treatment of partner countries as equal partners. The European Union must involve them closely in the development of project criteria to understand their specific development needs.
- Considering the investment needs in certain development areas, the Global Gateway projects should remain open to cooperation with like-minded international partners, such as those in the G7. Furthermore, there is a need for further clarity on the criteria for the inclusion of international partners in development projects, in order for these projects to remain within the ambitions of the Global Gateway and the pursuit of the EU's strategic interests.