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Publisher: CONCORD - Rue de l'Industrie, 10 - 1000 Brussels, Belgium

With the direction and support of members of CONCORD's Inequalities and Sustainable Economy workstream.

This report was supported by the Robert Bosch Stiftung.

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# INTRODUCTION

The Global Gateway initiative of the European Union (EU) purports to address investment gaps in the Global South. Over the 2021-2027 period, Team Europe (the EU and its Member States) has committed to mobilising up to EUR 300 billion for projects worldwide, focusing on digital transformation, climate resilience, energy sustainability, efficient transport networks, health, education and research systems<sup>1</sup>.

The initiative was conceived to bolster the EU's global influence, positioning itself as an alternative to China's Belt and Road Initiative. Although the EU has declared its aim to align with the United Nations' Sustainable Development Goals and the Paris Agreement, **concerns persist about the Global Gateway's scope, modalities and underlying intentions**. These appear to prioritise financial gains and geopolitical influence rather than long-lasting positive social impacts.

## REFOCUSING ON EQUALITY IS URGENT

If Global Gateway disregards the commitment to address inequalities through international partnerships, which has been repeatedly stated by the EU, it will likely exacerbate them.

**However, if effectively rethought, Global Gateway could contribute to addressing inequalities and sustainable development in combination with the grants-based programmes of NDICI-Global Europe, that should remain the core of the EU's international cooperation.**

The EU's Inequality Marker (I-Marker)<sup>2</sup> adopted in 2023 can be a key tool to ensure projects reach those left furthest behind, in particular the bottom 40% of the wealth distribution. EU Member States, meeting in the Council of the EU, have been explicit about the need to ensure the inequalities angle is part of implementation:

“The Council stresses the importance of implementing SDG 10, 'Reduce inequality within and among countries'. The Council underlines that monitoring and reporting on inequalities is essential. In this respect the Council welcomes the European Commission's Inequality Marker (I-Marker) and the use of Distributional Impact Assessments. The Council also recommends the broadest application of the Inequality Marker, including in Team Europe Initiatives and with regard to the Global Gateway, and encourages Member States to use it.”<sup>3</sup>

**At present this message remains only one piece in a complex puzzle of contradicting EU approaches to what the Global Gateway actually means and is supposed to deliver.** Refocusing on the reduction of inequalities will require strong political commitment and clear proposals for action to implement this commitment.

## OUR RESEARCH AIMS

**Our study explores how Global Gateway projects may contribute to addressing inequalities, particularly focusing on the poorest 40% of the population, in terms of wealth (in line with the EU's I-Marker) and makes recommendations.**

**Our study does not assess the impact of projects.** Most projects (re)branded as Global Gateway are relatively new, so **our research is rather an ex ante<sup>4</sup> analysis** seeking to understand:

- How **communities** feel about the infrastructure sectors where projects are implemented, and how relevant or sensitive they are in relation to the inequalities they experience. These lived experiences are also key to identifying the critical

<sup>1</sup> [European Commission's website dedicated to Global Gateway.](#)

<sup>2</sup> [The European Commission Inequality Marker.](#)

<sup>3</sup> [Council conclusions on a social, green and digital transition, 21 November 2023](#)

<sup>4</sup> “Based on assumption and prediction and being essentially subjective and estimative” (Merriam-Webster [dictionary](#)).

points to address in the implementation of the projects.

- How **stakeholders** involved in the design and implementation of the projects view inequalities and their motivations and concrete tools to tackle them.

Following a thorough analysis (see our methodology), we selected two projects where we applied the approach mentioned above:

**1.** The **Social Digital Connectivity** programme in **El Salvador**, aimed at providing internet access to educational and healthcare institutions and developing users' digital skills. Our study applied an ex ante analysis approach across both stakeholders and communities.

**2.** The **Renewable Lesotho** programme, aimed at increasing access to energy solutions in the country. At the time of our research, the first steps in the implementation phase of the programme were being taken. We therefore sought to understand the prospective challenges and opportunities of the programme by:

- assessing ex post the experiences of communities with an ongoing EU co-funded project of the OnePower start-up, which provided insights into the challenges facing Renewable Lesotho and the crucial importance of delivering a meaningful project on access to energy that is capable of tackling inequality;
- interacting ex ante with stakeholders responsible for the design, funding and implementation of the programme.

Drawing from the evidence generated in our research and our existing knowledge of tackling inequalities, we present **a series of recommendations**. These offer guidance to policymakers and project implementers in addressing inequalities more effectively, both within and beyond the scope of Global Gateway programmes. Our recommendations also seek to empower civil society partners to advocate for projects with a focus on tackling inequalities.

## OUR METHODOLOGY

CONCORD conducted a review of Global Gateway projects in Africa and Latin America to identify a list of potential projects. The review focused on the following criteria:

- Projects aiming to directly improve people's well-being and/or socio-economic conditions across the sectors covered by Global Gateway. Projects in implementation/implemented or inception stage to apply an ex post or ex ante approach to inequalities respectively.
- Availability of public information about the projects, such as objectives, components, stakeholders, people that the projects aimed to serve, etc.
- Support and responsiveness from the European Union Delegation (EUD) and the Directorate-General for International Partnerships of the European Commission (DG INTPA).
- Practical considerations around access to the communities for the collection of primary data.

Our study relied on a rigorous and cost-effective methodology to collect a wealth of information swiftly, especially data difficult to obtain through traditional quantitative approaches. The surveys and structured discussion tools used are available [online](#).

### The review consisted of four phases:

1. Desk review, project selection and stakeholder mapping. We reviewed Global Gateway projects to identify and select two for the study. Once selected, discussions with EU Delegations (EUDs) and the European Commission's Directorate-General for International Partnership's (DG INTPA) representatives took place to explore the feasibility of the studies in the countries. This was followed by a stakeholder mapping exercise to devise key informant interviews.
2. In-country work design and preparation. Two in situ work models were tested: (1) In Lesotho, a virtual model consisting of remote interviews with key stakeholders and in situ interviews and focus group discussions (FGDs) with people in the communities undertaken by two in-country field

researchers trained and coordinated remotely. (2) In El Salvador, an in situ model consisting of in person interviews with key stakeholders and in situ interviews and FGDs with people in the communities supported by a team of local in-country researchers trained and coordinated by CONCORD remotely<sup>5</sup>.

3. Data collection. The study employed semi-structured individual interviews and FGDs. Questionnaires<sup>6</sup> were structured according to thematic domains. The questions were framed to refer to inequality from two different angles: time self-assessed inequality; and individuals/communities self-assessed inequality. All information was kept confidential and quotes were anonymised to allow respondents to freely express their opinions. The study collected the following data:

	Lesotho	El Salvador
Individual interviews with stakeholders <sup>7</sup>	9	7
Individual interviews in communities	17	10
FGDs in communities	2 (6 and 10 participants)	1 (9 participants)
Communities	1 Ha Makebe	2 Santa Marta and Suchitoto

4. Data analysis and reporting. Information was transcribed and classified by type of respondents and method of data collection. Each group of information was coded in areas or themes that emerged consistently from the evidence, and then analysed in greater depth to present patterns and results. The information has been organised by key themes that emerged from the evidence, highlighting how each project tackles inequalities and offers opportunities for improvement.



### SOCIAL DIGITAL CONNECTIVITY (EL SALVADOR)

The Social Digital Connectivity programme is an initiative co-financed by the Inter-American Development Bank (IDB) and the Korea Infrastructure Development Co-Financing Facility for Latin America and the Caribbean (KIF), with a grant contribution from the European Commission (EC). The EU presents it as part of Global Gateway actions in El Salvador.

The Innovation Secretariat of the Presidency of El Salvador will lead the programme governance. The IDB and the EU Delegation will oversee programme execution, while private firms will implement components and report progress to the Secretariat.

The primary aims of the Social Digital Connectivity programme in El Salvador are twofold: to extend internet access to underserved educational and healthcare centres, and to bolster users’ digital skills. Based on information provided by the programme, less than 10% of rural households and only 35% of public schools and 40% of health centres in El Salvador have an internet connection<sup>8</sup>.

5 We received support from an academic with extensive knowledge of education and Human Rights in El Salvador, and the CSO partner Plataforma Global with in situ work experience in various municipalities.  
 6 The interview guides used in this report for interviews with communities and stakeholders, as well as those used for focus groups discussions, are available [here](#).  
 7 Project stakeholders included institutions and individuals involved in the financing, design, implementation and advocacy, such as development financial institutions (European Investment Bank (EIB), Inter-American Development Bank (IADB), EUDs, policy makers, public sector officers from local governments, private sector companies implementing the project, CSOs and academics.  
 8 IDB (2023). Modification of the Social Digital Connectivity Program. Available at: <https://www.iadb.org/en/whats-our-impact/ES-G1010>.

The overall goal of the programme is, therefore, to increase broadband access for the people of El Salvador. This involves improving connectivity access through investment in resilient digital infrastructure, and reducing the gap in digital skills of staff in schools. By doing so, the programme seeks to provide continuity of public services with trained staff and users, benefit 5 159 public sites and expand internet connection to all the public schools, and impact more than one million students.



## RENEWABLE LESOTHO

The Renewable Lesotho programme<sup>9</sup> is co-funded by the EU and was launched in 2023 as part of Global Gateway. It also receives funding from the German government and partners include the government of Lesotho, the European Investment Bank, European multi-donor platforms GET.transform and GET.invest, the Association of Bilateral European Development Finance Institutions (EDFI), the German Federal Ministry for Economic Cooperation and Development (BMZ), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the United Nations Development Programme (UNDP).

According to 2017 figures, only 34% of households had access to electricity via the national grid in Lesotho<sup>10</sup>. The main objective of the programme is to ensure energy security by improving the access to reliable and affordable clean energy.

This entails extending electricity infrastructure to underserved areas, implementing renewable electricity solutions, and enhancing the reliability and affordability of electricity services. By doing so, the project seeks to foster environmental sustainability and improve the quality of life for communities, and unlock opportunities for sustainable development.

Given the difficult access to remote communities in Lesotho, our study was conducted in the rural community of Ha Makebe located approximately 30 kilometres from the capital Maseru. This community received a comparable project funded under the previous EU budgetary cycle and implemented by OnePower, a start-up co-funded through EDFI ElectriFI, an EU-funded investment facility<sup>11</sup>.

<sup>9</sup> Programme [presentation](#) available on the website of the EU Delegation in Lesotho (accessed on 11 April 2024); more detailed programme information available in the [Action Document](#).

<sup>10</sup> UNDP, UNCDF, 2020, [Lesotho: Energy and the Poor, Unpacking the investment case for clean energy](#).

<sup>11</sup> More information about the project is available on [EDFI - ElectriFI's website](#). See also on the European Commission's [DG INTPA website](#).

# OUR KEY FINDINGS

## 1. INFRASTRUCTURE PROGRAMMES CAN REDUCE INEQUALITY

Ensuring equitable access to critical infrastructure such as electricity and digital connectivity serves as a powerful catalyst to foster equality. In this context, Global Gateway could make a positive impact if tackling unequal access becomes a core priority.

By delving into the experiences and insights gathered from interviews and FGDs conducted in the rural communities of El Salvador and Lesotho, we gained valuable perspectives on the intricate relationships between infrastructure accessibility, socio-economic factors and the prevailing inequalities.

### The pressing need for equal access to quality and affordable connectivity: Experiences and expectations in Santa Marta and Suchitoto

Santa Marta is located 100 kilometres south-east of the capital city San Salvador and Suchitoto 50 kilometres to the north. El Salvador shows that tackling inequalities can be addressed by improving access to infrastructure, in this case digital connectivity in schools and health centres in rural areas.

Internet access in rural communities has become a vital tool for communication, education and accessing information. However, internet access is diverse, with individuals and communities facing various challenges and barriers.

- **The key barriers to access: low quality, weak infrastructure and affordability**

In Suchitoto and Santa Marta, many of the individuals CONCORD met face various challenges and barriers in accessing the internet. Several respondents pointed out the **absence of residential internet access** in their homes or communities, citing reasons such as cost or geographical limitations. Some rely on intermittent

access or alternative methods, such as purchasing data packages and using mobile phone internet or satellite connections. These alternatives, although not universally accessible, offered potential pathways to expand internet connectivity and bridge the digital divide in underserved communities.

Respondents stressed that **equitable access is crucial to ensure inclusive digital participation** for all households. Some interviewees reported a complete lack of residential internet access. They also noted limited internet access in their local schools, highlighting disadvantages faced by educators and students. This disparity not only pointed to the digital divide within the village, but also revealed the broader issue of socio-economic inequalities.

Assessments of different internet service providers revealed **varying levels of service quality and coverage**, with some providers being more reliable than others. Nevertheless, comparisons with neighbouring communities shed light on perceived differences in internet quality and accessibility, with disparities in signal strength and reliability. As one respondent put it: *“In other communities the signal is more effective.”*

The **affordability** of internet services was a concern for some respondents, who felt that pricing was high or had increased over time; price was considered as one barrier to access. High costs of internet set-up and service were the main barriers for some respondents who could not afford an internet connection in their homes. *“Access is very expensive so we don’t opt for it”*

- **Access to the internet would effectively improve lives by helping to tackle inequalities**

Individuals from Suchitoto and Santa Marta believed that with internet access in rural communities, schools could offer **better resources and opportunities for students’ education**. They also drew attention to the disparities in educational opportunities between communities with and without internet access,

emphasising the need for equitable access to bridge the digital gap. As they pointed out, *“we have children who are studying and need to do tasks that require searching for information (...) Internet would allow accessibility to new knowledge”*.

Beyond the educational context, which was seen as crucial and is the main target of the Social Digital Connectivity programme, communities saw **numerous linkages between improved internet access and improved livelihoods**, including the ability to foster social cohesion. The lack of a reliable connection has a detrimental impact on the ability for individuals to connect digitally. Better access was also seen to play a crucial role in individuals’ **economic inclusion and income level**. Internet access was perceived to play a pivotal role in shaping economic opportunities, facilitating work-related tasks and opening doors to online employment and entrepreneurship.

### **Improved access to electricity, a powerful source of greater well-being: the experiences of residents in Ha Makebe**

Unlike the communities we visited in El Salvador, Ha Makebe in Lesotho has already benefited from a previous EU-funded project. This allowed us to identify what went well and the remaining gaps that Renewable Lesotho, as part of Global Gateway, must address.

- **Reported positive impacts on health, education and security**

The main source of energy in Ha Makebe is the ‘grid electricity’ solution which is generally perceived as positive. Residents indicated that their energy access is now reliable. This contrasts with neighbouring villages that were not part of the project and which experience frequent power cuts, particularly during adverse weather conditions.

Access to electricity in Ha Makebe has moved households from relying on non-electric sources to modern electrified living. This transition has enabled them to utilise modern electronic instruments and **improve household infrastructure and living conditions**: *“Prior to accessing electricity, we used candles, but now we only buy them when there are power cuts. There are many changes because we now use electricity to cook, we have a TV and a fridge”*.

Electricity access has also resulted in **better nutrition and health**. With electricity, households can seek healthier dietary choices and improve nutrition. The efficiency of electric-powered appliances, such as microwaves and refrigerators, contribute to cost savings and improved dietary diversity. Additionally, the availability of electricity facilitates food preparation and storage, and so improves hygiene and food safety.

Electrification enables rural communities to **access more information**. The use of smartphones (made easier through the ability to recharge phones more frequently) to seek knowledge and engage in **educational** pursuits is a key aspect mentioned by several respondents we met in the community. Some also reported that access to energy enables children to develop better study habits, as they are now able to do homework more comfortably: *“The well-being of people from our community is better [than] those people without electricity because access to technology helps our children sharpen their minds.”*

Moreover, residents in the community claimed that access to electricity seems to lead to a tangible **reduction in crime**, because formerly dark areas are now illuminated at night.

- **Economic empowerment and increased income opportunities**

Electrification, according to the residents interviewed in Ha Makebe, has emerged as a pivotal factor in fostering **economic empowerment** within the community, with residents experiencing tangible improvements in income generation. Moreover, they report a positive experience with **cost savings**, from reduced expenditure on alternative energy sources; and increased purchasing power and financial stability.

Moreover, electricity access has facilitated **entrepreneurship and localised economic activity**: *“One lady used to sell fat cakes in town, now she is working here at home, we buy from her because she uses the electricity to prepare (fry) them (...) With electricity, we can now operate our businesses more efficiently and attract more customers.”*

These beneficial impacts of electricity access extend beyond individual households to entire communities. With increased economic activity, there arises a potential for broader economic development:

*“Compared to neighbouring areas without electricity, our community enjoys a distinct economic advantage, which has improved our overall standard of living”.*

**Anticipation of future economic gains** is also prevalent among respondents. The prospect of leveraging electricity access for livestock rearing, agricultural production and other income-generating ventures instils optimism around future income growth and economic expansion.

## 2. THERE IS A RISK OF LEAVING SOME GROUPS AND INDIVIDUALS BEHIND

A key obstacle needs to be addressed as part of both programmes, and more widely in any infrastructure programme not based, or not exclusively based, on grants and free access: the risk of leaving behind the most marginalised within the communities because of a lack of affordability.

### More targeted action to reach the poorest within the bottom 40%

Our on-site work in Ha Makebe showed that, although most of the villagers who participated in our study had gained access to electricity, several interviewees within the same village still lacked access due to affordability issues. Their main sources for heat, cooking and lighting continue to be “firewood, paraffin, candles, dried cow dung and gas”. Lack of access to electricity exacerbates existing inequalities, hindering economic opportunities, educational advancement, and social inclusion for marginalised households.

“Connection to the mini-grid is something that should be provided for free. But the cost per kilowatt is prohibitive for the poorest households. The uptake among the poorest is very limited”. Stakeholder of Renewable Lesotho.

Limited financial resources prevent many from affording, in particular, upfront connection fees, payment for installation or purchasing equipment, as well as monthly utility bills. As some residents said, “[we] cannot afford paying for the pole and ready board system”. “We had to ask other family members and relatives for the money to pay”.

The challenges to access funds for recharging electricity credits or maintaining electricity services imply that programmes must tackle ongoing operational costs associated with electricity usage. This is crucial to **ensure universal access and avoid creating new gaps and inequalities** in communities between those who gain access and those who remain left behind.

As reported by residents in Ha Makebe, the lack of universal access to electricity inevitably **aggravates** inequalities in income (limited access to income-generating opportunities), in education (greater difficulties for students to study and complete assignments), and inequalities in nutrition and connectivity.

In addition to the above-mentioned factors, there is also an element of **social stigma**: the absence of electricity in a situation where others do have access engenders social and emotional challenges for individuals and communities, contributing to feelings of isolation, dependency and inadequacy.

“Honestly, I sometimes think that not having accessed the electricity makes [others] look down upon me.”

## 3. IT IS NECESSARY TO DEVISE STRATEGIES WHICH RECOGNISE INEQUALITY AND INCLUDE IMPACTFUL ACTIONS FROM THE OUTSET

### • Insights from Renewable Lesotho stakeholders

Renewable Lesotho aims at expanding access to electricity over the next few years, building on the experience of projects such as the project implemented in Ha Makebe. By prioritising rural communities the project aims to ensure a fair and inclusive distribution of energy resources, thereby addressing disparities in energy access.

Most stakeholders reported this potential positive impact in reducing inequalities. The strategies are based on two main types of actions:

**1. Extending access to electricity to unserved rural areas.** Providing energy services to economically

marginalised communities, particularly those not connected to the main electricity grid, helps reduce inequalities. These communities, often located in rural or remote areas, face significant challenges in accessing reliable energy sources.

**2. Viable electricity solutions.** Mini-grid and off-grid solutions are identified as viable options to extend electricity access to marginalised communities, including those living in remote or underserved areas.

Some of the stakeholders we met identified the key advantages of improving energy access with respect to tackling inequalities: greater income-generating opportunities, better nutrition and better educational outcomes, among others. There were also claims that the programme could help mainstream gender equality, but CONCORD could not assess in detail how precisely this could be achieved in the programme.



## • Ambitions versus obstacles

Stakeholders gave examples of several actions undertaken to address inequalities during the design and implementation of the project. These include:

- Feasibility studies **targeting the most marginalised in the communities.** The ambition to reach out to them was explicitly stated by the stakeholders we met, who seemed genuinely to acknowledge the crucial importance of taking inequalities into consideration.
- **Monitoring and evaluation** mechanisms are also in place to assess the impact of the project. Several indicators are employed to evaluate the socio-economic impact of projects, focusing on improvements in livelihoods, income levels and access to essential services.

- Stakeholders recognised that the **involvement of civil society organisations** is a key element in ensuring that the most marginalised are effectively reached and their needs are adequately considered. Their role was also seen as essential in promoting inclusivity, community participation, and effective programme design and implementation.

However, despite the stakeholders' positive views on the effects of the project in reducing inequalities, and actions undertaken in this respect, a number of barriers and challenges are evident:

- **Inequality reduction is not a primary focus** of the project, largely due to a lack of clear objectives within project frameworks. This ambiguity extends to affordability and feasibility studies, hindering efforts to ensure universal electricity access, especially for the poorest households. Without Distributional Impact Assessments, targeting renewable energy programmes becomes challenging, as stakeholders lack the necessary data to prioritise areas with high concentrations of poverty.

“ I mean you cannot reach the poorest if you don't know who they are, right?”

- Moreover, there is **limited assessment of the direct effects of renewable energy investments on inequality reduction.** Current social impact assessments primarily focus on adverse effects, overlooking the benefits for the poorest and most marginalised. Inefficiencies in governance structures further complicate matters, leading to unclear coordination among stakeholders and potential duplication of efforts.
- The **role of CSOs** is recognised as crucial, yet their involvement in project design is often limited to brief consultations. Enhancing their participation requires viewing them as co-contributors to project development and assessment, including financial support and capacity strengthening.
- **Investor focus on returns** often conflicts with inequality reducing objectives, particularly in extending electricity infrastructure to reach marginalised communities. The Lesotho government also prioritises economic viability

rather than inequality reduction, further complicating efforts to tackle disparities. Our research found no evidence of the inclusion of local sustainable and inclusive businesses in the programme<sup>12</sup>.

- While the EU's **Inequality Marker** (I-Marker) could potentially integrate inequality criteria into investment projects, it has not yet been mainstreamed. Our research does not find evidence of the use of the EU's Human-Rights Based Approach (HRBA) toolbox,<sup>13</sup> which is also highly relevant from the perspective of leaving no one behind.

“Inequality reduction is not clearly defined. And therefore, anything about the cost incurred by households has [not] ever been defined”.



## • El Salvador: The views of Social Digital Connectivity stakeholders

The Social Digital Connectivity programme is driven by a set of objectives aimed at increasing access to the internet for public facilities, enhancing their users' digital skills and ultimately to bridge the digital divide in El Salvador.

Stakeholders emphasised the importance of two strategies:

1. **Providing access to broadband connectivity to educational centres, particularly in rural areas.** A key objective of the programme revolves around

bringing connectivity to public schools, especially in rural areas through infrastructure deployment across all schools of the country to reduce the digital divide. In fact, infrastructure deployment forms the backbone of the programme's efforts.

2. **Improving digital literacy and skill development.** The programme aims to improve digital literacy and skill development among target population groups, ensuring that individuals in public schools and healthcare centres can continue their activities effectively.

## • Strategies and tools adopted to address inequalities and obstacles moving forward

In the interviews, stakeholders discussed the measures undertaken in the programme's design and implementation phases to effectively tackle inequalities and promote inclusivity.

- As explained above, the first measure will be focused on **directing benefits to educational centres**. These public facilities are the primary beneficiaries of the programme, with a focus on connecting all public schools and strengthening digital skills in healthcare centres in El Salvador. The aim is to ensure that essential institutions serving communities receive the necessary support to enhance their services and outreach.
- Secondly, the programme's impact extends to **marginalised and economically disadvantaged groups**, albeit indirectly.
- Thirdly, **community engagement and collaboration with CSOs** were seen, by a few stakeholders, as essential pillars of the Social Digital Connectivity programme. Engaging with communities directly is essential to ensure their needs were understood and addressed in the programme design, as one respondent emphasised.

Although two respondents considered that collaboration with CSOs plays a crucial role in extending the programme's reach and

<sup>12</sup> More on sustainable and inclusive businesses and their role in promoting inclusion and equality is available in our report [Mind Our Business](#), 2020.

<sup>13</sup> The EU's HRBA toolbox is available [here](#).

effectiveness, information from one of them showed that only NGOs from the health sector were involved. In other cases, respondents did not provide any account of engagement with NGOs.

- Fourthly, **monitoring and evaluation** activities are supposed to ensure the effective progress and social impact of the Social Digital Connectivity programme.

According to some stakeholders, the programme will employ logical frameworks and indicator systems, including those endorsed by the United Nations, to track progress, measure social impact and reduce inequalities. These are intended to identify challenges in a timely manner, thus making it possible to take corrective actions as needed. Nevertheless, **not all stakeholders provided full or clear detail of the tools and indicators to be used.**

Through interviews, stakeholders indicated **challenges** that need to be overcome to ensure the programme's effectiveness and inclusivity.

- **Infrastructure and geographic hurdles.** There is awareness about the difficulty of providing digital connectivity in all public schools, particularly in rural communities, and recognition that this is vital to reaching those who stand to benefit most. However, the deployment of fibre optics technology is hindered by the lack of infrastructure and geographic barriers.
- **Reaching disadvantaged groups and ensuring social inclusion** requires targeted projects and resources. Addressing the needs of these groups remains an ongoing challenge. One stakeholder emphasised the importance of benefiting women, girls, indigenous people, older adults, and people with disabilities. Reducing gaps in programme implementation is crucial for ensuring social inclusion and tackling inequalities. However, the absence of clear strategies and tools to target the most marginalised groups calls into question the programme's capacity to meet the stated ambitions.
- **Programme sustainability.** While financial support for the programme's duration is secured, concerns linger about sustainability beyond it.
- **Programme monitoring.** Continuous monitoring and corrective actions are crucial for programme success. This was seen as a key aspect to mitigate risks and ensure smooth implementation and impact, yet it was not completely clear who would do the monitoring or how.

# CONCLUSIONS

Our analyses explored to what extent tackling inequalities is included in the objectives of one Global Gateway programme in El Salvador and the outcomes of a project in Lesotho that the new Global Gateway project may pursue<sup>14</sup>.

Communities report the extensive benefits that improved access to internet and energy infrastructure can bring to their lives and that they can tackle a wide variety of the inequalities they experience.

It is also crucial to recognise that **these benefits are not uniformly distributed**, with marginalised households within communities facing barriers to access both electricity and connectivity. **Financial constraints** are identified as the main factors impeding access notably for rural households, limiting their capacity to engage in income-generating activities and capitalise on economic and social opportunities, fuelling community fragmentation and potentially undermining social cohesion and collective well-being. **It is not fully clear the extent to which the programmes analysed will help overcome those challenges**; this poses the problem of the lack of affordability-focused sustainability of the programmes.

To make these solutions viable for all and to avoid increasing inequalities within communities, **it is essential to improve the targeting of programmes**. In particular, this requires effective analysis, ex ante, of the main factors, particularly economic (e.g. tariffs and price dynamics), but also the social and cultural factors which prevent the most marginalised groups within the community from accessing solutions.

## THE WAY FORWARD: OUR RECOMMENDATIONS

Our study provides information about the current contribution of Global Gateway projects in reducing inequalities. Our analyses expose several weaknesses

which may undermine these efforts and, in some cases, risk increasing inequalities. **The EU must take specific steps to ensure that tackling inequalities is at the core of Global Gateway's objectives.**

CONCORD recommends the following actions to reshape Global Gateway, drawing on new findings from this research and based on our knowledge and the evidence we have gathered over several years about inequalities and the effects of private sector investment.

### 1) An accountable and transparent Global Gateway with equality at the core

Our research process clearly reflected the fact that, at present, the Global Gateway initiative is more a 'label' than a strategy with objectives that need to be adopted consistently by all participating entities and which should include inequality reduction and concomitant common targets and tools. This seems to be the source of duplications, inefficiencies and ultimately lack of transparency about the governance chain. It is not clear whether partner countries can achieve economic development and welfare as equal partners of Global Gateway, as it is widely framed as a tool to achieve the EU's own interests<sup>15</sup>. There are also questions about the prospects for the programmes' long-term viability and the need for strategies to ensure impact beyond the European contribution.

Lack of transparency is a key issue. Our research process was made particularly challenging because of the lack of information and inconsistencies around Global Gateway programmes, their financing and objectives. This hampers the accountability of the EU's investments and the democratic oversight by citizens, parliaments and CSOs.

Inequality reduction must be a primary aim of the Global Gateway strategy, which should set targets,

<sup>14</sup> As mentioned earlier, the community in Lesotho was initially recipient of the programme funded by the 11th European Development Fund, which served as a precursor to the Global Gateway's Renewable Lesotho Programme. It has remained a focal community for the Renewable Lesotho Programme's initiatives.

<sup>15</sup> See CONCORD's [reacoin](#) to a draft Briefing Book from the European Commission's Directorate-General for International Partnerships.

aligned with the SDGs and the 2030 Agenda. The strategy must be formulated through a wide-ranging consultation process, involving institutions, CSOs and experts from both Europe and the Global South. The various partners involved in the initiative (EC, bilateral agencies, International Financial Institutions, the private sector, partner countries and CSOs) should be part of the common framework for harmonising objectives, processes and tools.

In addition, clear processes and coordination and communication mechanisms must be in place for project design, implementation, monitoring and evaluation to ensure harmonisation of actions, and overall consistency and coherence of the initiative, to maximise impact. This will enhance the programmes' long-term viability. In sum, to move away from merely labelling initiatives and projects in order to develop a shared vision, objectives and actions that achieve sustainable inequality reduction are needed.

### Recommendation:

The EU must identify inequality reduction as a principal objective in Global Gateway actions, with dedicated targets and tools, along with coordination mechanisms and clarity on the roles and responsibilities. Those actions should be embedded in the regional and country-specific action plans under NDICI. The orientations of Global Gateway should be based on a wide-ranging consultative process, involving CSOs, partner countries, bilateral agencies and International Financial Institutions. A progress report on achievements must be published regularly. Furthermore, Global Gateway must be transparent: all stakeholders should be able to easily access information about programmes, including their goals, funding, partners involved and governance and outcomes.

## 2) Fully implement the Inequality Marker and effectively reach the bottom 40%

The Global Gateway projects analysed tend to address economic inequalities indirectly, e.g. by developing key assets in the most disadvantaged, particularly rural areas. However, analysis of the projects showed

that they target the poorest households in a limited way and include few activities specifically tailored to their needs. As an example, there is little analysis of the affordability of primary goods for the poorest households, based on price levels.

To tackle this gap, it is essential to mainstream the Inequality Marker methodology into the Global Gateway initiative, as agreed by EU Member States<sup>16</sup>. The I-Marker methodology provides a structured approach to prioritising inequality reduction in any project, by making actions more beneficial to the poorest 40% or other socio-economically disadvantaged groups.

By employing the Distributional Impact Assessment (DIA) ex ante, in particular, potential drivers of inequalities can be identified early, allowing activities to be designed in a manner that provides appropriate solutions for the poorest. In addition, the mainstreaming of I-Marker methodology might contribute to align the targets of partners involved in complex projects and increase transparency, with specific reference to people supposed to benefit from the projects, and to discover whether the most disadvantaged have been appropriately reached. Yet, at present, the Inequality Marker, adopted in 2023, is used only by the EC. It is essential to extend its use to all partners involved in the Global Gateway initiative. Furthermore, it is essential to complement the I-Marker with the Gender and Disability Markers, in order to ensure maximum impact on those groups facing intersectional disadvantage.

### Recommendation:

Apply the I-Marker to all actions. Set a target percentage of projects or funds - NDICI (including EFSD+) - I-Marked 2 (or alternatively a percentage of projects for which the DIA must be conducted, in order to ensure that the most marginalised are targeted). Adequate funding is needed for the EC and implementing agencies to conduct DIAs. Integrate our DIA qualitative tool proposal (see next recommendation) into the set of I-Marker instruments, in order to complement quantitative analyses, enhance the quality of information, and therefore improve targeting.

<sup>16</sup> Council conclusions on a social, green and digital transition, 21 November 2023.

### 3) Beyond numbers: understanding inequalities and community needs through qualitative analyses

Distributional impact assessments that are based on qualitative methodologies can help ensure, *ex ante* and in combination with the above-mentioned tools, that programmes do reach the most marginalised. They can also assess *ex post* whether the targeting has been adequately performed and measure the experiences of individuals and groups with a given programme.

#### The DIA Qualitative Tool

The DIA qualitative tool is a new instrument that produces rigorous analyses of the distributional impacts of policies or programmes. It assesses, in an *ex ante* and/or *ex post* manner, the effective targeting of the poorest or most socio-economically disadvantaged groups, in international cooperation programmes.

The tool is a cost-effective solution for efficiently gathering a vast amount of information within a short timeframe, particularly data that proves challenging to capture using conventional quantitative DIAs.

We tested the DIA qualitative tool<sup>17</sup> in the two selected Global Gateway projects, in El Salvador and Lesotho, using well established methods to collect and analyse qualitative data, such as semi-structured individual interviews, and FGDs, with limited financial and human resources. Questionnaires were structured according to thematic domains and questions referred to inequality from two different angles:

1. Time self-assessed inequality. Questions set up a time reference in the past in order for the respondent to make comparisons between past and present conditions relative to inequalities.
2. Individuals/communities self-assessed inequality. Questions made reference to other areas, communities, towns or groups of people where they could perceive their relative inequality through their livelihood activities.

Two research models were tested: (1) Virtual model consisting of remote interviews with key stakeholders and in situ interviews and FGDs with people in the

communities undertaken by local researchers trained remotely by CONCORD. (2) In situ model consisting of in person interviews with key stakeholders and in situ interviews and FGDs with people in the communities supported by a team of local field researchers trained and coordinated by CONCORD remotely.

The information collected, such as narratives, perceptions and lived experiences, presented in our research, offers a comprehensive self-reported understanding of programmes affecting the poorest and most socio-economically disadvantaged people. It provides detailed insights of the drivers of inequalities, supporting the design of effective inequality reducing solutions, and assessment of results.

Finally, the tool can be implemented or supported by CSOs, including local organisations, and therefore is an instrument to facilitate the involvement of civil society in shaping and monitoring projects.

### 4) Ensuring that programmes prioritise access for the most marginalised over profitability

Private sector investments often prioritise return on investment, which may not always align with projects aimed at serving the most economically disadvantaged communities. Consequently, there is a potential risk that projects focused on economic viability may overlook the poorest and most marginalised groups and that they may not reduce inequalities, but rather aggravate them. It is also important to stress that partner country governments in the Global South may themselves not prioritise inequality reduction.

To meet the needs of the poorest and most marginalised it is necessary as a first step to increase the proportion of grants relative to loans. Grants provide financial support without burdening recipient countries with additional debt obligations. Secondly, to put in place specific and differentiated solutions targeting the most disadvantaged groups.

It is also fundamental to target groups who are above the bottom 40% threshold, but nevertheless

<sup>17</sup> The tool comprises the interview guides used in this report for interviews with communities and stakeholders, as well as those used for focus groups discussions, which are available [here](#).

economically and socially disadvantaged. By extending the parameters of disadvantage, it might be possible to make projects targeting larger disadvantaged groups more economically viable.

### Recommendation:

Increase grants over loans. Identify successful approaches, innovative solutions to effectively target the poorest 40% and mainstream these solutions. Extend the parameters of disadvantage to reach as many disadvantaged individuals and groups as possible, while ensuring the poorest 40% is adequately reached.

## 5) Engaging with local, sustainable and inclusive businesses

Our research into the implementation of the programmes found no evidence indicating the involvement of local, sustainable and inclusive businesses,<sup>18</sup> which prioritise social and environmental concerns. Similarly, there is no evidence of proactive effort from the EU to ensure their participation.

Reducing inequalities should involve investing in, supporting, or partnering with local companies, small and medium sized enterprises (SMEs), cooperatives and social economy entities. Additionally, relying on microfinance institutions and credit unions/cooperatives could enhance the positive, sustainable and structural impact of Global Gateway projects on inequalities.

Furthermore, investing in and relying on the local private sector for project implementation should result in increased local job creation, ownership, sustainability and foster resilience and other positive outcomes.

### Recommendation:

Identify and involve local companies in partner countries in project implementation, with an emphasis on sustainable and inclusive businesses such as cooperatives and other social economy entities, in line with the EU's commitment to promote them as part of Global Gateway<sup>19</sup>. This would also be

in line with the EU's Social Economy Action Plan and the 2023 resolution of the United Nations General Assembly on promoting the social and solidarity economy for sustainable development,<sup>20</sup> which highlight the strong potential of the social economy to tackle inequalities.

## 6) Communities and CSOs as co-designers of projects

As our research showed, communities offer precious insights into the implications of a given project on their well-being and the inequalities they experience. Direct engagement with the communities, using for instance the qualitative tools of our research, is key to designing and implementing meaningful projects that do effectively address communities' needs without creating new gaps or leaving people behind.

Similarly, CSOs have the potential to reach the poorest and most marginalised and can therefore be pivotal for the design of tailored projects to reduce inequalities and appropriately monitor and assess results. However, the involvement of CSOs in Global Gateway projects is still limited, and relies on short and not always meaningful consultations.

CSOs should also be involved, alongside community representatives, in all phases of the project design, implementation, monitoring and evaluation, as a means to reach the poorest and the most socio-economically disadvantaged, to understand the drivers of inequalities and conceive appropriate solutions to reduce inequalities. This also requires strengthening capacities of small and local CSOs in the Global South in particular, which act in most marginalised areas, through financial support and training.

### Recommendation:

Actively involve CSOs during all phases of the project as co-designers of the Global Gateway programmes. Develop a small grant programme for capacity building of NGOs working with poorest and most marginalised populations in implementing the DIA qualitative tool, and provide analyses to be used during the design and monitoring and evaluation of Global Gateway projects.

<sup>18</sup> *Mind Our Business*, CONCORD, 2020.

<sup>19</sup> "Supporting the development of social and inclusive business models in EU partner countries directly relates to the creation of quality and decent jobs and is one of [the] dimensions of [the] Global Gateway initiative", response of the EU Commissioner for Jobs and Social Rights to a parliamentary question at the European Parliament, 17th July 2023.

<sup>20</sup> UN General Assembly [resolution](#) of 27 March 2023.

# OUR MEMBERS

