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COASI 43	FIN 341
COEST 256	CCG 11
COAFR 65	TRANS 94
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INFORMATION NOTE

From: General Secretariat of the Council

To: Delegations

Subject: Presentation given by a representative of ECDPM (European Centre for Development Policy Management) at the RELEX Horizontal Questions meeting of 28 March 2025

Delegations will find in the annex a presentation given by an external stakeholder (ECDPM representative) at a meeting of the WP RELEX-HQ on 28 March 2025. The views expressed in the presentation are solely those of the third party concerned. This document cannot be regarded as stating an official position of the Council and it does not reflect the views of the Council or of its members.



Engaging the European private sector in Global Gateway
Proposed mechanism

Head of the Economic Recovery & Transformation Programme

28 March 2025

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Key barriers & rationale for the proposed mechanism

- 1 The European private sector is **not aware of GG strategy**, & when it is, faces issues accessing the information it needs to assess potential engagement opportunities.
- 2 The easiest entry point for the European private sector to engage in GG (flagship) projects is through **public procurement**.
- 3 **No clear process & limited means** for the private sector to influence the choices on GG projects & lack of a systemic business case
- 4 There are **no funding mechanisms** available to finance directly the European private sector and support its engagement in GG.
- 5 Financing is one part of the puzzle, and the European private sector also needs a more **comprehensive type of support**, which varies depending on its nature.
- 6 A better coordination of EU public support to the European private sector through a whole of government approach, through **Team Europe and Team National**.

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Considerations for the proposed mechanism



An evolution - not a revolution => favour pragmatic and gradual approaches which can be further developed in the long-term



Build on existing approaches => Identify recent “innovations” and build on them instead of creating the support structure from the scratch



Leverage/be coherent with other processes => The enhanced coordination between DFIS and ECAs, strategic public procurement, BAG etc.



At the same time, be demand led => respond to the interest and ways of working of the private sector including SMEs



Mitigate capacity constraint / limitations => informal discussions made us aware of some of the push-backs (HR, “single point of contact” etc.)

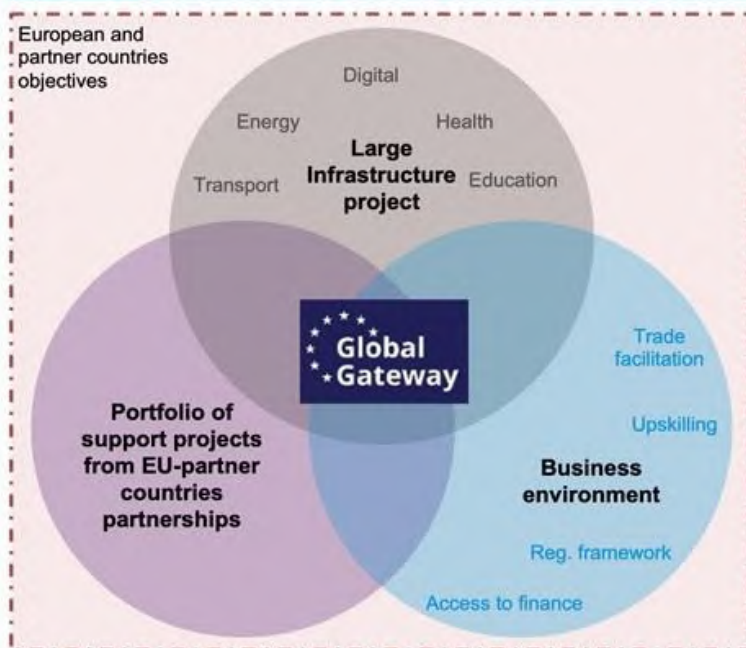
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Policy anchor for the proposed mechanism

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The 360 degrees approach

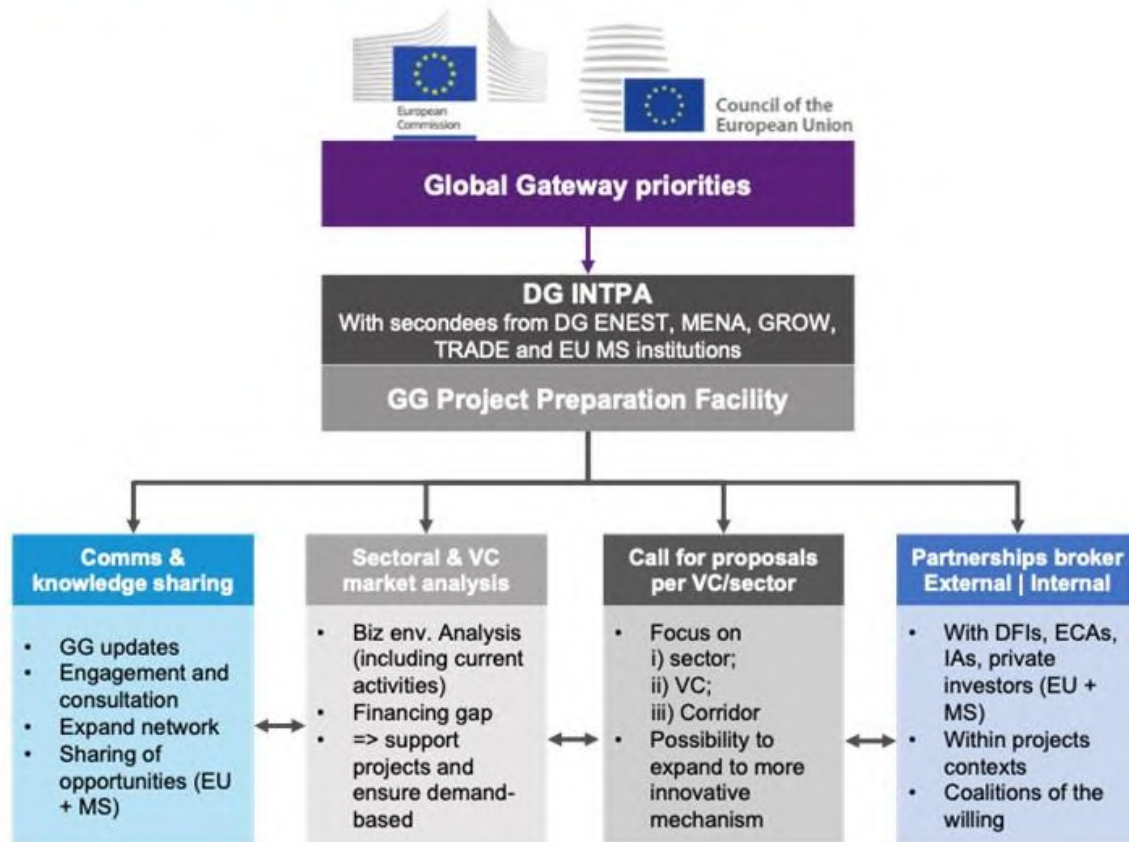


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Team EU / Team National

1. **Team Nationals capacities** and strength will vary highly depending on the EU Member States' ecosystem.
2. A European mechanism could facilitate such a connection and allow the GG to tap into the **full European private sector expertise and resources**.
3. From a bottom-up perspective, where the domestic private sector may see limitations in national institutions, a European mechanism could **incentivise it to play a role in Global Gateway**.

Overview of the proposed mechanism



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GG PPF as an additional yet complementary tool

	COM led processes	GG PPF
Policy dialogue and strategic GG priorities	GG BAG, EABF etc.	Strategic use of BAG
Access to information / knowledge on GG	GG Biz opp webpage	+ focal point for a more effective engagement
Project Identification & selection	Team Nationals	Call for Proposals, 360 degrees
Project Finance	DFIs-ECAs	No – focus on project preparation
Public procurement	Strategic procurement	No – focus on proactive Euro PSE

Service offering

1 Comms & knowledge sharg

- Provide **regular updates** (past & upcoming activities)
- Serve as a **focal point** for the European private sector
- Expand the European Commission's **network and reach**
- Communicate **GG related tenders**

3 Call for Proposals

- Provide **financial support** in the form of grants
- Provide **non-financial support** to ensure a comprehensive 360 degrees approach
- Redirect proposals where relevant

2 Sectoral analysis

- Conduct **market analysis & political economy analysis** that can help shape CfP
- Give COM **more evidence** to select strategic proposals and assess the needs of the private sector
- Shape **comprehensive approach**, by ID non-financial needs

4 Partnership broker

- Facilitate **internal partnerships** ex-ante the CfP "coalition of the willings"
- Facilitate **external partnerships** - i.e. towards other EU MS instruments and support

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Example of implementation: Lobito corridor

EU MS together w COM **agree on a set of GG strategic projects / corridors** they want to contribute to, and where they would like a call for proposals to focus on = The Lobito corridor

INTPA E3 (understood as E3 + additional capacities from MS) collects & analysed relevant studies providing quantitative and qualitative data points on the **investment gap / systemic issues**, and discuss these with EUDs and biz asso in Lobito

In parallel, building on the experience of the **coalition of the willings** (i.e. group of European private sector actors coming together around a GG flagship project), INTPA E3 facilitates partnerships for the Lobito corridor (leading to more/better proposals downstream)

EUDs in Lobito corridor consider how the **programming** could be adapted depending on the results of the market analysis, and use **EABF** to raise awareness of European firms in Lobito but also potential local private sector with high potential

E3 launches the call for proposals, and will assess and select the proposals based on their **individual and collective merit** (building synergies between proposals for a stronger & more sustainable impact). E3 shares **non-financial support needs / TA needs** with EUDs & w MS/PN

EUDs and PN identify whether they can **tailor their programming** to the needs expressed by the European private sector, and start implementing actions.

The **European private sector implements** the projects on the ground, and require additional financing from ECAs or other actors, which would feel more comfortable investing in the project given its maturity



Mutually beneficial partnerships through the **GG 360 degrees** approach, leveraging the expertise and resources of the **European & local private sector**, to facilitate investment that contributes to industrialisation processes and the **creation of more and better jobs**

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Implementation



Concern: move fast from approval to operationalisation => traditional public procurement process too long (+2 years) or formal TEI can be time consuming.

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Proposal #1: Contract addendum

- Include a contractual addendum in an existing facility such as the BAG facility (run by E3) => fastens PP process & already done in the past
- In practice implemented by external experts on Euro PSE that can make the link w BAG, w additional capacities (KE and NKE)
- Managed by E3 w the support of secondees from EU MS and their institutions to provide more capacities

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Proposal #2: Ad-hoc/hybrid type of TEI

- Mechanism hosted, managed and implemented by COM E3, which would be supported by secondees from other DGs and EU MS
- Secondees used as independent experts to help implement the mechanism, working with E3
- Provide perhaps more room for a collaborative approach for implementing the mechanism

Funding



From the European Commission DG INTPA - potential left overs (to be checked whether all non DACable ODA budget used - 7%) - requires DG approval



From EU Member States (MoFA/MoFin) - funding and in kind contributions (human resources) - (to be checked whether the funds are ODA or non-ODA based)



For the non-financial support, the MIPs could potentially be used - e.g. TEI in Angola on sustainable investments, or TEI on Vocational education and training

As Draghi puts it: "Time is not on our side" [...] So when you ask me what is better, what is best to do now? I say I have no idea. But do something!"



GG PPF

Next steps

Test the mechanism and its appeal for EU MS & COM (28 March 2025), and the extent to which it would get concrete support – in kind and financial



Now that the mechanism is more developed, **engage & work with COM** in due time to tailor the mechanism further, ensure its fit within current (& future) endeavours.



For COM and EU member states to clarify **governance** related issues that go beyond the operational aspects of the mechanism itself.



Once the design stabilised, ensure that the **necessary capacities** are provided not only by COM but also but EU MS and their institutions (funding and in kind)

Q&A

1. Does the proposed mechanism respond to EU MS' interests and needs, and the feedback you receive from your domestic private sector? Are there any issues we have missed?
2. What advice would you have on the next steps? Would you be interested in supporting such a proposed mechanism?
3. The objective was to support COM's efforts on this issue of engaging the European private sector in GG. How does it respond and fit within the COM's current thinking, and would would be the advice for next steps (including engagement of COM if there is interest)?

Thank you!

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