

Gespräche zur Internationalen Zusammenarbeit

giz Repräsentanz Berlin



The EU Global Gateway One year in: How to partner with the private sector?

One year ago, on 1 December 2021, the European Union (EU) launched its new global connectivity strategy – the Global Gateway. The initiative strives to boost smart, clean, and secure connections in the digital, energy, and transport sectors and to strengthen health, education, and research systems across the world. A key innovation of the Global Gateway is its focus on cooperation with the private sector. Bringing in perspectives from the European Commission, partner countries, development practitioners, a private company, and the academic community, the discussion focused on the private sector's role in the Global Gateway.

Introducing the Global Gateway

Opening the event, **Thorsten Schäfer-Gümbel**, Chair of the Management Board of GIZ, stressed the importance of the Global Gateway. With the aim to mobilise 300 billion euros, the initiative is an immense undertaking that will affect many stakeholders within the framework of Team Europe – from the EU and its member states to development banks and technical implementing agencies such as GIZ. He stressed that private sector partnerships are paramount to achieving its goals. Hence, for Mr. Schäfer-Gümbel the question of what policy-makers must do to establish the necessary conditions for investment is central to the Global Gateway's success.

« This is an immense undertaking that affects a great many stakeholder groups within the framework of Team Europe. »

Thorsten Schäfer-Gümbel,
Chair of the Management Board, Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ)



Svenja Schulze, German Federal Minister for Economic Cooperation and Development, began her keynote address recognising the importance of infrastructure. “For me, justice

means people in the Global South being able to learn in safe schools and getting treatment in modern hospitals. It also means having access to climate-neutral electricity and broadband. This kind of modernisation improves the future of people across the world.” Along with the “hardware”, Minister Schulze continued, the “software” – meaning ideas, goals, and values such as democracy, human rights, climate action, social justice, and energy transition – is key for modernisation. Both perspectives culminate in the Global Gateway. She identified three strategies that need to

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Svenja Schulze,
Federal Minister for Economic Cooperation and Development



be tackled in close cooperation with the partner countries: Firstly, infrastructure projects can be at odds with the fight against climate change. However, the Global Gateway will only support projects that serve the 1.5-degree goal. Secondly, since “climate action is only successful if it is socially just”, Minister Schulze called for a “just transition”. Lastly, she stated that the Global Gateway can only function if it draws on a wide network of partners, which includes the private sector with its capacities for investment and its know-how.

Integrating partner countries’ perspectives

Koen Doens, Director-General for International Partnerships at the European Commission, started off the discussion emphasising that the Global Gateway seeks to further both the green transition and the digital revolution. In both instances, major investments in infrastructure are needed.

When asked whether the Global Gateway initiative reflects the interests of partner countries, **Nardos Bekele-Thomas**, Chief Executive Officer of the African Union Development Agency

(AUDA-NEPAD), answered by highlighting the Global Gateway’s unified approach that facilitates cooperation. Furthermore, she stated that she observes a shift in tone: Instead of projects *for* Africa, the international community now develops projects *with* Africa. For her, it is vital that the Global Gateway integrates African actors in the planning stages

and supports African priorities already identified by African Union member states. Additionally, the Global Gateway should not only work with big European or multinational companies but also incorporate the African private sector.

Bringing in said perspective of the private sector, **Ben Wreschner**, Vodafone Group’s Chief Economist, reflected on why the involvement in the Global Gateway is attractive for Vodafone

and other private companies: Firstly, a partnership with government and financial institutions supports private companies in surpassing their financial constraints. Secondly, he sees a case for investing in sustainable solutions, “not just because they have a benefit in Africa but because they have a benefit to the whole world. Climate change knows no borders – the more that we can help to accelerate solutions that help meet our climate objectives, the better we all will be.” Thirdly, Mr. Wreschner thinks of the Global Gateway as an opportunity to share best practices and thus reduce differences in quality and regulatory approaches between Africa and Europe. The Vodafone Chief Economist stressed that Global Gateway is a two-way street and not only about Europe giving innovation and money to the world. Instead, “this is about learning from the African continent, which in many cases is a digital native and much savvier on digital technologies than we are with some of our legacy mindsets.”

Ms. Bekele-Thomas called for a focus of the Global Gateway on Africa, arguing that the potentials for development, such as resources, are already given: “It is just bringing capital, building the infrastructure, and making sure that technologies are there – to ensure that the private sector has the conducive environment to thrive.” Additionally, support in the project development phase is welcomed.

Mr. Doens argued that it is time for Europe to move back into the space of big infrastructure projects. Echoing Ms. Bekele-Thomas, he stressed that all projects need to be based on Africa’s own agenda and priorities. However, the Global Gateway will be selective in choosing its projects. For one, all projects need to be socially, environmentally, and economically sustainable. Mr. Doens explained that the inspiration for the Global Gateway is the same across regions but that the packages will be tailored to the regional economic situation.

« There is a real reason to invest in some of these solutions, not just because they have a benefit in Africa but because they have a benefit to the whole world. »

Ben Wreschner,
Vodafone Group Chief Economist



« It is no more talking about *for* Africa, doing this *for* them, it is no more that – the whole partnership is *with* Africa. »

Nardos Bekele-Thomas,
Chief Executive Officer of the African
Union Development Agency



Presenting his take on the Global Gateway, **San Bilal**, Senior Executive at the European Centre for Development Policy Management and author of the expert contribution circulated ahead of the event, stated that the initiative has achieved high visibility and that the new “branding” helps to show what Europe has been trying to do. Furthermore, he credited the Team Europe approach for

strengthening coordination between the national and the European level. Mr. Bilal argued that the Global Gateway’s European geo-strategic motives are in fact creating *more* equality with partner countries than a purely developmental approach would. He welcomed the strong role of the private sector in the

Global Gateway, particularly because the private sector serves not only as a financier but also provides expertise and know-how. The Global Gateway should satisfy the private sector’s demands for concrete steps. Here, Mr. Bilal has high hopes for the establishment of a business advisory group. He critiqued that most of the EU’s resources for the Global Gateway belong under the umbrella of development cooperation and are thus not primarily aiming at boosting the private sector in partner countries.

Compatibility of public and private sector interests

Answering the question of whether private companies are becoming more socially responsible, Mr. Wreschner emphasised that Vodafone believes that a long-term profit maximising strategy “has to go hand in hand with a long-term maximising societal contribution strategy” in order to achieve both the best outcome for the wider society along with the best environment for corporations. When there is a mismatch between the marginal benefits for a private company and societal benefits, public money should be used to resolve this disparity.

Weighing in on the question, Mr. Doens stated that Europe’s policy-first approach can dissolve

the dichotomy between public and private interests. As a first step, Europe and its partner countries set out priorities and goals. An established framework then creates an incentive for private companies to develop solutions that work within that framework. Mr. Doens concluded: “Once you set up a framework, the binary dichotomy between public good and private interests disappears.”

Bringing in the private sector

Mr. Doens further expanded on the instruments to include the European and local private sectors. These include the establishment of a business sector advisory group, European chambers of commerce as well as joint business fora. Ideally, a two-way street should be established that allows the private sector to bring in its knowledge of opportunities and the public sector to point to projects where it sees a role for the private sector. Mr. Doens underlined the “significant paradigm” shift marked by the Global Gateway, which becomes apparent in the EU’s official development assistance now increasingly going to infrastructure, private sector development, and the provisions of guarantees which allow to de-risk private-public investment.

Mr. Bilal cautioned that the focus on big infrastructure projects might hamper the inclusion of smaller EU member states as well as of small enterprises. Here, an inclusive approach is needed. Mr. Wreschner echoed Mr. Doens’ point about de-risking investments and stated that this is a classic avenue where a public-private partnership can excel. He also welcomed initiatives to form a private sector advisory group.

Closing the panel, Mr. Doens remarked that never has he seen so much positive excitement for an initiative as for the Global Gateway – and that he looks forward to its further development.

« They [private companies] need to have concrete elements; they do not so much like talking, they like doing. »

San Bilal,
Senior Executive, European Centre for Development Policy Management



« Everything we do starts with Africa’s own agenda. We will not start funding roads that have not been identified by the African Unions as priority roads. »

Koen Doens,
Director-General for International Partnerships, European Commission

