

# Global Gateway and the EU-India Connectivity Partnership

Creating links, not dependencies



# GLOBAL GATEWAY



Launched on 1st December 2021, the Global Gateway Strategy builds on global priorities identified by the Paris Agreement on climate change and the 2030 Sustainable Development Goals. The European Union (EU) Indo-Pacific strategy, as well as the connectivity partnerships with Japan (2020) and India (2021) are also important building blocks in the region. The Global Gateway aims at boosting smart, green and secure links in digital, energy and transport and strengthen health, education and research systems across the world.



COVID-19 has shown how interconnected the world we live in is. As part of our global recovery, we want to **redesign how we connect the world to build forward better**. The European model is about investing in both hard and soft infrastructure, in sustainable investments in digital, climate and energy, transport, health, education and research, as well as in an enabling environment guaranteeing a level playing field. We will support **smart investments in quality infrastructure, respecting the highest social and environmental standards, in line with the EU's democratic values and international norms and standards**. The Global Gateway Strategy is a template for how Europe can build more resilient connections with the world.

- Ursula von der Leyen, President of the European Commission

**Team Europe approach:** Global Gateway aims at increasing the size, scale and impact of the EU investments. It seeks to optimize coherence, while developing synergies and complementarity among the EU actors. European Union institutions, EU Member States, along with their implementing agencies and development financial institutions, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) shall work together, but also the private sector, cities and regions, as well as civil society and stakeholders (think tanks, academia, NGOs).


**Funding and beyond:** Global Gateway aims to mobilise up to €300 billion in investments between 2021-2027 and relies on de-risking instruments such as guarantees and blending to draw on resources from both public and private sectors. It combines financial tools with technical assistance, policy and economic dialogue, trade and investment agreements and standardisation. Global Gateway is based on values of democracy and transparency, creating links not dependencies.

# THE EU-INDIA CONNECTIVITY PARTNERSHIP

The EU-India Connectivity Partnership adopted in 2020, stresses the importance of India as a geopolitical partner and our mutual interest in sustainable connectivity. The adoption of the EU Indo-Pacific Strategy (2021) was another step forward in working together for a peaceful and prosperous future for the region. The EU and India are committed to fostering **connectivity dialogue and projects** with particular emphasis on social, economic, fiscal, climate and environmental sustainability. Transparency, good governance, and ensuring a level playing field for economic operators must be essential features of all investments in infrastructure. The Partnership aims at **supporting sustainable digital, transport and energy networks, and the flow of people, goods, services, data and capital** centred on equity and inclusivity for the benefit of both the EU and India.

The EU and India undertake regular **policy dialogues in key policy areas**, contributing to the implementation of the Connectivity partnership. These dialogues address crucial topics such as Smart and Sustainable Urbanisation, Water, Clean Energy and Climate, Circular Economy and Resource Efficiency and Science & Technology.

In the field of Digitalisation, the EU and India enjoy a high level of trust built over 20 years. We have established a Joint Working Group on ICT (Information and Communication Technologies) with the Ministry of Electronics and Information Technology and the Department of Telecommunications as well as a cyber-dialogue with the Ministry of External Affairs. More recently, the EU has engaged with the government think-tank Niti Aayog on Artificial intelligence, medical and biological databank, digital communication technologies and data governance.



Another example of connectivity-related policy dialogue is the High Level Joint Working Group on **Water** between the EU and Ministry of Jal Shakti, Government of India, to discuss a sustainable, effective and holistic management of water resources.

A trade dialogue to boost a robust, bilateral trade relationship between the EU and India is also being undertaken. Both sides attach great importance to a sound, transparent, open, non-discriminatory and predictable regulatory and business environment. The decision was taken by the EU and India in 2021 to relaunch negotiations for an FTA and talks for an investment protection agreement and an agreement on Geographical Indications.

To achieve the objectives under the European Green Deal, economic growth has to be decoupled from resource use. **Green Hydrogen** is expected to play an important role in achieving EU objectives to reduce greenhouse gas emissions by a minimum of 55% by 2030 and reach net zero emissions by 2050. The EU is currently considering supporting the promotion of Green Hydrogen and Green Ammonia in India as one of the priority areas under the Global Gateway and the EU-India Clean Energy and Climate Partnership.

The **Global Gateway** has given new impetus to further strengthen these partnerships and leverage investments from a wide array of public and private sector actors, to reach impact at larger scale for a green, digital and resilient future.

# TEAM EUROPE APPROACH TO THE GLOBAL GATEWAY

The Global Gateway is a Team Europe endeavour, aimed at pooling resources together with Member States and better coordinating, towards the collective achievement of sustainable impact and transformational change. Below are some examples of ongoing and planned projects by the EU, its member states, financial institutions, the private sector and other relevant EU actors that contribute to an enhanced EU collaboration and partnership with India. Many other initiatives are in the making!

## Sustainable Use of Natural Resources and Energy Finance



The Sustainable Use of Natural Resources and Energy Finance (SUNREF) Housing India programme aims at scaling up green affordable housing projects in India. The SUNREF Housing India programme was launched by the French Development Agency - Agence Française de Développement (AFD) in partnership with the National Housing Bank (NHB) in July 2017. It has been co-funded by the European Union (EU). It consists of an innovative credit line of €100 million from AFD which enables banks,

housing finance companies to fund green and affordable housing projects and allied investments. This financing is reinforced by a €9 million investment grant and €3 million technical assistance grant, both provided by the EU, to soften the interest rates offered to housing finance companies and implement promotional and capacity building activities – making this project an ambitious and first-of-a-kind programme. In terms of impact, SUNREF India Housing Programme has provided refinancing to 4400 households so far, of which half are from economically weaker sections. NHB's efforts on enhancing the green affordable housing in the country is aligned with the Government of India's priorities to support climate change.

### Objective

Reduce the negative impact on the environment caused due to the growth of the housing industry by supporting green housing initiatives

### Key actors

Ministry of Housing and Urban Affairs and National Housing Bank

### Location

Maharashtra, Uttar Pradesh and Karnataka

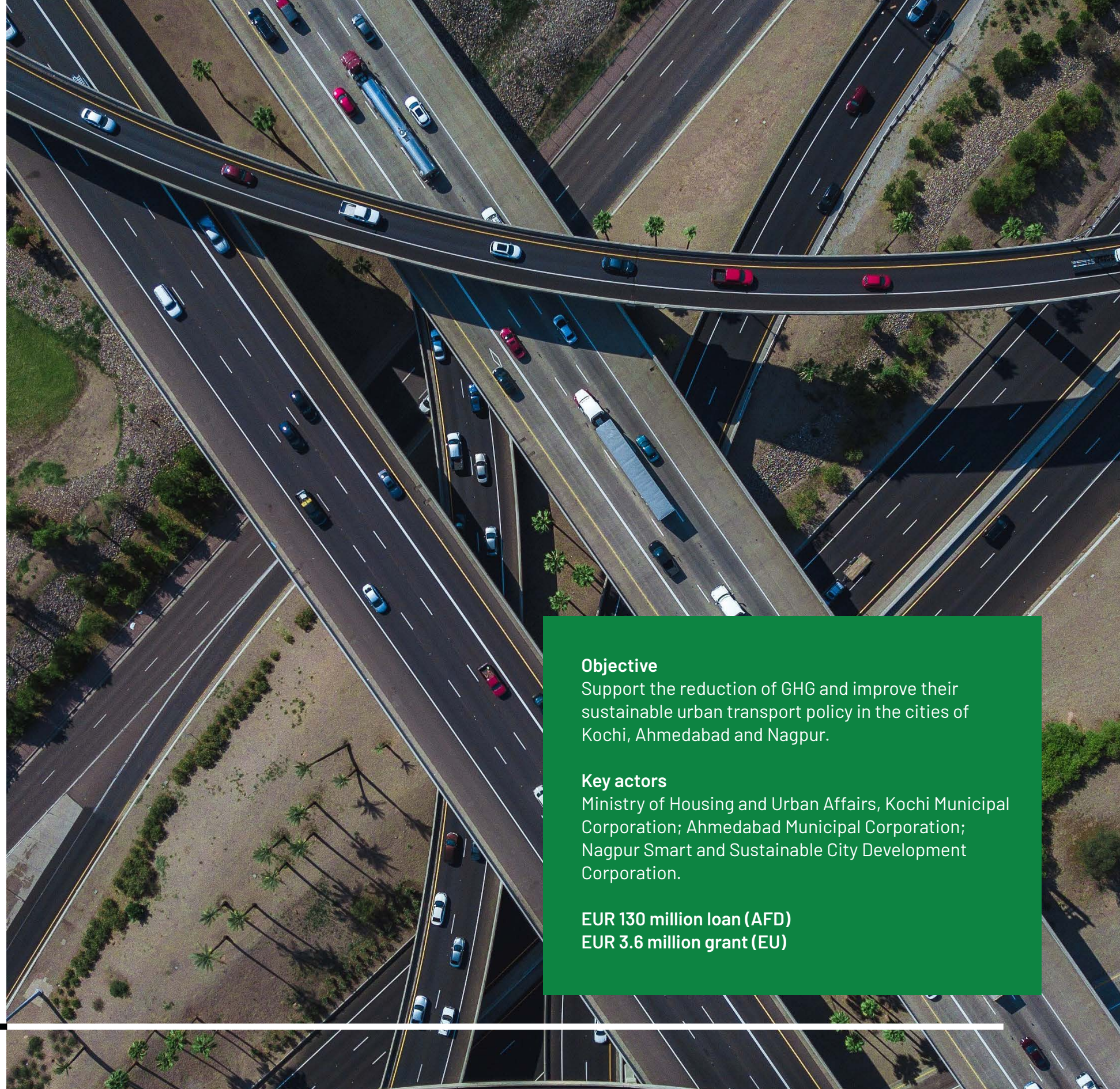
**EUR 100 million loan (AFD)**

**EUR 12 million grant (EU)**

## Mobilise Your City



The Mobilise Your City Programme is implemented with the support of the Ministry of Housing and Urban Affairs and the Government of India at the national level. Implemented by the AFD in India, the programme is part of an international initiative supported by the French and the German Governments. It was launched at Paris' 21st Conference of Parties (COP21) in December 2015. At the national level, the foremost tasks include to ensure the linking of urban transport policies to GHG emission reduction and develop a Monitoring, Reporting and Verification structure to measure and report the outcomes to access climate finance. This aims to contribute to achieving the Nationally Determined Contributions (NDCs) outlined by the Government of India under the Paris Agreement, which is "to reduce the emission intensity of its GDP by 33%-35% by 2030 from 2005 level". More specifically, the programme supports three pilot cities i.e. Nagpur, Kochi and Ahmedabad, in their efforts to reduce their GHG emissions related to urban transport and assists the Governments to improve their sustainable urban transport policy. At the local level, the three cities are preparing Sustainable Urban Mobility Plans as well as pre-feasibility studies for urban transport priority projects.



### Objective

Support the reduction of GHG and improve their sustainable urban transport policy in the cities of Kochi, Ahmedabad and Nagpur.

### Key actors

Ministry of Housing and Urban Affairs, Kochi Municipal Corporation; Ahmedabad Municipal Corporation; Nagpur Smart and Sustainable City Development Corporation.

**EUR 130 million loan (AFD)**

**EUR 3.6 million grant (EU)**

## Supporting Smart Cities Mission for a more inclusive and sustainable urban development in India (CITIIS 1.0 and CITIIS 2.0)



The CITIIS 1.0 Programme (2018-2024) is implemented in 12 cities of India. The programme aims at putting in place a complementary instrument to provide a financing incentive and technical support for demonstrative projects. It supports projects of excellence, and develops the capacity of urban local bodies to implement integrated urban projects.

Building on the extensive work done by the CITIIS 1.0 programme, the CITIIS 2.0 programme (2022 - 2026) also witnessed the coming aboard of the German Development Bank - KfW. Reflecting the spirit of #TeamEurope, AFD, KfW and the EU will reinforce synergies and adopt the principles of coherence, coordination and aid effectiveness in their partnership with India through the Ministry of Housing and Urban Affairs and the National Institute of Urban Affairs.



### CITIIS 1.0

#### Themes supported:

1. Sustainable Mobility: Hubali-Dharwad, Amritsar, Dehradun
2. Public Open Spaces: Bhubaneshwar, Ujjain, Surat and Agartala
3. Social and Organisational Innovation: Puducherry, Vishakapatnam, Amravati, Chennai
4. Urban E-Governance, ICT: Kochi

EUR 100 million loan (AFD)  
EUR 6.4 million grant (EU)

### CITIIS 2.0

#### Aims to support:

1. Up to 15 climate-responsive projects
2. Performance-based funding in 2 Indian states, in the implementation of initiatives coherent with climate strategies
3. At the national level for climate mainstreaming

EUR 100 million loan (AFD)  
EUR 100 million loan (KfW)  
EUR 12.4 million grant (EU)

## Chandigarh 24/7 Water Supply Project



The Project is in support of the Municipality of Chandigarh to transition to a sustainable 24x7 water supply for the entire city of Chandigarh. The project aims to upgrade raw and clear water storage reservoirs, modernise existing water distribution networks including introduction of network sectorisation,

and support sustainable and continuous network operations.

This initiative will not only improve public health through supporting prevention of water contamination and reducing water borne diseases, it will also support increased economic participation in particular for women. Supply efficiency (source to consumer) and demand efficiency (reduced consumption through technology, education and tariff) will be an integral component of the project.

**Objective:** Improve the water supply quality of service in Chandigarh and to transition to a 24x7 supply of water.

**Key actors:** Municipality of Chandigarh

**EUR 48 million loan (AFD)  
EUR 11.9 million grant & Technical Assistance (EU)**

## Accelerating Climate Smart and Inclusive Infrastructure in South Asia (ACSIIS)



The programme “ACSIIS” aims to support investments in South Asia. The initiative implemented by **International Finance Corporation** will spur investments in energy, water, waste management, transport, logistics, and green buildings to benefit people and businesses in Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka. ACSIIS would leverage **USD\$ 850 million** of private sector investments in the region. Key European actors **such as the EU, European Investment Bank, EU Member States and EU Financing Institutions** serve as the Project Advisory Committee. ACSIIS aims at supporting early-stage market

development to address key market-wide constraints, as well as deliver project level technical advice to structure sustainable infrastructure investments for the target countries. The programme will also support capacity building of private and government sectors to improve their ability to design, structure, and implement sustainable infrastructure projects. The work undertaken by the programme will prioritise identification and support to activities having a regional dimension, aiming at reducing the impact of Greenhouse Gases, promoting resilience and gender equality, and addressing the needs of vulnerable communities. Wider capacity building aimed at the private sector and the government will also be conducted in order to improve the ability to design, structure, and implement privately financed sustainable infrastructure projects across South Asia.

**Objective:** Foster access of people and businesses to inclusive and climate smart infrastructure services in the South Asia region, across six countries.

**Key actors:** EU, EUMS, EIB, International Finance Corporation, EUFI, Governments of Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka.

**EUR 18 million grant (EU)**



## Green Energy Corridors



As a result of the German-Indian solar partnership which contributes to the promotion of renewable energies along with support to the large scale “green energy corridors” initiative, ecologically sustainable electricity supply, environment, climate and health remain at the forefront of all work undertaken. KfW provided loans to assist in funding roof-mounted solar panels, solar energy farms and self-contained solar power facilities. Further, new energy transmission lines have been constructed and are used to feed electricity from renewable sources into the country’s national power grid. More specifically, the States of Andhra Pradesh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu and Powergrid Corporation of India have benefitted from improved transmission lines as well as the corresponding infrastructure.



**Objective:** Protecting the climate and environment by supporting renewable energy and the green energy corridor.

**EUR 2.15 billion loan (KfW) for solar and energy initiatives**

## The Centre of Excellence for Offshore Wind and Renewable Energy



As a part of the Indo-Danish Energy Partnership (INDEP), a knowledge hub - The Centre of Excellence for Offshore Wind and Renewable Energy (CoE) was launched in 2021. The CoE will play a crucial role in facilitating and accelerating the implementation of the Indian offshore wind strategy and aims to create an optimal environment for offshore wind through developing best practices, methods and tools in order to minimize risk and reduce the overall cost of offshore projects. The CoE’s operational work will be organized in four thematic areas, namely, Spatial Planning and Permitting Process, Financial Framework and Auction Design, Grid and Supply Chain Infrastructure and Technical Standards and Rules for Innovation.

**Objective:** Supporting offshore wind energy as a stable source of renewable energy and realising India’s offshore wind potential.

**Key actors:** Indian Ministry of New and Renewable Energy and the Danish Energy Agency (DEA).

**EUR 1.8 million (2018–2022)**



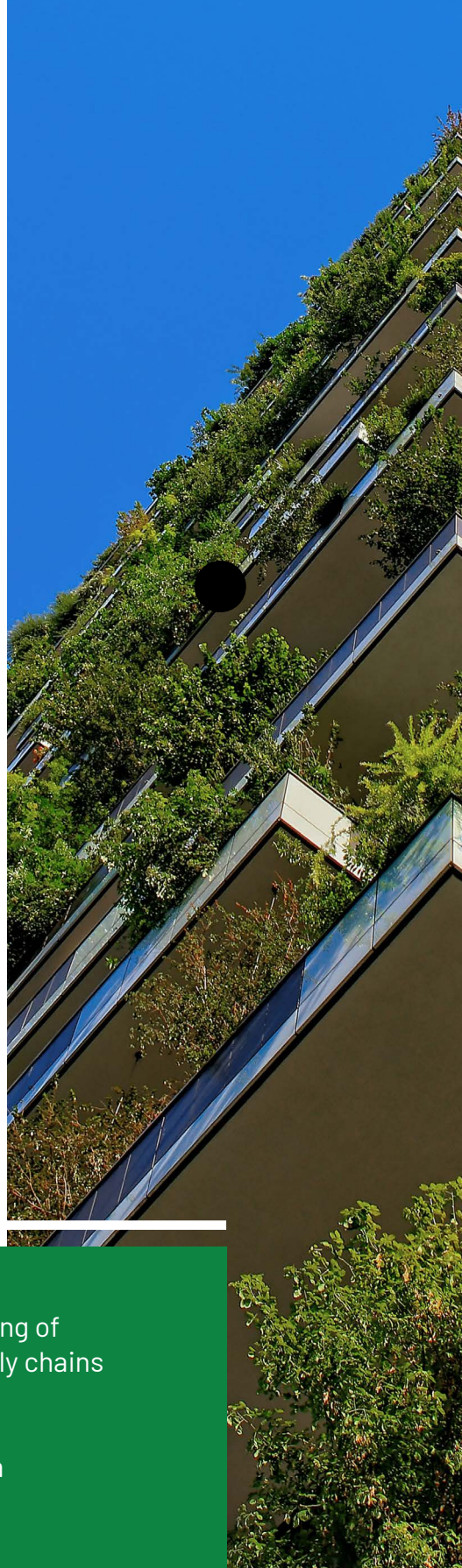
## Green infrastructure, renewable energy and the circular economy support through infrastructure investments



As a part of the Italy-India Government summit (2020) to promote cooperation between the two countries, a Cooperation Protocol was signed by CDP – the Italian Development Finance Institution, and India's National Investment and Infrastructure Fund (NIIF). The Protocol sets the framework for long-term investments in infrastructural and sustainable development. It provides the possibility for the both actors to co-invest in projects, companies or funds that operate in India, in particular in the sectors of green infrastructure, renewable energy and the circular economy.

**Objective:** Identification and co-financing of projects, with a focus on strategic supply chains in the Indian sub-continent.

**Key Actors:** CDP, NIIF, Italian and Indian companies, international investors.



## Support for green, sustainable development of India



The **European Investment Bank (EIB)** has been active in India since 1993. It works with the main aim of poverty reduction, strengthening economy and fighting climate change. The EIB has invested EUR 3.8 billion in India since 1993, of which an investment of EUR 2.2 billion in six urban rail projects has been made. The support to **urban rail infrastructure** will help in tackling the challenges posed by vehicle pollution in the cities of Pune, Bangalore, Kanpur, Lucknow, Bhopal, and most recently

**Green and sustainable development:** The European Investment Bank (EIB) provides long-term funding for all types of projects. This improves lives and lifts the economy. EIB also offers technical advice that makes projects more likely to succeed in the long term. As the European Union's lending institution, EIB offers long-term financing, mixed with grants and loans, that lowers the risks for our partners and makes working with us more attractive.

**Global Support:** The new Global branch of the European Investment Bank brings all the resources of the institution to bear on the work outside the European Union. EIB Global will build stronger partnerships around the world, including in India, to maximize the impact of investments.

Agra. The aforementioned assistance is geared to support faster economic recovery after the COVID-19 crisis, contribute to improved access to education, employment and is designed to assist people with reduced mobility including making transport safer for women. Further, in 2021, EIB invested €375 million to help **small businesses and cities**. EIB's mandate also extends towards unlocking new financing for Indian companies of all sizes, through cooperation with local banks such as the State Bank of India or Exim Bank. Other avenues of support include investing in private equity funds in the country, and expanding the types of financing available for the **private sector**. The Bank also cooperates with the **International Solar Alliance**, an organization of 121

countries that was first proposed by the Indian Prime Minister in 2015. The organisation provides affordable solar power kits that bring electricity into homes in developing countries. In cooperation with the Serum Institute of India, EIB has also invested millions to improve **vaccine production** in order to protect millions of people from diseases.

## EU Participation in the Coalition for Disaster Resilient Infrastructure (CDRI)



The EU and India share a common vision of connectivity between Europe, Asia and also globally. This vision is based on environmental, economic, social and fiscal sustainability. In this context, the 'Coalition of Disaster Resilient Infrastructure (CDRI)', launched by the Government of India as a global partnership between the National Governments, EU Member States, UN agencies, bilateral and multilateral agencies, has a crucial role to play. The CDRI promotes the resilience of new and existing infrastructure systems to climate

and disaster risks in support of sustainable development.

EU endorsed the charter of CDRI and joined the coalition in 2021, joining EU Member States France, Germany, Netherlands and Italy that were already members of the coalition. In the coming years, the role of the CDRI and in particular its dedicated initiative 'Infrastructure for Resilient Island States (IRIS)' will play a key role in contributing to the promotion of resilient, sustainable, and inclusive infrastructure in Small Island Developing States. The EU endeavours to provide continued support to the CDRI, including the IRIS initiative, which has the potential to build convergence between banks, donors and beneficiaries on best practices and guidance for resilient investments.

**Objective:** To achieve sustainable development through a systematic approach to resilient, sustainable, and inclusive infrastructure.

**Key actors:** Government of India, France, Germany, Netherlands, Italy, Small Island Developing States (SIDS), the EU and member countries in the coalition.

## International Urban and Regional Cooperation Asia-Australasia Programme



As part of this city-to-city cooperation, 25 city authorities from Europe and India will work together until end 2023 in the areas of ecological transition, urban and regional renewal and innovative, sustainable and carbon neutral ecosystems. The cities of Surat and Rotterdam (The Netherlands), Kochi and Messina (Italy), Panaji and Almada (Portugal) and Porbandar

will work on **flood management**. The cities of Gangtok and Albacete (Spain), Leh and Trikala/Farkadona/Meteora (Greece), Jamshedpur and Alto Minho Functional Area (Portugal) and Jaipur on Solid Waste Management - **circular economy**. The cities of Pune Metropolitan Region Development Authority and Karlsruhe (Germany), and Gwalior and Leuven (Belgium) and Jaipur as well as Leeds will work on **urban planning and governance**. The cities of Chennai and Trier (Germany) and Ranchi and Reggio Emilia (Italy) will work on **urban mobility**. The cities of Kanpur and Patna will work on **air quality**.

**Objective:** To promote multi-city cooperation on sustainable urban development and to build partnerships between EU and non-EU cities

**Key actors:** GMBH, Local Governments/ City authorities, implemented in 9 countries including India.

**EUR 3.75**



## Green Hydrogen

Team Europe aims at supporting India's Hydrogen Policy by undertaking dialogue on important issues pertaining to structuring standards, certification, pilot initiatives, research and innovation. This aligns to India's recently launched National Hydrogen Mission and the Green Hydrogen Policy, which offers a range of incentives to investors to boost production of Hydrogen and Ammonia by using power from renewable energy. Support to green hydrogen initiative is also an integral part of the EU-India Clean Energy and Climate Partnership.

The European Clean Hydrogen Alliance was set up by the European Commission (2020) to support the creation of a European hydrogen industry and the deployment of clean hydrogen for Europe's green transition.

In 2021, India launched the National Hydrogen Mission and in 2022, the Indian Ministry of Power published the first part of the Green Hydrogen Policy.

The policy should help India in meeting its target of production of 5 million tonnes of green hydrogen by 2030 and the related requirement of renewable energy capacity.




Hydrogen


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