Global Gateway and the EFSD+ Guarantee programme

Sharing risk, maximizing impact, closing the investment gap

Singapore, 25 January 2024

#Global Gateway #Team Europe

Global Gateway

THE GLOBAL GATEWAY

Connecting goods, people and services around the world in a sustainable way

€ 300 billion
in investments (2021- 2027)
Through a Team Europe approach

Global Gateway is Europe's offer to build more resilient connections with the world through investments and partnerships

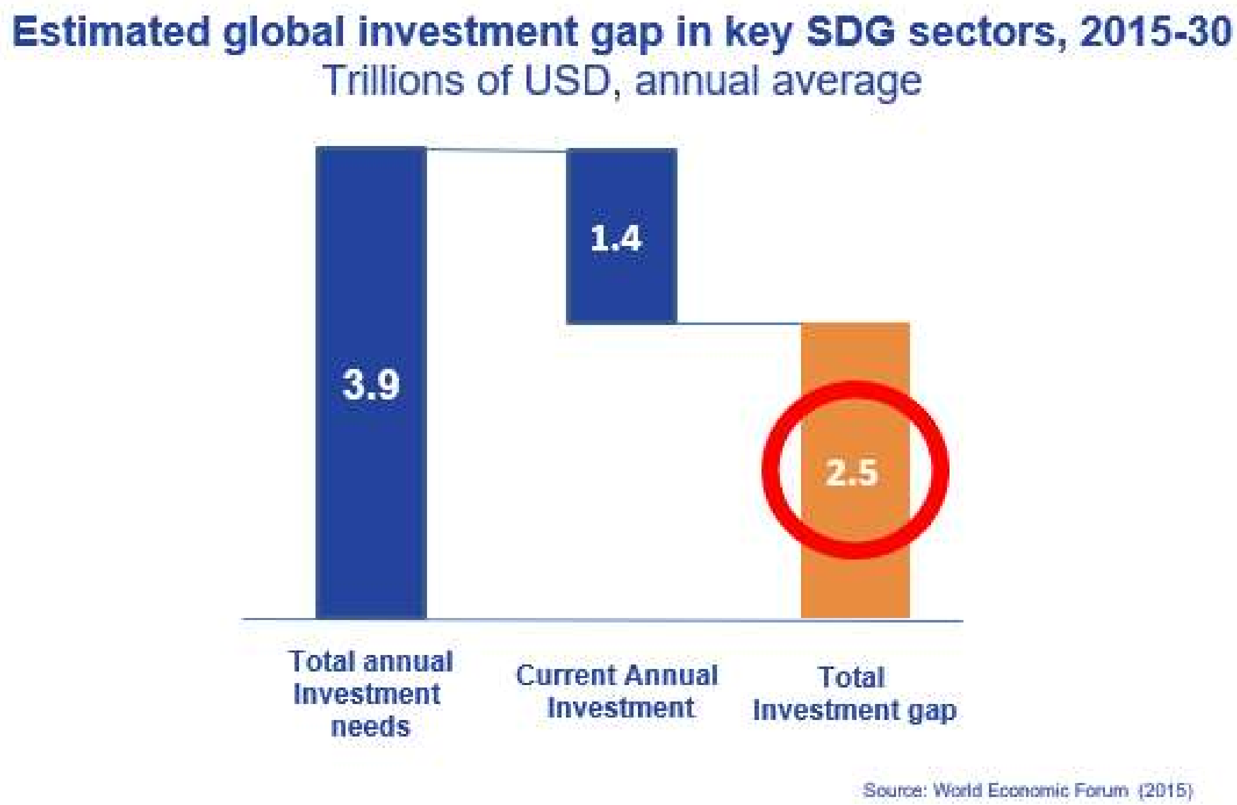
INVESTMENT PRIORITIES

- Digital Networks and Infrastructures
- Climate Resilience and Clean Energy
- Green Smart and Safe Transport
- Health Systems and Supply Chains
- High Quality Education and Research

KEY GUIDING PRINCIPLES FOR INVESTMENTS

- Democratic values and high standards
- Good governance and transparency
- Equal partnerships
- Green and clean infrastructures
- Security focused
- Catalysing private sector investment

Why do we act?



European Commission

"From billions to trillions"

- ***Governments alone cannot fill the gap: partner with private sector***
- ***How to direct a larger share of commercial investments to emerging and frontier markets?***

EUR 253,000 bn

Total client assets in
- Pension funds
- Insurance companies
- Sovereign wealth funds
- Private investors
- IFIs and DFIs

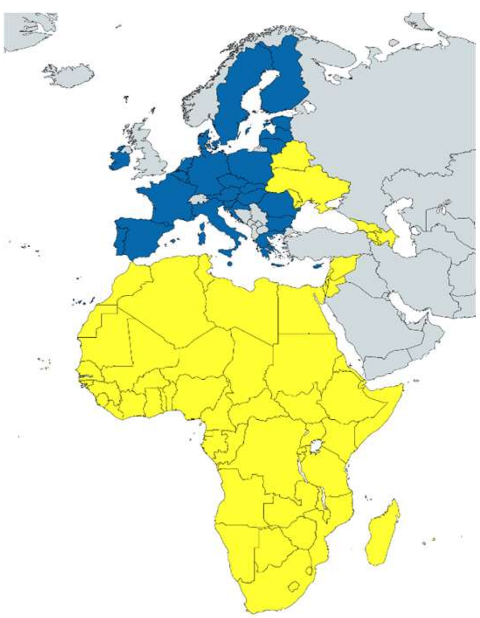
ODA approx. 150 bn USD/yr

Source: PwC

European Commission

EU guarantee capacity for private investment in emerging and frontier markets is growing substantially in 2021-2027

The European Fund for Sustainable Development (EFSD) and its successor EFSD+



EFSD
EUR 1.5bn
2019-2020
(Africa & EU Neighbourhood)

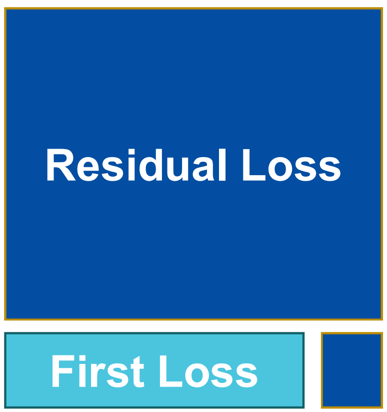
Complemented by

- **Technical assistance**
- **Investment environment**

European Commission

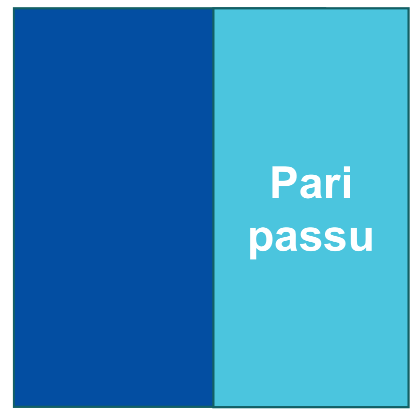
Creating investment cases in frontier markets through flexible guarantee structures

FIRST LOSS



SECOND LOSS

PARI PASSU



For individual loans and/or for the whole portfolio
Deployed via direct lending, structured funds (VC/ PE) or intermediary banks
NB: A 15% portfolio first-loss guarantee will often cover >90% of the risk

EFSD+ Team Europe partners

European Investment Bank

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROPARCO
GROUPE AFD

KFW DEG

European Bank
for Reconstruction and Development

BANQUE AFRICAINE DE DÉVELOPPEMENT
AFRICAN DEVELOPMENT BANK

AFRICAN DEVELOPMENT FUND
FONDS AFRICAIN DE DÉVELOPPEMENT

FMO
Entrepreneurial Development Bank

cdp

CARIBBEAN DEVELOPMENT BANK

COFIDES
Capital para tu inversión exterior

EDFI
European Development Finance Institutions

finnfund

IFC
International Finance Corporation
WORLD BANK GROUP

MINISTERIO DE ASUNTOS EXTERIORES Y DE COOPERACIÓN
aecid

UN CDF
Microfinance • Capital Development

INVESTMENT FUND FOR DEVELOPING COUNTRIES

CARDANO
DEVELOPMENT

#Team Europe

European Commission

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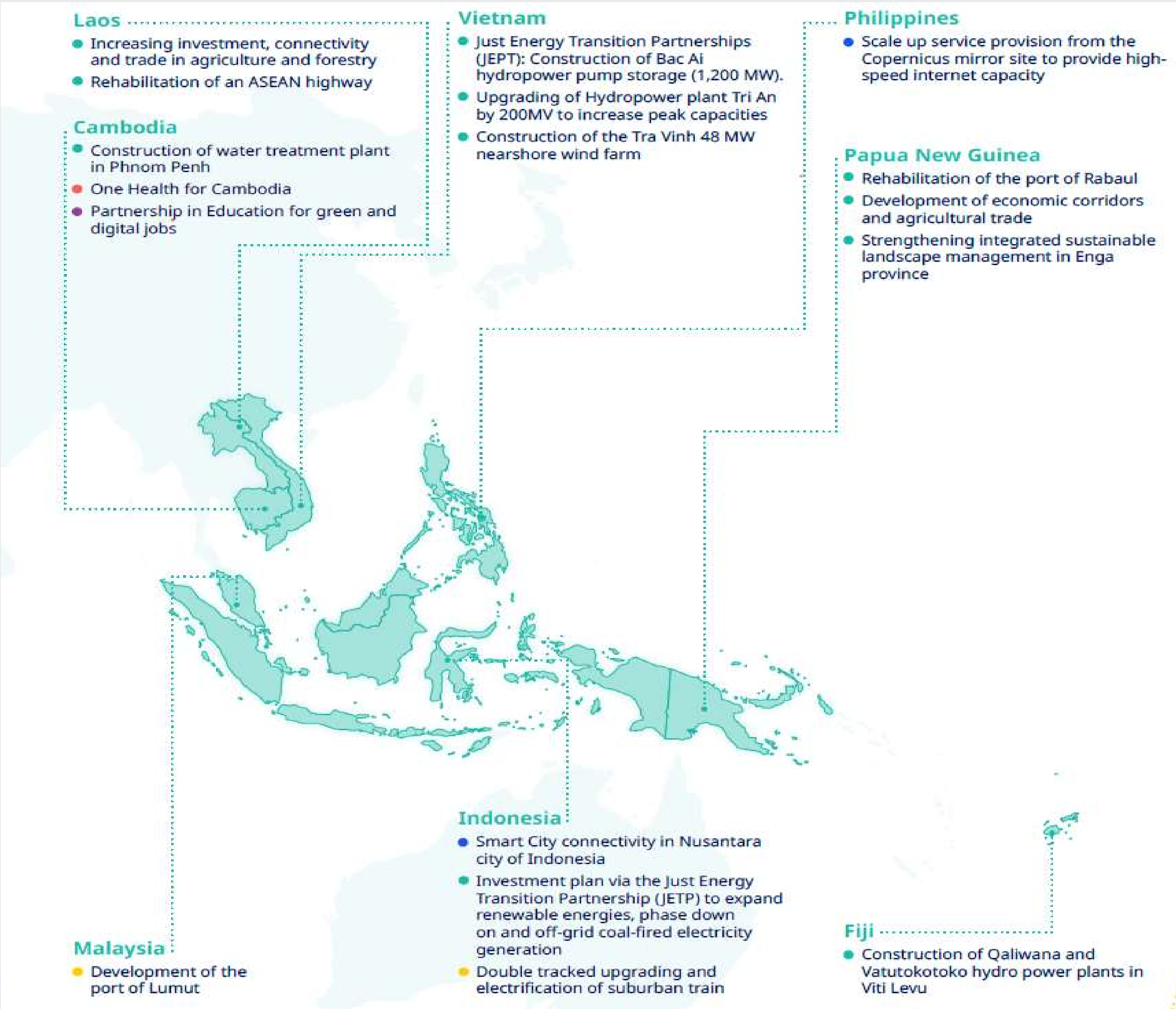
Examples:



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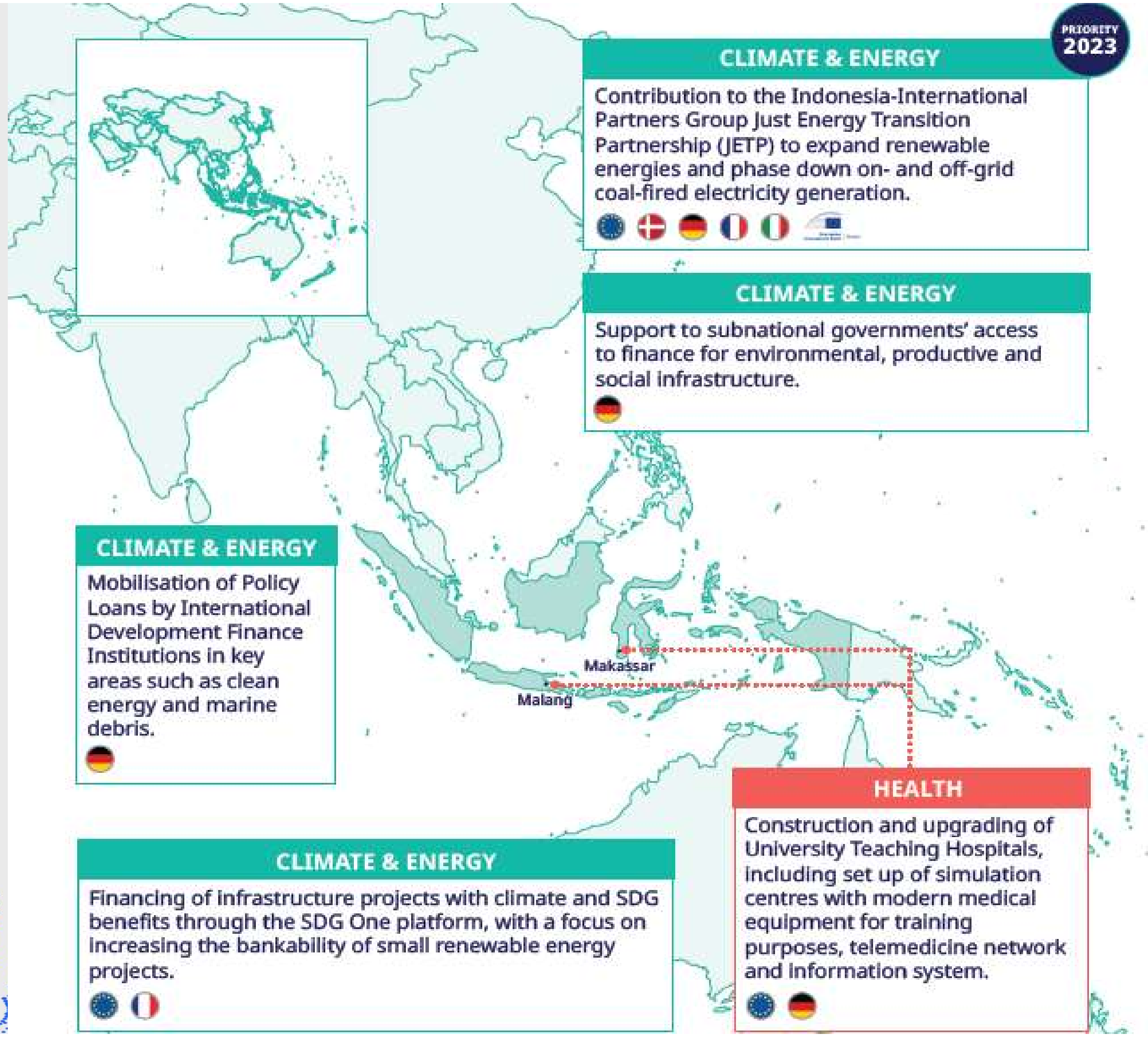
Indonesia:



CLIMATE & ENERGY

Contribution to the Indonesia-International Partners Group Just Energy Transition Partnership (JETP) to expand renewable energies and phase down on- and off-grid coal-fired electricity generation.

CLIMATE & ENERGY

Support to subnational governments' access to finance for environmental, productive and social infrastructure.

CLIMATE & ENERGY

Mobilisation of Policy Loans by International Development Finance Institutions in key areas such as clean energy and marine debris.

CLIMATE & ENERGY

Financing of infrastructure projects with climate and SDG benefits through the SDG One platform, with a focus on increasing the bankability of small renewable energy projects.

HEALTH

Construction and upgrading of University Teaching Hospitals, including set up of simulation centres with modern medical equipment for training purposes, telemedicine network and information system.

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European Commission

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