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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
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To: Delegations

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Subject: A Globally Connected Europe
- Council Conclusions (12 July 2021)

Delegations will find in the annex Council Conclusions - A Globally Connected Europe, as approved by the Council on 12 July 2021.

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 and development 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 principled approach to connectivity that is sustainable (climate and environmental, social, economic and fiscal), comprehensive (transport, energy, digital and people-to-people) and rules-based (guaranteeing non-discrimination and securing level playing field). 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 applies the basic principles set out in the 2018 Joint Communication "Connecting Europe and Asia – building blocks for an EU Strategy" at a global level.

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.

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 notes that the Covid-19 pandemic has further exposed the fundamental importance of connectivity for economic growth, security and resilience. The Council recognises that sustainable connectivity and quality infrastructure investments can have a transformative effect on economies and societies, in particular in the context of the post-Covid-19 recovery contributing to the realisation of the 2030 Agenda for Sustainable Development and the Paris Agreement. It considers that strategic implementation of the EU connectivity agenda would boost the EU’s competitiveness, contribute to the diversification of value chains, reduce strategic dependencies, including 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 the importance of robust technical assistance. It considers that predictable international norms and standards and sound regulatory frameworks are essential for a level playing field and a conducive environment for incentivising private 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 that should promote, in full cooperation with beneficiaries, compatibility of policy approaches and complementarity in preparation, implementation and financing of sustainable projects. The Council encourages the Commission and the High Representative to fully operationalise the EU's partnerships with Japan (September 2019) and India (May 2021), and to pursue a Connectivity Partnership with ASEAN, within an appropriate timeframe, based on the EU-ASEAN Joint Ministerial Statement on Connectivity (December 2020). It calls for establishing further partnerships and cooperation with like-minded countries and regions, in particular the United States. The Council also encourages close cooperation within relevant multilateral fora, including the G20 Quality Infrastructure activities and the G7. It welcomes in particular G7 discussions to build back better for the world orienting development finance tools towards the range of challenges faced by many countries.

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, and to start work on a joint communication on an EU global connectivity strategy with a view to its presentation by spring 2022 at the latest.

8. The Council calls on the Commission and the High Representative to pursue this aim through all appropriate means, in coordination with Member States, their business, financial and development institutions (and their participation in respective Multilateral Development Banks), as well as with the EIB, the EBRD, the other MDBs and other relevant international financial institutions, and consider the strategic sustainable 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, preferably by the end of the first quarter of 2022, including through:
 - stepping up 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+ and the External Action Guarantee) based on priorities identified and agreed with partner countries and regions, complementing private investment and funding;
- ii) Present coherent and streamlined financing schemes to incentivise sustainable connectivity investments, in line with Art. 2.1 c of the Paris Agreement, based on pooling public and private resources in a Team Europe approach. This should include:
 - 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 models, 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, including 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, including by:
- developing a unifying narrative for actions taken by all relevant actors. The narrative should include a recognisable brand name and logo developed together with the Member States and should be 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 cooperation and coordination between all stakeholders, supported at the highest institutional level, to ensure an effective and swift implementation of the EU connectivity agenda; ask the Commission and the High Representative to establish a close cooperation with relevant actors in this regard, including as Team Europe with Member States.
 - 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 swiftly with the implementation of the aforementioned steps. On the basis of annual reporting the Council will revert to evaluating the implementation of the EU connectivity agenda on a regular basis in the relevant Council bodies.
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