



Global Gateway Plan: EU

Why in News

Recently, the European Commission has announced a plan, called **Global Gateway**, to mobilise **EURO 300 billion by 2027 in public and private infrastructure investment around the world.**

- Although the plan doesn't mention China, it is seen as a response to [China's Belt and Road strategy](#).

Key Points

▪ About Global Gateway Plan:

- **Developmental Dimensions:** With Global Gateway, the EU, in a **Team Europe approach**, will offer its partners a response to the urgent needs:
 - To develop **sustainable and high quality digital, climate and energy and transport infrastructures.**
 - Strengthen **health, education and research systems** across the world.
- **Funding:** To finance the project, the EU will use its **European Fund for Sustainable Development Plus.**
 - Under this, 40 billion euros are made available in guarantee capacity, and will offer grants of up to 18 billion euros from **external assistance programs.**
 - The plan will need funding from **international institutions** and from the private sector if it is to get anywhere near its target.
 - The financing will be done under fair and favorable terms in order to limit the risk of debt distress.
- **Offshoot of B3W Project:** The EU strategy is an offshoot of the [Build Back Better World \(B3W\) Initiative](#).
 - B3W is an international infrastructure investment initiative announced by the [Group of Seven \(G-7\) richest democracies](#) in June 2021.

▪ About China's Belt And Road Initiative:

- **About:** The BRI project was **launched in 2013**, it broadly aims to facilitate cross-border transportation of goods, access to energy, creating demand for existing excess capacity in Chinese industries.
 - Officially, it aims to **develop land and sea infrastructure to better connect China to Asia, Europe and Africa** for trade and development, and it has found many partners around the world.
 - China had an overall exposure of investment of around **USD 750 billion between 2013 to mid-2020.**
 - China argues that it respects its **partners' sovereignty while providing loans that benefit joint projects**, while critics say Beijing's contractual terms ignore abuses of **human, labour and environmental rights.**

- **BRI's Criticism:** BRI project has been heavily criticized by the western world for the following reasons:
 - **China's Debt Trap Policy:** BRI is being seen as a part of China's debt trap policy, wherein **China intentionally extends excessive credit to another country** with the intention of extracting economic or political concessions from the debtor country.
 - The western countries see it as a **tool for China to influence poorer countries.**
 - They criticise China for inciting emerging economies to take on too much debt, and **allege the secretive tender process is prone to corruption.**
 - **New Colonialism:** They have attacked the initiative as new colonialism, or the **Marshall Plan** for the 21st century.
 - **Dual Nature of Product:** Also, projects like **China-Pakistan Economic Corridor (CPEC)**, building of **Colombo Port City** Project in Sri Lanka are not only commercial in nature but have strategic implications too.
- **India's Stand:**
 - India has repeatedly said it will not join BRI because it's key component - the **China-Pakistan Economic Corridor (CPEC)** - passes through PoK, which is disputed territory between India and Pakistan.
 - Further, in order to counter China's aggressiveness, India has initiated **Act East Policy, SAGAR vision** and is part of multilateral projects like **Asia-Africa Growth Corridor (AAGC)**, and **"Free and Open Indo Pacific" initiative.**

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