

## Factsheet on the G7 Partnership for Global Infrastructure and Investment (PGII)

Pescara, 22-24 October 2024

### Enhancing PGII during the Italian G7 Presidency

The Partnership for Global Infrastructure and Investment (PGII) is a shared G7 commitment to advance public and private investments in sustainable, inclusive, resilient and quality infrastructure and wider development. Through this partnership, the G7 aims to invest and mobilize up to USD 600 billion by 2027 to narrow the infrastructure investment gap in partner countries. The PGII represents a strategic opportunity for developing countries to accelerate progress towards achieving the Sustainable Development Goals (SDGs) and the targets of the Agenda 2030. Since its launch at the G7 Elmau Summit in 2022, the PGII has been delivering investments across key priority areas to help address climate change and the energy crisis, supply chain resilience, connectivity through digital infrastructure and transport networks, sustainable health systems, and gender equality, thereby contributing to global development goals and economic stability.

Building on the achievements of previous G7 presidencies and relevant initiatives such as the Italian “Mattei Plan for Africa”, the EU Global Gateway and the G20 Compact with Africa, during the Italian Presidency in 2024 G7 members advanced their PGII agenda with a special focus on Africa and its sustainable investment needs and opportunities, promoting equitable partnerships with African countries in line with the SDGs and the objectives of the African Union Agenda 2063 and the integrated African continental plans. On the occasion of the 2024 G7 Summit in Borgo Egnazia, a PGII side event was held with the participation of G7 Leaders, private sector executives, and development finance institutions, aiming at mobilizing public and private capital in African countries through joint efforts on key transformative initiatives, such as the Lobito Corridor.

Following up on the Apulia G7 Leaders’ Communiqué and their commitment to enhance the PGII, G7 Development Ministers met in Pescara on October 22-24 with invited African partners and international organizations, and committed to the following initiatives: i) launching a PGII secretariat for effective implementation and investment coordination with partners; ii) supporting the implementation of the AUC/OECD African Virtual Investment Platform to enhance data and information sharing, transparency and public policies on investment in Africa; iii) working together with PDBs, DFIs, MDBs, and private sector to improve enabling environments and country-based investment design, coordination, and co-financing, possibly benefitting from the 2024 Joint Action Proposal for Sustainable Infrastructure Investment in Africa and any future contribution prepared by the PGII Expert Group on Development Finance. Building on these initiatives, Ministers also announced enhanced collective efforts to support, among others, flagship cross-border development corridors, such as the Lobito Corridor, the Trans-Caspian Transport Corridor (TCTC) and the Luzon Corridor, which represent proven solutions to attract private investment and accelerate regional integration and sustainable development in partner countries. These initiatives reflect a dual approach, encompassing both transformative flagship projects, including on delivering on hard infrastructure, as well as promoting enabling environments and upstream conditions to mobilize infrastructure investment.

Building on the achievements of Japan's G7 Presidency in 2023, which emphasized mobilizing private capital and addressing pressing global issues such as climate change and infrastructure

gaps, Italy's 2024 Presidency takes this forward with a strong focus on Africa and transformative regional development projects like the Lobito Corridor. This Factsheet is a further demonstration of the G7 commitment to work with partners to develop transformative ecosystems of quality infrastructure and investment. Although more projects are simultaneously ongoing, the G7 highlights the following key flagship projects in 2024. The PGII Secretariat, as per its mandate and under the PGII Working Group steer and coordination, will report on the implementation of the PGII flagship projects.

## Key flagship projects in 2024

### *Economic corridors*

Through PGII, G7 partners seek to de-risk and drive multi-sector investment focused on supporting connectivity to regional and global markets through strategic economic corridors. These corridors enable economic development, deepen regional connectivity, and maximize the impact of public and private investments. Across PGII economic corridors, investments focus on securing and expanding clean energy supply chains, fortifying trusted information and communications technology (ICT) networks, and building connective transportation and logistics infrastructure, and aim to maximize positive impacts on other critical sectors that are drivers of sustainable development, including agriculture-related infrastructure, resilient health systems, and gender equality and equity. The initial three PGII economic corridors listed below demonstrate the G7's ability and commitment to working together to deliver quality, inclusive, resilient and sustainable infrastructure and investment to partners worldwide.

#### **The Lobito Corridor**

- **Region / Country:** Southern and Central Africa
- **Brief description:** the Lobito Corridor is a major economic artery connecting the port of Lobito in Angola to the Katanga province in the Democratic Republic of Congo and the Copperbelt in Zambia. As the first open-access transcontinental rail link in Africa, it has the potential to unlock the region's enormous potential, enhance export possibilities, and promote regional integration. The EU, the US and Italy are co-leading support to the development of the Corridor and the investments around it, with a focus on the rail network, soft measures for trade and transit facilitation, and investments in related sectors along the corridor, namely agribusiness to enhance food security, biodiversity conservation, education and TVET, digital infrastructure, and expanded access to sustainable energy. Additionally to the co-leading G7 partners' investments, Germany through state guarantees provides support to a comprehensive set of private sector projects along the corridor and the UK announced support to clean energy in Zambia and work through the British Geological Survey in Angola.

#### **Trans-Caspian Transport Corridor (TCTC)**

- **Region / Country:** Central Asia and Europe
- **Brief description:** the Trans-Caspian Transport Corridor (TCTC) has potential to become a modern, competitive and efficient route connecting Europe and Asia in no more than 15 days, while ensuring improved connectivity and cooperation, as well as economic growth in Central Asia. The project includes, but is not limited to, providing technical assistance and training by utilizing the expertise of relevant international organizations and scaling infrastructure investments to accelerate economic development and energy security. At the Global Gateway Central Asia Transport Investors Forum in January 2024, investment commitments were made by international partners. Together, the EU-led TCTC Coordination Platform, launched in June 2024 and at political level in Ashgabat on the 3rd of October 2024 as well as the U.S.-led Trans-Caspian Trade Route Coordination Platform, launched in March 2023, will seek to expedite hard and soft infrastructure development to enhance the trade corridor's effective functioning in

support of Central Asian transit and connectivity. Japan will implement training programs in collaboration with the World Customs Organization (WCO) through JICA, to support customs clearance and decrease transportation time along the TCTC. Furthermore, JICA will also support the "greening" of the TCTC toward carbon neutrality.

### **The Luzon Economic Corridor**

- **Region / Country:** Asia Pacific
- **Brief description:** the Luzon Economic Corridor will support connectivity between Subic Bay, Clark, Manila, and Batangas in the Philippines, driving economic growth in new economic hubs and strengthening global supply chains. Together, the Philippines, the United States, and Japan will accelerate coordinated investments in high-impact infrastructure projects, including rail, ports modernization, clean energy and semiconductor supply chains and deployments, and agribusiness.

### ***Selected regional and country-level initiatives***

The following list is a selection of G7 strategic initiatives that aim to advance the PGII agenda in specific countries or regions, addressing different sectors and priority areas. While some are more advanced, others are at an earlier stage of implementation. With the support of the just established PGII Secretariat, G7 members are working together to ensure smooth implementation and strengthen synergies across different projects and initiatives at country and regional level in a coherent and effective manner that responds to partners' investment priorities.

### **The African Virtual Investment Platform**

- **Region / Country:** Africa
- **Brief description:** the African Virtual Investment Platform (AVIP) is a joint initiative of the African Union Commission and the OECD supported by Italy, the European Union and other partners. The Platform aims to gather quality and timely data and information to enhance the transparency of the investment landscape in African countries and improve investment-related policies. Through their support to AVIP, G7 members join efforts to improve the quality of ratings and risk assessments, strengthen investor confidence and thereby catalyze sustainable investments in Africa. AVIP will support the PGII agenda in Africa. Its activities will begin in 2025 with a number of pilot countries in all African regions, with a view of gradually expanding coverage to the rest of the continent.

### **Sargassum in the Caribbean Basin**

- **Region / Country:** Caribbean
- **Brief description:** since 2011, the Caribbean has wrestled with growing inundations of sargassum which negatively impact critical coastal ecosystems, as well as human health, coastal activities, and major economic sectors. Through the Global Gateway, the EU and its Member States proposed to help shift the perspective from a challenge to a viable valorization pathway. Because the development of value chains requires collaboration between all stakeholders, the EU co-organized the Second EU-Caribbean Global Gateway Conference on Sargassum in Grenada in October 2024. This created a framework for integrating the support received by Caribbean countries through multilateral banks as well as donor countries like France, Germany, the Netherlands, the UK and the USA.

### **Renewable Hydrogen Cooperation in Namibia**

- **Region / Country:** Namibia

- **Brief description:** through a Global Gateway flagship, the EU as part of Team Europe has established a Renewable Hydrogen partnership with Namibia and most recently at the Global African Hydrogen Summit, announced support to the Namibia Green Industrialization Agenda with EUR 25 million EU grants to leverage Green Hydrogen (GH2) infrastructure investments and to the Namibia GH2 Programme with EUR 8.8 million in grants together with Germany. In 2024, Germany has emphasized its ongoing support of a green hydrogen and renewable energies industry in Namibia with at least EUR 100 million direct public support. As part of Team Europe, the EU and Germany continue to support further private sector projects with high ESG standards that are currently under development using foreign trade promotion instruments, with the aim to mobilize a strategic multi-billion euro private investment project in the coming years.

### **Kenya Country Coordination Platform / Green Industrialization Partnership**

- **Region / Country:** Kenya
- **Brief description:** a number of PGII projects and initiatives, including those funding the Africa Green Industrialization Initiative (AGII) pipeline, are currently underway in Kenya, with the involvement of several G7 members in different sectors. These projects include joint initiatives to support a climate resilient development of the city of Nairobi, with the support of EU, France, Germany, Italy, UK, USA and the World Bank. Moreover, Italy is leading several projects in the area of sustainable energy, urban development and food systems such as: the expansion of the production and processing mechanisms of advanced biofuels for the transport industry; the improvement of the sustainability and resilience of the coffee value chain; and the development, construction and operation of a geothermal power plant, in cooperation with the US. Germany signed a Climate and Development Partnership with Kenya in 2022 that builds on its long-standing development cooperation in the energy and agricultural sector and focuses on mitigation (expansion of renewable energies, green hydrogen and e-mobility) and adaption (agroecology, climate-smart agriculture). President Ruto, alongside other African Heads of States, launched the AGII at COP28. Following this, at the G7 Summit in 2024 G7 Leaders welcomed AGII as a key platform for collaboration on infrastructure investment in Africa. The UK is supporting an AGII Secretariat under the Kenyan Ministry of Transport. With the support of the just established PGII Secretariat, G7 members are working together to enhance coordination with partners at country level, with the view to ensure smooth implementation and strengthen synergies across different projects and initiatives in a coherent and effective manner that responds to Kenya's investment priorities.

### ***Just Energy Transition Partnerships (JETPs)***

Just Energy Transition Partnerships (JETPs) are a donor coordination structure for coordinating funding and expertise towards accelerating transitions to clean, renewable energy, including the phase-out of fossil fuels. These intergovernmental partnerships coordinate financial resources and technical assistance to support partner countries in advancing their energy transition in an equitable and inclusive manner with regard to its social consequences. The first JETP with South Africa was announced at COP26. Two more were announced in 2022 with Vietnam and Indonesia. In 2023, a fourth JETP was launched with Senegal. Each JETP is a partnership between the host country and an International Partners Group (IPG).

### **Just Energy Transition Partnership in South Africa**

- **Region / Country:** South Africa
- **Brief description:** The partnership was launched at COP26, by South Africa and the IPG, comprising of the UK, the US, the EU, France, and Germany with support from Canada. Netherlands and Denmark joined in 2023. An initial finance package of USD 8.5 billion later

increased to USD 9.3 billion, designed to support South Africa's transition away from coal in a just, socially inclusive manner and achieve its NDC target (350Mt CO<sub>2</sub>e).

### **Just Energy Transition Partnership in Vietnam**

- **Region / Country:** Vietnam
- **Brief description:** The partnership was launched in 2022, by Vietnam and the IPG comprising of the G7, the EU, Denmark and Norway and is co-chaired by the EU and the UK. An initial financing package of USD 15.5 billion, later increased to USD 15.8 billion, has been committed, USD 8.1 billion from public funding and the rest from private investors who are members of the 'Global Financial Alliance for Net Zero'.

### **Just Energy Transition Partnership in Indonesia**

- **Region / Country:** Indonesia
- **Brief description:** Indonesia and the International Partners Group -- comprising of the G7, the EU, Denmark and Norway and co-led by the US and Japan – launched the partnership in 2022. The JETP finance package of USD 21.6 billion, up from an initial commitment of USD 20 billion, includes USD 11.6 billion in public sector pledged and a commitment to work to mobilize and facilitate USD 10 billion in investment from private financial institutions coordinated by the Glasgow Financial Alliance for Net Zero (GFANZ). The JETP aims to accelerate the just energy transition in Indonesia, by increasing the share of renewables and limiting the emissions in the energy sector.

### **Just Energy Transition Partnership in Senegal**

- **Region / Country:** Senegal
- **Brief description:** The partnership was launched in 2023, by Senegal and the IPG, comprising of France, Germany, the EU, the UK, and Canada and is co-chaired by France and Germany. A finance package of EUR 2.5 billion was agreed to support Senegal to increase its renewable energy capacity to 40% of the total electricity mix by 2030. Senegal has committed to updating its Long-Term Decarbonisation Strategy by COP29. The Investment Plan, which will be the basis for implementing the JETP, is scheduled to be published at COP29.