The Global Gateway – What‘s in it for the Global South?

Margarita Langthaler, ÖFSE

ÖFSE
Austrian Foundation
for Development Research

1. Global Context – Geopolitcal Shifts

- Rising multipolarity
- Increasing geo-political and geo-economic tensions
- Multilateralism under pressure

1. Global Context – the end of development cooperation?

- Closure of USAID
- Cuts of US-spending for some UN-Agencies (e.g. WHO)
- Cuts in development finance by major bilateral donors e.g. Germany, France, UK
- 2024: 9% decline in ODA (OECD);
  2025: 9-17% decline in ODA (OECD forecast)
- Weakening of post-WW II international aid architecture around OECD DAC
- Rise of „new“ donors: China, BRICS, private foundations, private sector

ÖFSE
Austrian Foundation
for Development Research

2. Shifts in EU Development Policy

- Lisbon Treaty 2009: Poverty reduction as main goal of EU development policy
- EU Global Strategy for Foreign and Security Policy 2016: stronger focus on EU interests, e.g. migration, security
- New, unified financing instrument 2021: Neighbourhood, Development and International Cooperation – Global Europe (NDICI – Global Europe)
- Post-Covid: Team Europe Approach for improved coordination and coherence
- “Financialisation” trend: from grant-based to loan-based financing
- Shifting narratives

source: digitaloceanpavillon

3. The Global Gateway from a developmental perspective - Context

- China‘s Belt and Road initiative
- EU economic vulnerabilities (supply chains, energy provision)
- „Twin Transition“ – Digital and Green Transition
- Critical Raw Materials Act

3. The Global Gateway from a developmental perspective

- “In assisting others, the EU will also be contributing to the promotion of its own interests”
- Implemented under the NDICI – Global Europe, the EU’s main instrument for development cooperation
- The European Fund for Sustainable Development Plus (EFSD+), the financial arm of the NDICI-GE, is a leading financing instrument of the Global Gateway

ÖFSE
Austrian Foundation
for Development Research

4. The Global Gateway – shifts in EU education sector support policy

- Social sectors de facto not the GG priority (2023: health 7%, education 9% of flagship projects)
- “Financialisation” of aid in the education sector (from grant based to loan based)
- From sector-wide support to project-based investment logics
- From focus on integrated education sector development (incl. foundational education and HEST) to focus on employable skills

OFSE
Austrian Foundation for Development Research

3. The Global Gateway from a developmental perspective – points of criticism

Lack of clear developmental orientation, despite use of development finance instruments

- Less weight on poverty reduction, more weight on market opportunities for European companies
- Promotes privatisation of public services in Global South
- Risk of increasing debt burden of partner countries
- Risk of reinforcing extractivism along neo-colonial patterns through focus on export of raw materials and energy
- Weak on gender equality

ÖFSE
Austrian Foundation
for Development Research

3. The Global Gateway from a developmental perspective – points of criticism (cont.)

Risk of negative impacts on human rights and environment

- Concerning environmental footprint of large energy projects (e.g. hydrogen projects, lithium mining)

- Dissonance between human-rights based approach and lack of implementation (e.g. raw material agreement with Rwanda)

3. The Global Gateway from a developmental perspective – points of criticism (cont.)

Intransparent governance and lack of accountability

- Unilaterally introduced by the EC and the High Representative/ Vice President of the EC, questionable ownership of Global South countries
- Elected bodies (parliaments), civil society, local actors: reduced role
- Lack of transparency (including missing information on project selection, financing, and implementing actors)

OFSE
Austrian Foundation for Development Research

4. The Global Gateway – critical remarks on education sector policy support

- Education sector financing gaps refer to operational costs rather than infrastructure
- “Bankability” logic of GG projects not suitable to attract finance to education sector
- Increased debt burden (in LDCs) reduces policy space for public education budgets
- Risk of focus on employability and enabling: weakening of foundational education and further fragmentation of HEST
- Relevance: alignment with whose priorities?

ÖFSE
Austrian Foundation
for Development Research

4. Main Sources

- Perez, A et al. (2025). The EU Aid Strategy: A Gateway to Human Development?

https://www.europarl.europa.eu/thinktank/en/document/EXPO_STU(2025)754469

- Eurodad et al (2024). Who profits from the Global Gateway? The EU's new strategy for development cooperation

www.eurodad.org/who_profits_from_the_global_gateway_the_eu_s_new_strategy_for_development_cooperation

- "Education at the Heart of the AU-EU Partnership" - Open letter by civil society organisations

https://www.wvi.org/publications/education-heart-au-eu-partnership-open-letter-civil-society-organisations

OFSE
Austrian Foundation for Development Research

Thank you!

OFSE
Austrian Foundation
for Development Research