



Brussels, 17 June 2021

WK 7260/2021 REV 2

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WORKING PAPER

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WORKING DOCUMENT

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

In a follow up to the discussion in COASI on 10 June and based on written comments sent to the REV1 version of the draft Council Conclusions on Connectivity (WK 7260/2021 REV1), Delegations will find attached the REV2 version of the draft Conclusions (both clean and in track-changes) in view of the next discussion in COASI.

Delegations will also find below some additional information concerning the REV2 version:

- As suggested by some Delegations, the text of the Conclusions has been streamlined and shortened (especially in the part "I. Vision, principles and goals") by deleting unnecessary repetitions and redundancies;
- The issues of: 1) "upgrading/updating/extending" the EU connectivity agenda/Strategy to a global level; 2) branding; 3) establishing an inter-institutional/hybrid Task-Force and 4) obligatory/ written annual reporting), which have been proposed by some Delegations, have not been reflected in the text and are foreseen to be discussed at the Antici level.

Draft Council Conclusions – A Globally Connected Europe

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 policy and security interests and promoting EU values globally. It reaffirms the centrality of human rights and the rules-based international order, which underpin the implementation of the EU connectivity agenda.
2. The Council recalls the EU's fundamental principles (climate and environmental, social, economic and fiscal sustainability and a level playing field) and comprehensive approach to connectivity (transport, energy, digital and people-to-people). It affirms the importance of investing in both regulatory frameworks and physical infrastructure. The Council strongly welcomes that connectivity has been identified as a key component in numerous EU regional strategies¹ and notes that the EU must apply basic principles set out in the 2018 Joint Communication "Connecting Europe and Asia – building blocks for an EU Strategy" at a global level.
3. The Council highlights that the EU connectivity agenda has an important role to play in implementing the 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, the new European Consensus on Development 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.
4. The Council considers that the Covid-19 pandemic has further exposed the fundamental importance of connectivity for economic growth,

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.

security and resilience. The Council recognises that sustainable connectivity and quality infrastructure investments can have a transformative effect on economies and societies, contributing to the realisation of the 2030 Agenda for Sustainable Development and the Paris Agreement, in particular in the context of the post-Covid-19 recovery. It considers that strategic connectivity can boost the EU's competitiveness, contribute to the diversification of value chains, reduce strategic dependencies on critical raw materials, and meet the need for a secure, resilient and human-centric digital ecosystem.

5. The Council highlights the challenges of financing large-scale sustainable infrastructure and considers that predictable norms and standards and sound regulatory frameworks are essential for a level playing field and a conducive environment for investment. The Council notes that other key economies have developed their own approaches and tools for connectivity and underlines the need for all such initiatives and actions to apply high international standards. The Council considers the G20 Principles for Quality Infrastructure Investment (G20 QII Principles) and G20 Operational Guidelines for Sustainable Financing as the baseline, with the need for more ambition.
6. The Council highlights the importance of Connectivity Partnerships with like-minded countries and regions, in full cooperation with beneficiaries, promoting compatibility of policy approaches and complementarity in preparation, implementation and financing of projects based on established international standards. The Council calls for full operationalisation of the EU's partnerships with Japan (September 2019) and India (May 2021), and for work to concretise the EU-ASEAN Joint Ministerial Statement on Connectivity (December 2020). The Council encourages the Commission and the High Representative to cooperate closely with like-minded countries and regions, including in particular the United States, promote cooperation on connectivity multilaterally within the G7 and G20 as well as other relevant multilateral fora, and where appropriate consider further partnerships.

II. Implementation

7. To respond to the challenges and needs identified, the Council calls on the Commission and the High Representative to implement the EU connectivity agenda in a strategic manner in its initiatives and actions globally.
8. The Council calls on the Commission and the HRVP to pursue this aim through all appropriate means, in coordination with Member States, their financial and development institutions (and their participation in

respective Multilateral Development Banks), as well as with the EIB, the EBRD, the other Multilateral Development Banks and other relevant international financial institutions, and consider the connectivity dimension in the discussion on the European Financial Architecture for Development.

9. In particular, the Council invites the Commission and the High Representative to undertake the following steps:
 - i. Identify and implement a set of high impact and visible projects and actions globally, through:
 - continuing policy and regulatory engagement with international partners, including through the promotion of multilateral tools (in particular IMF PIMA and IMF/World Bank PFRAM) and the dissemination of multilateral platforms (such as SOURCE) for project preparation as part of systemic capacity building toward quality infrastructure;
 - mapping and presenting connectivity initiatives and projects being implemented since the adoption of the 2018 Joint Communication;
 - putting forward new strategic connectivity projects in the programming process for the 2021-2027 MFF (including the IPA III, the NDICI/Global Europe instrument and in particular the European Fund for Sustainable Development+) based on priorities identified and agreed with partner countries and regions, complementing private investment and funding;
 - ii. Present a coherent and streamlined scheme to incentivise sustainable connectivity investments, in line with Art. 2 c of the Paris Agreement, based on pooling public and private resources in a Team Europe approach, by:
 - mapping the relevant financial instruments already available, including those of financial institutions on the EU level and in Member States;
 - advancing work on sustainable finance and export credits;
 - using public financing tools, such as loans and guarantees, to crowd-in private capital and support the development of bankable projects;
 - facilitating joint financing structures, to promote cooperation between private investors, European and international financial

institutions (such as EIB and EBRD), national private and development banks and export credit agencies;

- iii. Mobilise the private sector to finance and implement projects, through:
 - launching the Business Advisory Group as an effective consultation and coordination platform for all relevant actors at the EU level, as envisaged in the 2018 Joint Communication, (without prejudice to existing business support organisations such as the chambers of commerce);
 - providing 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;
 - promoting a level playing field, fair access to markets and government procurement as well as foreign direct investment opportunities for the EU private sector in third countries;
 - iv. Ensure visibility of the EU's global connectivity actions through coherent strategic communication in a Team Europe approach by:
 - developing a unifying narrative for actions taken by all relevant actors, supported by a campaign for greater public visibility, including, where relevant, in international institutions and fora;
 - hosting regular editions of the Europa Connectivity Forum;
 - v. Ensure efficient and coordinated cooperation between all stakeholders, supported at the highest institutional level.
 - vi. Keep the Council closely involved on a regular basis through relevant structures.
10. The Council requests the Commission and the High Representative to proceed quickly with the implementation of the aforementioned steps. The Council will revert to the implementation of the EU connectivity agenda on a regular basis in the relevant Council bodies.

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

1. 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 policy and security interests and promoting EU values globally. ~~It therefore highlights, reaffirms the importance~~ centrality of continuing human rights and the rules-based international order, which underpin the implementation of the EU connectivity agenda globally, recognising the worldwide demand for sustainable connectivity.

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2. The Council recalls the EU's fundamental principles of the EU's approach to connectivity, which ensures (climate, and environmental, social, economic and fiscal sustainability and a level playing field. ~~The Council emphasises the EU's) and~~ comprehensive, ~~rules-based and human-centric~~ approach to connectivity, ~~which covers~~ (transport, energy, digital and ~~human dimensions, and people-to-people~~). It affirms the importance of investing in both regulatory frameworks and physical infrastructure. The Council strongly welcomes that connectivity has been identified as a key component in numerous EU regional strategies¹, and notes that the EU must apply basic principles set out in the 2018 Joint Communication "Connecting Europe and Asia – building blocks for an EU Strategy" at a global level.

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4.3. The Council highlights that the EU Connectivity Strategy connectivity agenda 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

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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.

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2027, the new European Consensus on Development 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.

5. The Council considers that the Covid-19 pandemic has further exposed the strategic fundamental importance of connectivity for economic growth, security and resilience. ~~Increased~~The Council recognises that sustainable connectivity and quality infrastructure investments is beneficial to the EU's competitiveness 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 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.

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7. ~~The Council considers that connectivity, 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.~~

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4. ~~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, in particular in the context of the post-Covid-19 recovery. It considers that strategic connectivity can boost the EU's competitiveness, contribute to the diversification of value chains, reduce strategic dependencies on critical raw materials, and meet the need for a secure, resilient and human-centric digital ecosystem.~~

9-5. The Council highlights the challenges of financing large-scale sustainable infrastructure and considers that predictable norms and standards and sound regulatory frameworks are essential for a level

playing field and a conducive environment for investment. The Council notes that other key economies have developed their own approaches and tools for connectivity and underlines the need for all such initiatives and actions to apply high international standards. 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. Operational Guidelines for Sustainable Financing as the baseline, with the need for more ambition.

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40.—The Council highlights the importance of bolstering the benefits of connectivity through Connectivity Partnerships with like-minded countries and regions, and in full cooperation with all benefitting from connectivity actions. Such partnerships and actions should promote synergies and beneficiaries, promoting compatibility of policy approaches, including on and complementarity in preparation, implementation and financing of projects, relying based on established international standards, norms and principles.

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41.6. The Council welcomes calls for full operationalisation of the EU's partnerships with Japan (September 2019), and India (May 2021), as well as and for work to concretise 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 cooperate closely with like-minded countries and regions, including in particular the United States, promote cooperation on connectivity, possibly also multilaterally within the G7 and G20 and to consider, as well as other relevant multilateral fora, and where appropriate, consider further partnerships with like-minded partners.

II. Implementation

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42.7. The Council therefore requests To respond to the challenges and needs identified, the Council calls on the Commission and the High Representative to continue to implement the EU connectivity agenda in a strategic manner in its initiatives and actions globally as part of its overall priorities in terms of external action, in an ambitious, pragmatic and timely manner.

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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.~~

~~13.8. 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, (and their participation in respective Multilateral Development Banks), as well as with the activities of multilateral EIB, the EBRD, the other Multilateral Development Banks and other relevant international financial institutions. The, and consider the connectivity dimension in the discussion on the European Financial Architecture for Development should also promote financing for sustainable connectivity.~~

~~14.9. In particular, the Council invites the Commission and the High Representative to **implement** undertake the following steps:~~

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~~i. Continue to implement the EU connectivity strategy globally, 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 Americas;~~

~~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:~~

~~i. continue identify and implement a set of high impact and visible projects and actions globally, through:~~

~~o continuing policy and regulatory engagement with international partners, in particular with countries benefitting from connectivity actions, including with including through 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 as part of systemic capacity building toward quality infrastructure;~~

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~~o identify and implement an initial set of high impact and visible projects and actions globally;~~

~~o map and present mapping and presenting 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;~~

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- ~~include~~ putting forward new strategic connectivity ~~priorities~~ projects in the programming process for the 2021-2027 MFF, ~~including the IPA III programming, and the future NDICI/Global Europe instrument, and in particular the European Fund for Sustainable Development+~~ based on priorities identified and agreed with partner countries and regions, complementing private investment and funding;

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- ~~iii.ii.~~ Present a coherent approach and streamlined scheme to incentivise sustainable connectivity investments, ~~building on sustainable policy objectives and in line with Art. 2 c of the Paris Agreement,~~ based on pooling public and private resources in a Team Europe approach, ~~to~~ by:

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- ~~map and streamline~~ mapping the relevant financial instruments already available, including ~~the respective those of~~ financial institutions ~~on~~ the EU level and in Member States;

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- ~~facilitate the participation of other financiers, in particular~~ advancing work on sustainable finance and export credits;

- using public financing tools, such as loans and guarantees, to crowd-in private capital and support the development of bankable projects;

- facilitating joint financing structures, to promote cooperation between 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~~;

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- ~~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.iii.~~ Mobilise the private sector to finance and implement projects, and through:

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- ~~launch~~ launching the Business Advisory Group as an effective consultation and coordination platform ~~off~~ for all ~~the~~ relevant actors at the EU level, as envisaged in the 2018 Joint Communication, (without prejudice to the existing business

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support organisations such as the ~~Chambers~~chambers of commerce~~;~~);

- ~~provide~~providing detailed information for EU businesses on EU connectivity projects, in close coordination with national ~~Trade Promotion Organisation~~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~~promoting a level playing field, fair access to markets, and government procurement ~~in third countries and as well as~~ 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 in third countries;~~

~~v-iv.~~ iv. Ensure visibility of the EU's global connectivity actions through coherent strategic communication in a Team Europe approach, ~~and~~ by:

- ~~develop~~developing a unifying narrative for actions taken by all relevant actors, supported by a campaign for greater public visibility, including, where relevant, in international institutions and fora;
- ~~enhance visibility of EU Connectivity related initiatives and actions;~~
- ~~host~~hosting regular ~~further~~ editions of the Europa Connectivity Forum;

~~vi-v.~~ v. Ensure efficient and coordinated cooperation between all ~~relevant services and institutions~~stakeholders, supported at the highest institutional level. ~~Keep the Council closely involved on a regular basis through relevant structures.~~

vi. ~~The~~Keep the Council ~~invites~~closely involved on a regular basis through relevant structures.

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15-10. The Council requests the Commission and the High Representative to proceed quickly ~~proceed~~ with the implementation of the aforementioned steps. The Council will revert to the implementation of the EU ~~Connectivity Strategy on a regular basis~~. connectivity agenda on a regular basis in the relevant Council bodies.