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WORKING PAPER

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CONTRIBUTION

From:	General Secretariat of the Council
To:	Asia-Oceania Working Party
Subject:	Revised draft Council Conclusions - A Globally Connected Europe - DE comments

Delegations will find attached comments from Germany on the above.

Draft Council Conclusions – A Globally Connected Europe [Connecting EU]

I. Vision, principles and goals

1. The Council considers that ensuring a geostrategic approach to connectivity has **long-term implications** for advancing the EU's economic, foreign and security interests and promoting EU values. It therefore highlights the importance of ~~continuing the implementation of the EU connectivity agenda globally~~ [suggest language on the basis of the RO proposal for para 11], recognising the worldwide demand for sustainable connectivity.
2. The Council recalls the **fundamental principles of the EU's approach to connectivity**, which ensures climate, environmental, social, economic and fiscal sustainability and a level playing field. The Council emphasises the EU's comprehensive, rules-based and human-centric approach to connectivity, which covers transport, energy, digital and human dimensions, and affirms the importance of both regulatory and physical infrastructure. The Council strongly welcomes that connectivity has been identified as a key component in **numerous EU regional strategies**¹.
3. The Council highlights that the EU Connectivity Strategy has an important role to play in **implementing the corresponding Commission priorities** for 2019-2024, notably the European Green Deal and a Europe fit for the Digital Age. In this context, the Council further recalls its Data Gateway Declaration as well as the Joint Communications "2030 Digital Compass", the Updated Industrial Strategy, Trade Policy Review, Sustainable and Smart Mobility Strategy, the new EU Space Programme for the years 2021 to 2027 and the Global Approach to Research and Innovation, which all share the general objective of promoting the Union's values and interests externally, including through sustainable connectivity.

¹ Enhanced EU Security Cooperation in and with **Asia**-Council conclusions (2018); the Council Conclusions on EU relations with **Latin America and the Caribbean** "Joining forces for a common future" from 2019; the Joint Communication "The EU and **Central Asia**: New Opportunities for a Stronger Partnership" from 2019; the Council Conclusions on the "EU's engagement to the **Black Sea** regional cooperation" from 2019; the Council Conclusions on Space solutions for a sustainable **Arctic** from 2019; the Joint Communication "Towards a comprehensive Strategy with **Africa**" from 2020; the Joint Communication "**Eastern Partnership** policy beyond 2020" from 2020; the **Western Balkans** Economic and Investment Plan from 2020; the Council Conclusions on European Union – **United States** relations from 2020; the Council Conclusions on a renewed Partnership with the **Southern Neighbourhood** "A new agenda for the Mediterranean" from 2021; the Council Conclusions on the EU Strategy for cooperation in the **Indo-Pacific** from 2021.

4. The Council considers that the **Covid-19 pandemic** has further exposed the strategic importance of connectivity for economic growth, security and resilience. Increased connectivity is beneficial to the EU's competitiveness and can contribute to the diversification of value chains for the most sensitive industries, the reduction of strategic dependencies on critical raw materials and meeting the need for a secure, resilient and high quality digital ecosystem. The Council also notes that **other key international partners** have developed their own approaches and tools for connectivity, which calls for a globally coordinated approach ensuring coherence and high-quality international standards for connectivity.
5. The Council considers that connectivity investments and quality infrastructure [support for FRA], which respect social, climate and environmental, economic and fiscal sustainability, can have a **transformative effect on economies and societies**. Such investments can also enhance growth, resilience and competitiveness in view of the twin green and digital transitions, in particular in the context of the post-Covid-19 recovery. The Council highlights the need for support to meet the challenges posed by the **large-scale investment**. The Council also recognises the importance of cooperation on **policy, regulatory frameworks and standards and robust technical assistance** in order to help partners create an environment conducive to investment in connectivity.
6. The Council values the EU's important role as a norm setter and underlines the need for all international connectivity initiatives and actions to apply **high international standards, norms and principles**, contributing to the realisation of the 2030 Agenda for Sustainable Development and the Paris Agreement. **The Council considers** the G20 Principles for Quality Infrastructure Investment (G20 QII Principles) and G20 sustainable financing guidelines to be the basic standard, to be observed in all circumstances. Strong and reliable norms and standards are also key to securing a level playing field, needed to attract large-scale private and public investment in sustainable connectivity.
7. The Council highlights the importance of bolstering the benefits of connectivity through **Connectivity Partnerships** with like-minded countries and regions, and in cooperation with all benefitting from connectivity actions. Such partnerships and actions should promote synergies and compatibility of policy approaches, including on

preparation, implementation and financing of projects, relying on established international standards, norms and principles.

8. The Council welcomes the EU's partnerships with Japan (September 2019), and India (May 2021), as well as the EU-ASEAN joint Ministerial Statement on connectivity (December 2020), which paves the way towards strengthening practical connectivity cooperation with ASEAN. The Council encourages the Commission and the High Representative to further such international cooperation on connectivity, possibly also within the G7 and G20 and to consider, where appropriate, partnerships with like-minded partners

II. Implementation

9. The Council therefore requests the Commission and the High Representative to continue to implement [see para 1 – “continue to implement” not acceptable] the EU connectivity agenda globally as part of its overall priorities in terms of external action, in an ambitious, pragmatic and timely manner.
10. To respond to the challenges and needs identified, the Council finds it important for the EU to **incentivise both investments in concrete infrastructure projects**, as well as **policy and regulatory cooperation** to foster sustainable investment and enhance private financing. The Council calls on the Commission and the HRVP to pursue this aim through all appropriate means, in coordination with Member States and their financial and development institutions, as well as with the activities of multilateral financial institutions. ~~The European Financial Architecture for Development should also promote financing for sustainable connectivity. This should also be addressed by integrating EU external policy considerations into the ongoing discussion on the European Financial Architecture for Development, that should also promote financing for sustainable connectivity.~~
11. In particular, the Council invites the Commission and the High Representative to **implement the following steps**:
 - i. ~~Continue to implement the EU connectivity strategy~~ Extend the scope of the EU-Asia Connectivity Strategy to the global level globally [support for POL proposal], building on the values and principles set out in the Joint Communication “Connecting Europe and Asia – Building blocks for an EU Strategy”, and

including also Africa, the Arctic, the Middle East and Latin America, Western Balkans and European Neighbourhood;

- ii. Encourage a **Team Europe approach** (EU institutions, Member States, the EIB, the EBRD and Member States' financial institutions) for the implementation of the global EU Connectivity agenda, to:
 - continue **policy and regulatory engagement** with international partners, in particular with countries benefitting from connectivity actions, including with the promotion of multilateral tools, in particular IMF PIMA and IMF/World Bank PFRAM, and the dissemination of the multilateral platforms such as SOURCE for project preparation for systemic capacity building toward quality infrastructure;
 - **identify and implement an initial set of high impact and visible projects and actions globally**;
 - **map and present connectivity initiatives and projects being implemented since the adoption of the 2018 Joint Communication, as well as a specific plan for prospective initiatives and projects in recipient countries and regions**; [include a deadline for mapping and presentation]
 - **include new strategic connectivity priorities in the programming process** for the 2021-2027 MFF, including the IPA III programming, and the future NDICI/Global Europe instrument, based on priorities identified and agreed with partner countries and regions
- iii. Present a coherent approach-financing scheme to incentivising sustainable connectivity investments, building on sustainable policy objectives and based on **pooling public and private resources** in a Team Europe approach, to:
 - **map and streamline the financial instruments already available**, including the respective financial institutions of the EU and Member States;
 - **facilitate the participation of other financiers**, in particular private investors, European and international financial institutions (such as EIB and EBRD), national private and development banks and export credit agencies in joint financing structures;

- complement private investment and funding from international financial institutions, with **support from the Multiannual Financial Framework (MFF) 2021-2027**, exploiting the full potential of the NDICI/EFSD+ and the role of guarantees in supporting resilient and climate-friendly infrastructure, the Next Generation EU ~~and a possible Digital Connectivity Fund~~;
- iv. Mobilise the **private sector** to finance and implement projects, and:
- launch the **Business Advisory Group** as an effective coordination and consultation platform of all the relevant actors at the EU level, as envisaged in the 2018 Joint Communication, without prejudice to the existing business support organisations such as the Chambers of commerce;
 - provide detailed information for EU businesses on EU connectivity projects, in close coordination with national Trade Promotion Organisations, and creating project implementation conditions conducive to the participation of EU businesses and pan-European business consortia;
 - advance work on **sustainable finance and export credits** as tools for crowding in private investment, in line with Art. 2 c of the Paris Agreement;
 - promote a **level playing field** fair access to markets, government procurement in third countries and foreign direct investment opportunities for the EU private sector;
 - use public financing tools, such as loans and guarantees, to **crowd-in** private capital to help projects become bankable;
- v. Ensure visibility of the EU's global connectivity actions through **coherent strategic communication** in a Team Europe approach, and:
- develop a **unifying narrative** for actions taken by all relevant actors, supported by campaign for greater public visibility, including, where relevant, in international institutions and fora;
 - enhance visibility of EU Connectivity related initiatives and actions and put forward a new appealing "branding" for the EU Connectivity Strategy;
 - host regular further editions of the **Europa Connectivity Forum**;

vi. Ensure efficient and coordinated cooperation between all relevant services and institutions, supported at the highest institutional level. Keep **the Council closely involved** on a regular basis through relevant structures. [support for the POL proposal of a Task Force]

12. The Council invites the Commission and the High Representative to quickly proceed with the implementation of aforementioned steps. The Council will revert to the implementation of the EU Connectivity Strategy annually on ~~a regular~~the basis of progress reports. [support for an updated Joint Communication]