

Trade Promotion Europe - Position Paper

Enhancing SME Participation in the EU's Global Gateway Initiative

Introduction

The Global Gateway initiative is the European Union's flagship international investment strategy designed to mobilise up to €300 billion (2021-2027) to develop smart, clean and secure connections in partner countries worldwide. It prioritises five sectors: Digital, Energy & Climate, Transport, Health, and Education & Research. A key feature is the Team Europe approach, bringing together EU institutions, Member States, national development banks, IFIs, and the private sector. The Commission highlights the crucial role of businesses — including SMEs — as contributors of investment, know-how and skills development in partner countries.

Beyond questions of market access, this is also a broader strategic issue for the European Union. Stronger SME participation in Global Gateway can help diversify European industrial involvement in external projects, strengthen resilient value chains, broaden the Union's economic footprint in partner countries, and reduce excessive dependence on a limited number of very large players. In this sense, making Global Gateway more accessible to SMEs is not only a matter of inclusiveness, but also of competitiveness, economic security, and long-term resilience in the EU's external economic action.

Trade Promotion Europe (TPE), the European Association of Trade Promotion and Agrifood Promotion Organisations, has consistently prioritised the promotion of SME participation in its projects since the launch of the Global Gateway initiative. This commitment is reflected in TPE's 2024 report "[Map to Global Gateway for Exporting SMEs](#)", published following the conference of the same name. This report already warned that "**many SMEs remain under-aware of the pipeline of opportunities, face high entry thresholds, and risk being crowded out by large players**". Drawing on the operational experience of its members and their direct engagement with SME communities, TPE is uniquely positioned to identify practical bottlenecks and propose targeted solutions.

Following a prudent period during which the European Commission has already advanced a significant number of projects, including many flagship initiatives, **TPE members share a growing concern informed by feedback from client companies: SMEs continue to face persistent difficulties in accessing Global Gateway projects**, resulting in a structural gap between the European Commission's ambition to mobilise the private sector and the current, still limited, participation of SMEs in consortia and procurement processes.

Trade Promotion Europe calls on the European Commission to take targeted and concrete measures to facilitate SME participation in Global Gateway projects. In doing so, TPE emphasises the need to make tendering, consortium formation and financing practices more SME-inclusive, ensuring that tenders and project structures do not unintentionally exclude smaller actors. Strengthening early access to information and improving visibility on upcoming opportunities, as well as transparency regarding the outcomes of procurement processes, are essential to creating a more level playing field for SMEs within the Global Gateway Initiative.

To address these challenges, Trade Promotion Europe puts forward nine concrete and actionable recommendations aimed at improving SME access to Global Gateway opportunities.

SME participation in Global Gateway projects: routes and obstacles

SMEs have three main routes to participate in Global Gateway, but each of them presents specific difficulties for SMEs:

- **Participation in tenders**

SMEs can benefit from Global Gateway procurement calls by identifying projects aligned with their capabilities. Once identified, they can seek to join a consortium, typically alongside larger European firms and local partners. Each consortium is required to fulfil the technical and financial requirements of the tender, which generally demands proof of successful experiences in similar projects (technical references).

As the Global Gateway initiative mainly supports large-scale projects, tenders are not usually broken down into smaller lots. While this is understandable from an efficiency perspective, it presents a clear disadvantage for SME participation.

Financial thresholds are often not a significant constraint when a company is not leading a consortium. Rather, the main bottleneck for SMEs lies in their ability to demonstrate relevant working references that complement those of other consortium members. Consortia strive to include as many relevant references as possible and therefore assess potential SME partners primarily on the number of large-scale references they can provide. The lack of such references constitutes a key obstacle to SME participation in consortia, resulting in Global Gateway projects being predominantly led and implemented by large companies.

- **Participation as subcontractors**

Participating as subcontractors is another way for SMEs to engage in Global Gateway projects. As mentioned, most Global Gateway projects are structured as large-scale initiatives and are typically managed by major contractors. SMEs may work for them as subcontractors, supplying niche technologies, equipment or services.

Nevertheless, joining ongoing projects is not as straightforward as it may appear. Information on awarded consortia is often made publicly available only weeks or months after the contract is granted. By the time SMEs become aware of the winning consortium, opportunities to engage are frequently no longer accessible.

Contacting consortia in the early phases of procurement is the most effective way for SMEs to participate in the subcontracting process. However, there is no up-to-the-minute and accessible information on the companies or consortia engaged in each call, which ultimately hinders access for SMEs, particularly for those that are new to these processes.

- **Access to finance (Investment Hub)**

European SMEs or SME consortia with investment plans in Sub-Saharan Africa, Asia, or Latin America can submit project concepts via the Global Gateway Investment Hub of DG INTPA. This channel aims to mobilise EU support, potentially accessing loans, blended financing, or guarantees. This tool, with a baseline ticketing value of EUR 10 million, is a highly relevant initiative for large companies; however, it is often beyond the reach of the average European SME.

It is worth noting that there are no new financial instruments or funding linked to this Investment Hub, and that for opportunities in other regions, SMEs must navigate tools and calls from DG MENA and DG ENEST. In summary, SMEs encounter major hurdles in accessing financing under this complex ecosystem.

Across all three participation routes, SMEs face a combination of structural, informational, and procedural barriers. These barriers do not operate in isolation but reinforce each other, resulting in a system where SME participation remains the exception rather than the norm. Addressing these constraints therefore requires coordinated adjustments across procurement design, information flows, and financing mechanisms.

Nine recommendations to foster SME engagement

With the aim of increasing SME participation in the Global Gateway initiative, Trade Promotion Europe, as the voice of Trade Promotion Organisations across Europe, proposes the following key actions:

1. **Encourage consortia to deliberately include SMEs** by leveraging the European Commission's tendering guidelines, including the Practical Guide on Contract Procedures for European Union External Action (PRAG) and the EU public procurement directives revision, to **introduce pre-qualification criteria that favour consortia that include European SMEs. Adding "SME inclusion"** as a scoring criterion in Global Gateway projects, including flagships, would incentivise large companies to include European SMEs in their consortia. Complementary measures, such as the inclusion of a 360° approach criterion – meaning the necessary accompanying measures for successful and sustainable investments, such as technical assistance, regulatory reform and institutional strengthening, skills training, and civil society engagement – will also promote that large companies take SME participation into consideration.
2. **Promote smaller-scale tenders or divide projects into different lots accessible to SMEs.** The European Commission may encourage SME participation by tendering more mid-sized lots where SMEs can act as prime contractors or lead small consortia. Complementary, these projects should be clearly tagged as "SME-friendly opportunities" in the EU Funding and Tenders Portal, and Tenders Electronic Daily.

The first two measures are, in TPE's view, among the most immediately impactful for improving SME participation in Global Gateway calls. At the same time, they should be complemented by a broader set of actions addressing eligibility conditions, subcontracting practices, transparency, monitoring, business outreach and financing.

3. **Lower or adapt eligibility thresholds for SMEs within Global Gateway tenders.** Many Global Gateway calls currently require a minimum turnover and prior international experience, which disadvantages SMEs, as mentioned. Call requirements could be reduced to foster SME participation, for example, by reducing the percentage of turnover, the size of projects requested (e.g., 100% for large companies vs. 50% for SMEs), by reinforcing quality requirements in the pre-selection, or by reviewing the way references are taken into consideration (e.g. consider the last 5 years for service contracts and the amount of references in full when the project is completed during the reference period but started before).
4. **Incentivise the inclusion of SMEs in the subcontracting strategy of the awarded consortia.** Tender evaluation should reward consortia that include credible European SME participation strategies. A clear pipeline of subcontracting necessities, pre-identified SME providers, and an expected planning for subcontracting could be requested by the European Commission and taken into account in the tender evaluation.
5. Create **an open and dedicated “one-stop shop” for Global Gateway opportunities.** In TPE's view, this would be one of the most visible and operationally useful measures the European Commission could take to support SME participation. While the current Global Gateway website is a valuable starting point, SMEs need a more functional and business-oriented tool that brings together pipeline visibility, contact points, consortium and contractor information, and clearer guidance on how to access opportunities across procurement, subcontracting and investment channels. In the longer term, a well-developed one-stop shop could be integrated into the EU Funding & Tenders Portal. This one stop shop should include an updated pipeline of projects, with filters for SME-friendly projects; contact names in EU Delegations and other institutions (blended finance or delegated management); a list of promoters of Global Gateway flagship projects and Team Europe Initiatives; and a list of lead contractors. The platform would act as a marketplace linking subcontracting opportunities, consortia partner searching, and showcasing the capabilities of SMEs aligned with the necessities of the Global Gateway initiative. The one-stop-shop would address the current lack of systematic information regarding business and investment opportunities, particularly for SMEs.
6. **Enhance transparency and communication on project outcomes** in order to strengthen trust, improve market access, and support SME integration into Global Gateway value chains. The European Commission should ensure greater transparency regarding the outcomes of Global Gateway projects and related investment instruments. This information should, to the extent possible, be made

accessible through the one-stop shop described above. This would enable SMEs to identify relevant partners, approach lead contractors, and position themselves for subcontracting opportunities and future collaboration. This should include:

- The **systematic publication of tender results**, including the identification of successful bidders, lead contractors, and all members of winning consortia, as well as, where possible, subcontracting structures;
 - Within the framework of the **Global Gateway Investment Hub and related platforms**, clear and accessible information on approved projects, including the companies involved in each project and their respective roles;
 - The provision of clear and practical guidance on how SMEs can benefit from participation EU Investment Hub initiatives, including the advantages linked to successful participation.
7. **Monitor and report on SME participation in Global Gateway projects.** Despite the strategic ambition of Global Gateway and the European Commission's explicit references to private-sector and SME involvement, publicly accessible data on SME participation remains very limited. There is currently no official consolidated dataset indicating the number of SMEs involved, their share of contract value, or their presence in project consortia and subcontracting chains. Therefore, the Commission should:
- **Introduce indicators** and reporting requirements, including the number/percentage of SMEs participating (European SMEs, local SMEs), the value of contracts awarded to SMEs, and the geographic diversification of SMEs engaged.
 - **Publicly publish such data, enabling benchmarking and continual improvement.**
8. **Reinforce the participation of European SMEs in the EU Business Fora**, by promoting early dissemination of comprehensive information regarding the sectors, dates, themes and concrete opportunities, including B2B and B2G formats.
9. **Launch SME-dedicated financing instruments** under the next Multiannual Financial Framework to engage SME investment.

Conclusion

The Global Gateway initiative provides a significant platform for European firms – including SMEs – to contribute to global connectivity, sustainable infrastructure, and resilient value chains, while reinforcing the international presence of the European industry. For Trade Promotion Organisations and their SME communities, this initiative represents a strategic pathway to access and expand in external markets.

However, since the Global Gateway initiative was announced, participation in procurement and project implementation has been largely concentrated among major contractors and global players, leaving SMEs at the periphery. **SMEs, essential components of Europe's industrial fabric, must be meaningfully included in this effort and cannot be overlooked.**

Ensuring stronger SME participation is not only a matter of inclusiveness, but a strategic necessity to maximise the impact, resilience, and long-term sustainability of Global Gateway investments, as well as to strengthen the European Union's economic presence in partner countries. At a time when the European Union is placing increasing emphasis on resilience, competitiveness and economic security, it is important that Global Gateway mobilises not only large industrial actors but also the broader European business base. A more SME-inclusive Global Gateway would strengthen Europe's capacity to deploy specialised know-how, expand trusted commercial links in partner countries, and ensure that the benefits of the initiative are anchored across a wider segment of the European economy.

To unlock SME potential, deliberate steps are needed to make SME participation more accessible, transparent, and operationally feasible. The nine recommendations outlined in this paper provide a concrete and actionable framework to address the structural, informational, and financial barriers identified.

Trade Promotion Europe and its members stand ready to support the Commission in promoting SME participation and ensuring that Global Gateway fully reflects the strengths and diversity of Europe's entrepreneurial ecosystem.

We invite the European Commission to engage with Trade Promotion Europe and its members in refining this proposal and translating these recommendations into practical measures to unlock the full potential of European SMEs.

About Trade Promotion Europe (TPE)

Trade Promotion Europe (TPE) is the European Association of Trade Promotion Organisations (TPOs) and Agrifood Promotion Organisations (APOs). TPE's mission is to empower European TPOs and APOs to enhance internationalisation support for exporting companies, by engaging as one voice with the EU Institutions and stakeholders, and by facilitating effective collaboration between members.

Approximately 700,000 European companies export goods outside the EU each year. 615,000 of them are small and medium enterprises. Over 13 million jobs in Europe depend on EU SME exports¹. TPE members, support these exporting companies in their internationalisation journey and are well-positioned to understand their needs and requirements. Therefore, TPOs and APOs play a crucial role in representing exporting SMEs and guaranteeing their competitiveness in the EU single market and beyond.

TPE is actively engaged in the European Union's Global Gateway Initiative and is part of the Business Advisory Group. TPE works collaboratively with European institutions and stakeholders to ensure that the interests and perspectives of SMEs are taken into consideration in shaping the Initiative's priorities and implementation. By leveraging its network of TPOs and APOs, TPE facilitates the participation of SMEs in major EU-led projects, advocates for transparent and accessible opportunities, and helps to build resilient value chains across international markets. This role enables TPE to contribute practical recommendations and feedback, supporting the creation of a more inclusive and effective Global Gateway that reflects the strengths and diversity of European SMEs.

¹Source: Chief Economist Note, *The Role of SMEs in extra-EU Exports: Key performance indicators* Jakubiak, Ni colas Preillon; May 2020; ISSN 2034-9815