

Partnership for Global Infrastructure Investment (PGII)

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The recently launched **India Middle East Europe Economic Corridor (IMEC)** is a part of the **Partnership for Global Infrastructure Investment (PGII)**, a West-led initiative to fund **infrastructure projects** across the world.



[Ref- India Shipping]

What is the Partnership for Global Infrastructure Investment (PGII)?

- It is an infrastructure plan first announced in **2021** during the **G7** (Group of Seven) summit in the UK.
 - **G7 countries include** United Kingdom, the United States, Canada, France, Germany, Italy, Japan, and the European Union (EU).
- It was part of the **Build Back Better World (B3W) framework** which was officially launched in **2022** as a joint initiative to help **fund infrastructure projects in developing countries** through **public and private investments**.
- The aim was to **mobilize \$600 billion** from the **G7** by **2027** in order to invest in critical infrastructure as a response to infrastructure projects undertaken by China under the **Belt and Road Initiative (BRI)**.
- The stated purpose of **PGII** and the **BRI** is to help secure funding for countries to **build critical infrastructure** like **roads, ports, bridges, communication setups**, etc. and to enhance **global trade and cooperation**.

What was the need for an alternative?

- China began the **BRI** in **2013** to revive the **ancient trade routes** crossing to and from China (**Rome in Europe to East Asia**).
- The Chinese government helped in providing loans for infrastructure projects countries and some companies were awarded contracts for carrying out the work.
- **World Bank report (2019)** stated that China provided **unsustainable debts** to countries that will be **unable to repay** them which led to **takeover of public assets**.
- BRI could **increase trade between 1.7-6.2%** for the world, increasing **global real income by 0.7 to 2.9%**.
- **India opposed** the **BRI** as it included the **China-Pakistan Economic Corridor**, which connected **Kashgar in China** with the **Gwadar port in Pakistan** via **Pakistan-occupied Kashmir (PoK)**.

- It should be **transparent** and **conform** to **respect** the sovereignty and territorial integrity of other countries.
- The G7 initiative of PGII was meant to be **transparent**, **focused** on **building climate change-resilient infrastructure**, and help in achieving objectives of **gender equality** and **health infrastructure development**.

Progress under PGII:

- IMEC is a further step in the **PGII process** and announced several projects in **Indonesia** and other countries, on **clean energy, telecommunications, etc.**
- **International Development Finance Corporation (DFC)** would invest over \$15 million in **India's health infrastructure**.
 - It includes expansion of eye clinics for **corrective surgery** of **underserved individuals**, and an India-based social enterprise for **manufacturing safe and affordable women's** hygiene products for underserved women in **non-metro areas**.
- **Global Gateway programme of European Union** will activate **300 billion** of investments in critical **connectivity projects** (2021-2027), half of which is **destined** for **Africa**.
 - Projects have been identified in **Africa, Latin America, Caribbean region, Asia** and **Pacific**, and **Western Balkans**.