Who profits from the Global Gateway?

The EU's new strategy for development cooperation

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As a starting point of her new mandate at the head of the European Commission, President Ursula Von der Leyen wrote "The third strand of our economic foreign policy is partnerships and investing together in our interests and our partners through Global Gateway, our initiative to invest in infrastructure projects worldwide".[1]

This illustrates the current perception of the Global Gateway strategy among the political leadership of the EU, namely that of a central element of the EU's foreign economic policy, pursuing both the EU's interests and those of its partners.

Launched in 2021 by the European Commission, it has been promoted as the EU's 'positive offer' to countries in the Global South. It is framed as a sustainable, values-based, and transparent alternative to China's growing geopolitical and economic presence in the world through its Belt and Road Initiative. The goal is to mobilise up to EUR 300 billion of investment between 2021 and 2027.[2]

The Global Gateway strategy supports investment in five priority areas: the digital sector, climate and energy, transport, health, and education and research. It offers physical infrastructure such as subsea cables, transport corridors, and renewable energy on the one hand, and it promotes a reform agenda to create an 'enabling business environment' to facilitate European investments on the other.

However, on closer examination it becomes clear that there are many concerning issues with the Global Gateway. Those concerns are based on the fact that the Global Gateway's main source of funding is the EU's development cooperation policy and budget, whose primary mission, according to the EU's founding treaties, is "the reduction and, in the long term, the eradication of poverty".[3]

This report attempts to answer this central question: is the Global Gateway prioritising the EU's foreign policy goals and its own economic interests over positive development outcomes in its partner countries?

This report builds on previous Counter Balance and Eurodad research[4] and provides a timely and comprehensive analysis of the Global Gateway, including its financing, governance, and latest projects. It analyses whether the projects rolled out so far – notably in energy and climate (including raw materials), digital, and health sectors – correspond with the EU's development objectives and external action principles, such as the eradication of poverty and inequality, protection of human rights, and sustainable development.

It focuses on a detailed analysis of 40 projects falling under the Global Gateway (listed at Annex 3), many of which are categorised as Global Gateway 'flagship' projects (all listed at Annexes 1 & 2), covering different regions and sectors and chosen as illustrative examples. These projects were also chosen due to the availability of more detailed information and literature from external sources (academia, media, civil society organisations, and other stakeholders).

In 25 of the 40 Global Gateway projects explored, at the time of writing the report at least one European company benefited from the project (see Annex 3). The companies benefitting include large companies such as Siemens, A.P. Moller Group, SUEZ, and BioNTech. The presence of European companies in the majority of analysed projects points to a high risk that the Global Gateway prioritises the promotion of opportunities for European businesses in the Global South over development objectives such as poverty reduction.

What started as an EU branding strategy[5] has grown into a central external action approach, increasingly influencing other key EU policies, such as the Green Deal Industrial Plan and the Critical Raw Materials Act. At the same time, the EU's actions to implement the Global Gateway risk contradicting its own commitments to upholding high standards of human, social, and workers' rights, transparency, creating equal partnerships instead of dependencies, and offering a democratic investment agenda.

The findings

This report finds that the EU's Global Gateway has led to three key issues that undermine the strategy's ability to deliver positive development outcomes. These are:

A. The Global Gateway promotes the EU's commercial and geopolitical interests, encourages the privatisation of infrastructure and public services in the energy sector in the Global South, and risks increasing the debt burden of partner countries. A question arises as to whether the priority of the Global Gateway is to enable EU investments globally or to fight poverty and inequality worldwide.

Global Gateway projects are present in 29 of the 37 heavily indebted poor countries (HIPC), thereby risking the capacity of partner countries to satisfy their citizens' basic needs and rights. The report also shows that the Global Gateway enables investments by private companies from the EU's largest economies in countries with historical colonial links, thereby raising concerns of a neocolonial approach – syphoning resources from the Global South at the expense of local development.

B. There is a risk of negative impacts on human rights and the environment.

Risks include negative impacts on people's jobs and livelihoods (for instance in the case of the waste management sector), on access to land and resources, and on the right to health, with negative consequences for the delivery of public services. These risks are exacerbated by the fact that the Global Gateway intervenes in contexts already characterised by human rights violations. Damaging environmental impacts are also a significant risk. This includes projects involving fossil fuels, such as hybrid power plants that use both solar energy and diesel, and projects with a major environmental footprint, such as hydrogen projects, lithium mining, or data centres, as well as port expansions, airports, and transport corridors. In the particular case of hydrogen, 4 out of 13 water-intensive hydrogen projects under the Global Gateway are planned in countries with high water stress. The Global Gateway still finances polluting giants – TotalEnergies and Enel are members of its Business Advisory Group – for their renewable energy projects, despite fossil fuel companies' lack of credible decarbonisation plans and backtracking on their climate promises.[6]

Among the Global Gateway projects features a concerning raw materials agreement signed between Rwanda and the EU. It takes place in the context of the ongoing armed conflict in the DRC's mineral-rich province in which Rwanda is accused of being involved, and which could pose a risk that the agreement exacerbates the conflict.

Furthermore, the European Investment Bank (EIB), a key development finance institution implementing the Global Gateway, has been criticised by civil society organisations (CSOs), parliamentarians, academics, and journalists for its inadequate impact assessments, no clear and effective human rights due diligence, weak transparency standards, and lack of an independent complaints mechanism.[7] Instead of committing to the EU objective of 85 per cent of external actions contributing to gender equality, EIB Global commits only to 30 per cent of its "share of operations" doing so. These factors raise concerns about the credibility of the Global Gateway's rights- and values-based narrative.

C. The way in which the Global Gateway has been developed and implemented has not been democratic or transparent.

The Global Gateway was unilaterally introduced by the European Commission and the High Representative/Vice President of the European Commission, excluding Global South countries from its design, governance, and priority-setting process from the start. Elected bodies (including parliaments), civil society, and independent experts in recipient countries have no meaningful role in decision-making or accountability. Instead, EU officials and development finance institutions make top-down decisions about what kind of projects to support with EU funds, while fostering engagement with big corporate interests. This contradicts the Global Gateway's principle of equal partnerships and projects that "will be designed, developed and implemented in close cooperation and consultation with partner countries".[8]

Even though the European Commission has created a Global Gateway Civil Society and Local Authorities Advisory Platform,[9] this is currently little more than a 'tick-box' exercise, as it is unable to influence the approach, selection, and design of projects. At the same time, the involvement of the Business Advisory Group, which is made up of 59 large, mainly European companies and business associations,[10] is quite dominant: its members' names appear in Global Gateway projects, such as in the Medusa subsea cable developed with the participation of Orange and Alcatel, owned by Nokia.

There is a gaping hole in publicly accessible information on projects' financing, tendering processes, awarded contracts, and independent and transparent financial, human rights, and environmental assessments. This makes it impossible to monitor and evaluate how projects contribute to development objectives, or the risk of negative impacts in recipient countries.

The way forward

As a new European Parliament and new College of Commissioners take office, this is a key moment to shift course. The Fourth United Nations Conference on Financing for Development, to be held in Spain in mid-2025, also offers an opportunity to refocus the EU's role at the global level. The EU should engage in this process by putting the needs of low-income countries at the forefront of its strategies going forward.

This report calls on EU institutions and Member States to consider the following policy recommendations:

A. Re-evaluate the Global Gateway strategy without further delay.

This should include:

- Reaffirming the primary missions of the Global Gateway (as an EU instrument of development cooperation and as a vehicle to channel Official Development Assistance (ODA)), namely poverty reduction worldwide, the sustainable development of the planet, solidarity and mutual respect among peoples, and the protection of human rights, in particular the rights of the child. The other objectives currently assigned to the Global Gateway, such as foreign policy goals and promoting the EU's economic interests, cannot be pursued with EU ODA.
- Working with the Global South to produce a strong cooperation strategy rooted in sovereignty, self-sufficiency, and a just international cooperation framework.
- Prioritising projects promoting regional cooperation instead of country by country projects, which present a convenient opportunity for European companies but can risk fuelling a race to the bottom among states to attract investments.
- Supporting public-public partnership projects and civil society organisations with grants-based finance to ensure the provision of public services and sustainable infrastructure with social and environmental benefits.
- Including companies in projects where there is strong and clear evidence of long-term development additionality. Prioritising local companies, especially women-led, that support environmental sustainability and the socio-economic needs of Indigenous and local communities.
- Publishing the specific deliverables and indicators contributing to the reduction of poverty and inequalities – including gender – for each project, which must allow clear accountability and evaluation of the projects to determine what are the impacts of the investments and who benefits from them.

B. Adopt high standards in the Global Gateway's decision-making, procurement, transparency, and implementation processes.

At a minimum, this should entail the following measures:

- The European Commission must make publicly available all minutes of meetings between its officials and members of the Business Advisory Group, where the Global Gateway is discussed.
- The European Commission must provide evidence that the Global Gateway is not a source of favouritism for EU Member States' own economic sector and a way of promoting informally tied aid.
- All documents that the European Commission and Development Finance Institutions (DFIs) have to support their project selection should be made public. DFIs implementing Global Gateway projects, such as the EIB, must make each project-related debt assessment publicly available.
- The selection criteria for and beneficiaries of contracts awarded to companies, and guarantees and grants for projects under the European Fund for Sustainable Development Plus (EFSD+), must be published, as well as disaggregated data on total project finance from all public and private sources.
- Business trips, missions, and activities focused on supporting EU corporate interests related to Global Gateway projects should not be financed by the EU development budget.
- Only private sector companies that comply with the highest standards of due diligence, as set out in the EU Corporate Sustainability Due Diligence Directive, should be eligible to implement Global Gateway projects. Furthermore, companies need to ensure collective bargaining rights, fulfil labour standards in line with ILO recommendations, be aligned with the Paris Agreement, and demonstrate a clear contribution to development objectives.

C. Put in place processes and mechanisms to allow for public and parliamentary scrutiny of the Global Gateway, both in Europe and in the Global South.

The European Parliament and civil society organisations should be allowed to formally scrutinise the Global Gateway strategy and its implementation. In its current form, the Civil Society and Local Authorities Advisory Platform has major limitations. The mandate and role of the platform has to be fully transformed, and it must allow for the inclusive participation of all interested CSOs and women rights' organisations in scrutinising the Global Gateway's implementation to date. CSOs should have an active role in the selection, design, and implementation of all projects receiving support from the EU development budget and EU external investments. Additionally, CSOs should continue to have access to independent and well-resourced funding channels to strengthen their work and societal role, enabling them to choose their work areas based on their own priorities.

D. Review the alignment of the Global Gateway with the EU's development objectives before the EU budget for the period post-2027 is approved.

The European Court of Auditors (ECA) should carry out an evaluation of the Global Gateway's alignment with the EU's development objectives. A public civil society consultation should be carried out by the European Commission to evaluate the Global Gateway so as to ensure that CSOs help to shape the EU's next development cooperation strategy. The new College of Commissioners for the period 2024-29 should follow the development and external action mandate set out in the EU's Treaties and ensure that development policy is not a strategy to generate corporate profits.

The key question is – what are the real benefits for the Global South? The lack of evidence from the EU proves that the Global Gateway as it is now cannot be the key strategy for EU development and external action. As one of the most powerful development actors, the EU has the resources and capacity to contribute to poverty reduction and the fight against the climate crisis and inequalities, rectifying decades of systemic injustice and exploitation. It must adhere to a vision for a just global transition built on principles of equality, rights, sovereignty, socio-economic development, and a fair international financial architecture.

Endnotes

1 Ursula von der Leyen (2024) Europe's choice: political guidelines for the next European Commission 2024-2029 (Strasbourg, 18 July 2024). https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf

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3 Treaty on the Functioning of the European Union, art. 208

4 Farwa Sial and Xavier Sol (2022). The emperor's new clothes: what's new about the EU's Global Gateway? (Eurodad and Counter Balance). https://www.eurodad.org/the_emperor_s_new_clothes_what_s_new_about_the_eu_s_global_gateway

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7 Counter Balance (2021) Joint CSO submission: human rights approach of the EIB. https://counter-balance.org/uploads/files/Documents/Briefings-and-Policy-Files/Joint-CSO-Submission_EIB-Human-rights-approach_August2021.pdf

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9 European Commission (2023) Global Gateway Civil Society and Local Authorities Advisory Platform: list of members. https://international-partnerships.ec.europa.eu/document/download/264bc2a4-7e04-4e64-a4cd-0c37c1860228_en?filename=global-gateway-cso-la-advisory-platform-members-list_en.pdf. Oxfam is a member of the platform.

10 European Commission (2023) Global Gateway Business Advisory Group: list of members and observers. https://international-partnerships.ec.europa.eu/document/8f0954fc-34ed-45fe-8c68-b59015e98b41_en

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European Network on Debt and Development Asbl (EURODAD)
Mundo-B Building
Rue d'Edimbourg 26
1050 Brussels
Belgium

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Counter Balance
Mundo-B Building
Rue d'Edimbourg 26
1050 Brussels
Belgium

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