



Infrastructure: The EU's Global Gateway Put to the Test

Alessandro Gili, Associate Research Fellow, Italian Institute for International Political Studies

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The first projects of the EU connectivity initiative launched in late 2021 are now being implemented. Collaboration within the G7 will be crucial, but some problems remain. Africa is an early focus area.

Between late 2022 and early 2023, the European Union (EU) sped up the implementation of its [Global Gateway](#) international infrastructure development plan, which aims to improve connectivity between Europe and the rest of the world, especially developing countries and other [European Neighbourhood](#) policy countries. Launched in December 2021, it is part of a broader initiative to ensure strategic autonomy for the EU in its economic and political relations with the rest of the world, including the industrial, defense, air and space, raw materials procurement, and infrastructure sectors.

As its name indicates, the Global Gateway is the first European infrastructure plan that is global in nature. Previously, there had been a lack of a truly comprehensive strategy, and a disconnect between the Union's key interests and the resources brought to bear to tackle its main strategic vulnerabilities. In a way, the plan gives structure and coherence to the EU's actions in the field of external infrastructure investments.

At the same time, it strengthens previous European infrastructure connectivity plans with the rest of the world, such as the 2018 [EU-Asia Connectivity Strategy](#), the 2019 [Partnership on Sustainable Connectivity and](#)

[Quality Infrastructure between the European Union and Japan](#) and the [EU-India Connectivity Partnership](#).

The Motives for a European Connectivity Plan

The implementation of the Global Gateway is the latest development in a lengthy process of increasing attention to infrastructure and connectivity—and to the geopolitical risks arising from projects spearheaded by other powers, such as China’s Belt and Road Initiative (BRI)—on Europe’s part.

The magnitude of the challenge can be summed up by a single number: since 2013—the year the BRI was launched—Beijing has invested \$885 billion in infrastructure worldwide. After an initial wait-and-see approach, the EU changed its attitude. The change of pace in Europe’s strategy came with the definition of Beijing as a “systemic rival” in March 2019, which paved the way for increased EU activism on the issue of infrastructure, the main global arena for the green transition.

Additionally, the focus the EU places on its own values indicates that the projects financed within this new framework will have to meet stringent financial and environmental sustainability standards, with transparent contract award procedures, while taking into account social conditions in the countries of destination and respect for basic human rights and the rule of law.

Although it does not make a clean break from the past, this new structural approach attempts to present a simpler and more coherent framework for EU external investments in infrastructure, thus creating a true [sustainable alternative to the BRI](#).

Ultimately, the EU is attempting to become a global player in infrastructure investments by improving its connectivity with the rest of the world—and this will not happen exclusively through significant financial investments. Indeed, Brussels aims to become a “[global setting power](#)”; in other words, it aims to make its technical, regulatory, environmental, and social standards in the infrastructure sector the international point of reference.

How Much Firepower?

Indeed, sustainability was meant to be the key element distinguishing European projects—which are centered on immediately embarking on a path to reduce emissions—from Chinese ones, which only stopped financing coal plants within the BRI framework as late as September 2021 (but which continue to finance other fossil fuels). The Global Gateway plans to mobilize up to \$300 billion by 2027: this is Europe’s attempt to contribute to

narrowing the global infrastructure gap, which amounts to about \$15 trillion, and to provide an investment model that can serve as an alternative to those proposed by Beijing and other countries.

The key sectors in the European strategy are digital, climate and energy, transport, health, and research and education. The partnerships that the EU will establish will be based on a set of fundamental principles identified by the EU Commission, including project quality and standards, compliance with democratic values, good project governance and transparency, equitable partnerships, green investments, a security-based approach, and finally, attraction of private investments.

This last point is crucial in the European strategy. European funds aim to catalyse private investments, creating a multiplier effect for the resources employed. In order to maximize financial leverage, the Commission aims to strengthen public-private partnerships, going beyond the earmarking of capital to include the provision of expertise. There are also plans to adopt ad-hoc de-risking mechanisms, including European guarantees, in order to attract private investors through a reduced risk profile.

Indeed, the Commission intends to work closely with the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), harnessing existing instruments and aiming their “firepower” towards Global Gateway goals.

Through the [Multiannual Financial Framework for 2021-2027](#), the EU will bring to bear resources through financing schemes such as Horizon Europe, InvestEU, and the European Fund for Sustainable Development (EFSD+), which will provide up to €135 billion for the initiative. To these should be added €18 billion in grants from the EU budget, and up to €145 billion in volume of investments thanks to the various European financial institutions for development.

Additionally, Global Gateway will be able to rely on the EIB's new [NDICI](#) (Neighbourhood, Development and International Cooperation Instrument) Global Europe instrument in support of the EU's external cooperation (with a particular focus on Neighbourhood countries), with an endowment of €79.5 billion for 2021-27.

In December 2022, the EIB launched the [Global Gateway Fund](#) (GGF), which aims to facilitate private sector investment in developing countries, with the following allocations: 40 percent to sustainable infrastructure projects, 40 percent to support small- and medium-sized enterprises in developing countries, and 20 percent for project finance.

The main change concerns the nature of its strategic competition with other models, which has become more explicit, a dynamic which the EU had approached rather more cautiously in the past. This change is accompanied, after all, by the EU's renewed insistence on [strategic autonomy](#), which has been the subject of extensive discussions between the member states and a key theme in the launch of the [EU Green Deal Industrial Plan](#), which was designed mainly as a response to the [Inflation and Reduction Act](#) in the United States.

In an era of hyper-competitiveness between great powers, as European Commission President Ursula von der Leyen put it, the ambition of strategic autonomy is inextricably tied to sound external initiatives that aim to strengthen ties with partner countries and reduce the Union's strategic dependencies.

Beyond that, the \$1.2 trillion [Bipartisan Infrastructure Deal](#) (Infrastructure Investment and Jobs Act) passed by the US Congress in 2021, the 2022 US Inflation Reduction Act, and the likely European response through the EU Green Deal Industrial Plan represent crucial tools to strengthen domestic infrastructure and construction companies, making them stronger and more efficient in the domestic market and, subsequently, more ready to face international competition in third-country markets.

Doubts and Contradictions

The very characteristics of the Global Gateway initiative demonstrate how the EU aims to go well beyond a simple mechanism for future infrastructure investments worldwide. Indeed, Brussels finds itself adopting some of the very approaches of the BRI that it has so harshly criticized, such as wanting to promote an economic and development model in the countries where the investments are destined, without limiting itself to the mere financing of infrastructure—albeit an alternative model based on the sustainability, including in economic terms, of the projects it finances.

The main uncertainty concerns the welcome that this initiative will receive in the target countries, and its attractiveness vis-a-vis the BRI. On the one hand, Global Gateway seems to address some of the doubts expressed concerning the Chinese initiative and its major, albeit implicit, political conditionalities, along with the “debt trap” that often accompanies costly infrastructure projects.

While on the latter issue the EU appears to be well-intentioned and can avail itself of the decades-long experience of the EIB, on the former it exchanges political conditionalities for heavy scrutiny during the technical and financial

feasibility and planning phase (in addition to verification of compliance with environmental and social standards)—perhaps too heavy for a rapid implementation.

A possible weakness concerns the interest rates applied to the loans: on average, Beijing’s financial conditions are more advantageous compared to those of the loans offered by Western countries. Finally, the strong geo-economic dimension of the European initiative suggests that Global Gateway will inevitably become a way for Brussels to project its political influence.

Cooperation with the G7

It is also clear that the European plan is closely linked to the “[Partnership for Global Infrastructure and Investment](#)” (PGII) launched during the G7 summit in Germany in 2022. This is a clear geopolitical message of shared intentions and goals within the West. The G7 partnership calls for as much as \$600 billion worth of investments in third countries, in close cooperation with the infrastructure plans in member states.

This is the case with the first joint investment projects between Global Gateway and PGII in third countries that were [identified](#) at the end of 2022. The first were plans for the development of a green hydrogen economy in Namibia, Egypt, Kazakhstan, India, and Chile. In Namibia, the partnership will be strengthened through investments in the Maputo-Gaborone-Walvis Bay strategic transport corridor through an undersea data cable that will link Africa and Europe, and through the development of the Mega Solar Initiative (5000 MW).

Kazakhstan and Chile will host joint actions for developing and supplying critical materials for the energy and digital transitions. In India, hydrogen development will be accompanied by significant joint investments in wind and solar power. Another example of collaboration is the planned extension of the BELLA submarine cable linking Europe and Latin America to Central America and the Caribbean.

Additionally, a Global Gateway Green Initiative with ASEAN (Association of Southeast Nations) will soon be launched, with a focus on public and private investments in clean, inexpensive energy and in the circular economy and biodiversity. Other joint investments are planned in the Balkans: in particular, priority has been given to developing the Trans-Balkan Electricity Corridor to create an interlinked regional network linking the electricity networks of Bosnia and Herzegovina, Montenegro, and Serbia with those of Croatia, Hungary, Romania, and Italy.

The Centrality of Africa

At the [February 2022 summit](#) between the African Union (AU) and the EU, the EU immediately made clear its strong intention to launch a regional investment plan for Africa within the broader Global Gateway framework. The plan comprises public and private investments, with the ultimate goal of increasing the contribution of the private sector to Africa's growth and to the continent's transformation.

Concerning infrastructure, the primary goal is to integrate European and African multi-modal transport networks, especially through the creation of strategic corridors and the harmonization of regulatory frameworks and standards for the construction and functioning of infrastructure. Such networks should be the springboard for liberating the economic potential of a free trade area encompassing the entire African continent.

Eleven strategic corridors have been identified so far: they will need to boost connectivity between Europe and Africa in a sustainable manner, facilitating trade and mobility both within Africa and between it and Europe. These corridors will thus be crucial for the development of new value chains, to the benefit of both African and European industries.

A central role will also be played by digital interconnection infrastructure linking Europe and Africa, in particular through the EurAfrica Gateway Cable that will link the EU and Africa along the Atlantic coast, promoting the digital sovereignty of both continents while boosting data traffic and improving security standards. Additionally, there are regional optical fiber projects aiming to reduce the connectivity gap between coastal and inland countries.

The Africa Europe Digital Innovation Bridge fits into this digital infrastructure support framework, with the aim of promoting a digital and innovative ecosystem, thus facilitating the development and growth of innovative startups and small- and medium-sized enterprises in Africa. Furthermore, the creation of new digital innovation hubs in Africa and the strengthening of existing ones will play a central role in the Global Gateway strategy for the continent.

African connectivity will also be improved through the European Secure Satellite Communications Programme, which includes among its goals the provision of Internet connectivity to the continent, especially its most remote areas. Finally, the establishment of "green data centers" will be crucial in building an African data economy while ensuring data sovereignty and the sustainability of production and storage processes.

These initiatives fall within the framework of the broader Global Gateway Africa – Europe Investment Package that will mobilize up to €150 billion in investments in Africa. Five main priorities have been identified: speeding up the energy and digital transitions, facilitating sustainable growth, creating new jobs, improving health care systems, and improving education.

Energy will be the central focus of Global Gateway projects in Africa, with planned investments of up to €15 billion. The main goal will be to boost the production of green energy and improve access to energy for African citizens, support the integration of the various national markets and improve interconnections between different electricity networks, and support sector reforms that encourage private investments.

The [Africa-EU Green Energy Initiative](#) aims to support the development of at least 300 GW of additional renewable energy by 2030 (50 GW of which from electricity), guaranteeing access to energy for at least 100 million people. Within this framework, a crucial role will be played by the hydrogen strategy, with the goal of creating an electrolysis capacity of at least 40 GW by 2030.

So that energy demand may efficiently meet supply, and to ensure a match between sites where energy is produced and those where it is consumed, the Global Gateway for Africa must include significant funding and technical assistance for the interconnections and transmission networks necessary for the creation of an African Single Electricity Market.

Here, an essential role will be played by Just Energy Transition Partnerships (JET), which will support African partner countries in the energy transition and in improving energy efficiency. The first JETs are planned with South Africa (for a value of €3 billion) and with Senegal.

Through infrastructure investments, economic integration, and green and digital transitions, the Global Gateway Package will shape African cities as new hubs for national and international development. Fiber-optic cables, as cloud and data infrastructures are posed to support new smart cities connecting people and ensuring access to a reliable internet network and data protection.

Industrial development that respects people's livelihoods in line with Africa's green economic transformation is key to fostering future sustainable landscapes in African urbanization. Further, a new efficient transportation system will empower African global cities, facilitating mobility within the continent and between Africa and Europe.

The inaugurated 560 km Strategic Corridor Mombasa-Kisangani, part of Kenya's most bottlenecked trade route Northern corridor, already shows the

achievements of EU-African investments in the eastern region. Connecting urban Mombasa with rural Kilifi is enhancing access to better connections at a national level but it is also improving trade development in the broader area. Kilifi, a promising town involved in the project, is now poised to potentially evolve into the biggest port in East Africa.

What is the Outlook for the Future?

The financing of infrastructure abroad, as previously pointed out, will facilitate the diffusion of European standards and values worldwide. The Global Gateway, alongside the European Chips Act, the Net Zero Industry Act and the Critical Raw Materials Act, is one of the main pillars to keep Europe competitive on the global stage and to tackle and respond to the industrial, technological, and infrastructure strategies of other leading economies.

It will strengthen the goals of European industrial policy and the capacity for penetration of European enterprises, and finally it will make it easier to achieve decarbonization goals worldwide, one of the cornerstones of the European green strategy.

The ambition to go beyond the mere financing of investments and infrastructure is confirmed not only by the Commission, but also by the involvement of the High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell in the management of the project, along with the Commissioner for Neighbourhood and Enlargement and the Commissioner for International Partnerships. Global Gateway is thus striving to become one of the main instruments of the European Union's external policy in the immediate future, and one of the cornerstones of its industrial policy.

Along with the proposal for a new EU Green Industrial Plan, the European Green Deal, the Chips Act, the upcoming proposal for a Critical Raw Materials Act, the Strategic Compass, and the RePower EU plan, the European Gateway is a crucial element in the pursuit of the EU's geopolitical and economic goals, and for strengthening the Union's competitiveness and resilience in a scenario of increasing tensions. In order to do so, however, the funds and the mechanisms to disburse them must be effective and up to the challenge of international competition.

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