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Research Report

Towards a "Sustainable Development Union": why the EU must do more to implement the 2030 Agenda

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German Development Institute







Briefing Paper

6/2016

Towards a "Sustainable Development Union": Why the EU Must Do More to Implement the 2030 Agenda

Summary

The European Union (EU) is in crisis mode. Its capacity to implement domestic reforms and its position as a global power are being severely undermined by centrifugal forces within Europe and the risk that the EU will disintegrate. Euroscepticism and populism abound; the reactions to the refugee crisis suggest that solidarity among member states is weak; the Euro crisis has exacerbated social tensions and economic power disparities throughout the continent; while persistent environmental problems such as the ongoing loss of biodiversity have no easy solutions.

Europe is in dire need of a new and positive narrative for its future development that resonates with European citizens and presents Europe as a constructive force for sustainable domestic and global development.

This is even more urgent in light of the increasingly blurred boundaries between domestic and external agendas. Europe's sustainable development cannot be promoted nor its own interests protected in isolation from the EU's response to the aspirations of emerging and developing countries and global public goods challenges. The refugee and migration crisis as well as the terrorist attacks in Paris show that the lack of sustainable development and peace in other parts of the world also threaten Europe at home. Moreover, because of the size of its market and its economy, Europe's domestic development pathway considerably impacts both its external legitimacy and sustainable development in third countries, for better or worse.

The 2030 Agenda for Sustainable Development with its 17 Sustainable Development Goals (SDGs) puts the inter-

dependence of domestic and external policy-making center stage. The 2030 Agenda is an action plan for people, planet, peace and prosperity that reflects core European values and interests: It is crucial for Europe and the rest of the world.

Given the scope and universal nature of the 2030 Agenda, its implementation requires a new quality of cooperation with greater inter-departmental work and whole-of-government approaches that encompass all dimensions of EU internal and external policies.

Linking the core ongoing European strategy processes – including the EU Global Strategy on Foreign and Security Policy (the EU Global Strategy) and the revision of the Europe 2020 Strategy (the New Approach beyond 2020) – to the 2030 Agenda can help to create more coherent policies. This could also address frictions and trade-offs between individual policy fields. Progress on the SDGs in Europe and abroad will foster the success of both domestic and foreign policies.

We recommend that

- EU heads of state and government jointly commit to implementing the 2030 Agenda across internal and external fields of action ahead of the UN High-level Political Forum on Sustainable Development scheduled for July 2016,
- the New Approach beyond 2020 and the EU Global Strategy should serve as umbrella documents for domestic and external implementation of the 2030 Agenda, linking both dimensions under the leadership of Vice-Presidents Timmermans and Mogherini.

"Business as usual" is not conducive to the SDGs

The EU has played an important role in shaping the SDGs negotiations. Not only Europe's social and economic welfare but also its peace and security depend on Europe and the rest of the world implementing the 2030 Agenda. However, Europe needs to lead by example, if the EU is going to seek ambitious, transformative partnerships and request others to move toward sustainable consumption and production patterns, energy transition and social cohesion. During COP21, the EU used its strong record as a climate pioneer to create the "high ambition coalition". This is the way forward!

The EU should seize the opportunity provided by debates about revising the Europe 2020 Strategy and the EU Global Strategy – and address European and external challenges to collective action by binding these strategies to the implementation of the 2030 Agenda.

Individual isolated policies are incapable of addressing global threats (terrorism, armed conflicts, communicable diseases, climate change) and global opportunities (more integrated markets, health and well-being, decent jobs, sustainable consumption and production, clean energy). Common sense seems to be evolving toward greater acceptance of collective action and whole-of-government approaches. However, institutional turf wars and shortsighted policy-making continue to bedevil strategy discussions about implementing the 2030 Agenda.

We welcome the commitment indicated in the programme of the current Trio Presidency (Netherlands, Slovakia and Malta) that puts activities regarding the SDGs in the chapters "jobs&growth" and "a strong global actor". The presidency is further considering linking the EU Infrastructure Investment Plan (the Juncker Plan) with the EU Global Strategy – and having the 2030 Agenda serve as a frame of reference.

With respect to the internal dimension, the EU needs to learn from the weak implementation record of past EU strategies, including Europe 2020. It is commendable that the EU has announced a "new approach ... to sustainability beyond 2020" (Commission Work Programme 2016), including internal and external implementation of the SDGs. This provides a unique opportunity for the EU. But the New Approach beyond 2020 must be more ambitious than Europe 2020 that was defined as a jobs and growth strategy. The Europe 2020 Strategy presented a set of goals that were considerably narrower than those for human well-being and sustainable development in the 2030 Agenda. Despite its goal of contributing to "smart, sustainable and inclusive growth", Europe 2020 neither includes global policies nor addresses how social, economic and environmental policies are interlinked. While the EU Sustainable Development Strategy was more comprehensive, it lacked ownership and a governance mechanism for implementation, and has not been actively pursued since it was last revised in 2009.

The European Semester for monitoring and implementation supported the Europe 2020 Strategy. The Semester's overall

rather weak performance may have been due to the Europe 2020 Strategy's limited scope, which the Juncker Commission whittled down to key macroeconomic topics in the country-specific recommendations: Without basic issues of inclusive social and economic development, the agenda was less appealing to national electorates. Furthermore, Europe 2020 did not appear to be a transformative project that could mobilize political energy and encourage public support.

In terms of the external dimension, the EU has to carefully balance considerations of security threats with global sustainable development challenges and opportunities. The recent terrorist attacks and conflicts in the EU's immediate neighbourhood should push Europe to a holistic view on peace and security that goes beyond short-term reactions and interventions. This requires in-depth analysis and efforts to address tenacious problems such as poverty, inequality and oppression, environmental degradation and the impacts of climate change. EU external action goals must address the well-being and security of European citizens as well as global sustainable development – by promoting multilateralism and more inclusive trade and finance regimes.

In this regard, it is worrying that thus far the SDGs have only featured marginally in discussions about the EU Global Strategy and the references to SDGs have been mainly about traditional development policy.

The EU must also adapt its ways of working. Global and European institutional architectures hail from the pre-2015 world and were not designed to implement the 2030 **Agenda.** There are two risks: Either the political momentum to implement the 2030 Agenda will guickly abate or the 2030 Agenda's implementation will mainly be driven by policy actors concerned with the environment and traditional development policy. Throughout the EU, there is a strong tendency toward path dependency – not just keeping areas of internal and external action institutionally apart, but also seeking to split up the SDGs in order to avoid joint competencies and responsibilities. Driven by institutional interests and survival strategies, this tendency violates not only the spirit of the SDGs and the 2030 Agenda's call to "enhance policy coherence for sustainable development" (Para 17.14) but also Lisbon Treaty commitments to improve policy coherence for development (Art. 208 TEU) and to "work for the sustainable development of Europe" (Art. 3 (3) TEU).

Recommendations

1. EU leaders must commit to implementing SDGs through internal and external action

Most of the EU heads of state and government, as well as VPs Timmermans and Mogherini, confirmed the Agenda's relevance for member states and EU institutions at the summit in New York in September 2015. However, there is still no joint European endorsement of the 2030 Agenda or concrete plan for its implementation. Strong commitment

and guidance from the highest political level are crucial to ensuring that the policies of **all** EU institutions and member states are relevant to and aligned with the 2030 Agenda.

We therefore call on EU heads of state and government and the leaders of EU institutions (presidents of the Commission, Council and European Parliament) to issue a joint statement emphasizing the EU's commitment to the 2030 Agenda in all external and internal policy areas. The statement should also make the 2030 Agenda a key reference point for the New Approach beyond 2020 and the EU Global Strategy, and should be in place or announced before the UN Highlevel Political Forum on Sustainable Development is held in July 2016.

The joint statement should task VPs Timmermans and Mogherini – rather than the individual Directorates General – to steer the internal and external implementation of the 2030 Agenda. The VPs' role is an institutional asset that should be fully exploited. The statement should further call for a revamped concept of policy coherence for sustainable development that promotes whole-of-government approaches and joint responsibilities. It should also reinforce, encourage and interlink decentralised and subsidiary policies and initiatives for sustainable development of the EU and other countries.

The New Approach beyond 2020 and the EU Global Strategy should be umbrellas for implementation

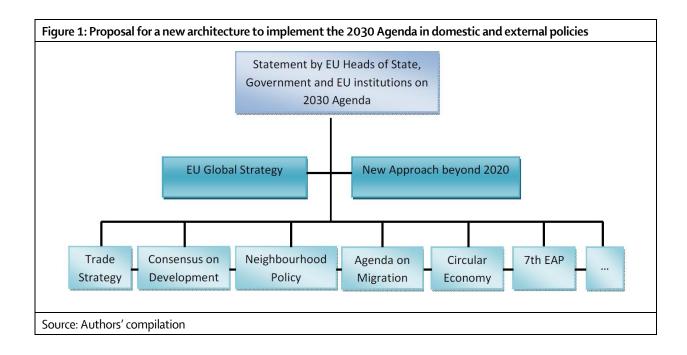
The New Approach beyond 2020 and the EU Global Strategy should be the two umbrella documents that identify the EU's global and domestic objectives, set priorities for implementing the 2030 Agenda and show how the EU intends to achieve them. From agriculture to migration, individual policies should be designed to integrate the internal and external dimensions of sustainable development.

The New Approach beyond 2020 – which could also be called "The Sustainable Development Union" - should guide domestic implementation of the 2030 Agenda. The New Approach should adapt its scope and timeline to the 2030 Agenda, establish clear links between domestic and external policy objectives, and address synergies and tradeoffs. The New Approach beyond 2020 should break the long-term time horizon ("vision") into mid-term objectives ("strategy") to avoid giving the impression that the EU considers implementation of the SDGs to be less important. While the New Approach should stick to the entire 2030 Agenda and not cherry-pick, it should focus on the SDGs or topics that need to be acted on most urgently. Social cohesion and youth employment, sustainable consumption and production patterns (including the circular economy), and sustainable agriculture should be considered. Also the low-carbon emission pathways that the EU member states will have to develop under the recently signed Paris Agreement should be prioritized.

The EU Sustainable Development Strategy and the Europe 2020 Strategy show that a governance mechanism to monitor implementation at the EU level and in member states is needed to link common goals with differentiated implementation. All member states should be requested to devise their own national implementation strategies.

The *EU Global Strategy* should become a comprehensive strategy identifying the EU's global objectives and priorities. It should encompass all dimensions of EU external action and strive for global sustainable development, with the implementation of the 2030 Agenda a central concern of this project.

Other strategic revisions, such as that of the European Consensus on Development, the trade strategy or the Neighbourhood Policy Review should be framed as belonging to the EU Global Strategy's implementation. This is not about



subordinating these policy areas to traditional foreign and security policy; instead it calls for a substantial, eye-level buyin of the various external policies while also allowing for the formulation of individual policy priorities and contributions to the EU Global Strategy.

As an umbrella document for EU external action, the EU Global Strategy would have a key asset: Compared with individual strategies (e.g. the European Consensus on Development), it could push for greater coherence and commitment to improve collective action across various policy fields. Like the New Approach to domestic implementation, the EU Global Strategy should identify the SDGs which urgently need the EU's contribution: topical issues (climate change, humanitarian crises), regional issues (stabilizing the European neighbourhood, partnering with Africa), and working with others (e.g., within the G7 and the G20) for transformative change, both domestic and global.

3. Making it happen

In addition to choices on the strategy level, the EU will have to devise a concrete course of action and a convincing plan of how to implement the SDGs - in an integrated manner, externally as well as internally.

The EU could build on and transform the European Semester process with its annual National Reform Programmes implementing commonly agreed Country-specific recommendations. Rather than setting up a separate reporting mechanism, the member states' annual reporting cycle in the context of the Semester could be used for reporting on national strategies for implementing the 2030 Agenda. These could be National Sustainable Development Strategies and/or broadened National Reform Programmes. Because progress must be tracked in all dimensions of sustainable development, the indicator system should be elaborated to better capture systemic issues. Relevant Council configurations should be part of the reporting, and like the current Semester model, it should be on the European Council's agenda. The General Affairs Council, which is responsible for cross-cutting policy issues and makes preparations for European Council meetings, should play a key role.

Moreover, EU and member state strategies should be linked with national and European budget lines and specific European funding instruments, such as the Structural Funds and the Cohesion Fund, funds for the Common Agriculture Policy and the "Global Actor" budget heading. The 2016 mid-term review of the EU's Multiannual Financial Framework (MFF) must consider implementation priorities and adjust spending criteria accordingly. The next MFF (2020-2027) should introduce more fundamental reforms of domestic and external funding instruments.

The EU has played an important role in shaping the 2030 Agenda. Now, in close cooperation with civil society and other stakeholders, the EU should take ambitious steps toward its implementation.

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