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COMMISSION STAFF WORKING DOCUMENT

Delivering on the UN's Sustainable Development Goals – A comprehensive approach

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INTRODUCTION

The COVID-19 pandemic reminds us that full implementation of the United Nations' 2030 Agenda for Sustainable Development¹ is crucial to strengthen resilience and prepare the world for future shocks as we embark on the twin green and digital transitions.

Sustainable development is a core principle of the Treaty on European Union and a priority objective for the Union's internal and external policies. The EU was instrumental in shaping the global 2030 Agenda that has become the world's blueprint for global sustainable development. The 2030 Agenda includes 17 Sustainable Development Goals (SDGs) intended to apply universally to all countries. It is a commitment to eradicate poverty and achieve a sustainable world by 2030 and beyond, with human well-being and a healthy planet at its core.

In the period 2014-2019, the Commission set out its approach to SDG implementation in three major policy documents: a communication on '*Next steps for a sustainable European future*²', a reflection paper '*Towards a sustainable Europe by 2030*'³ and for its external action, the European Consensus on Development adopted in 2017⁴. In parallel, Eurostat has upgraded its annual '*Monitoring report on progress towards the SDGs in an EU context*' and complemented it with products addressing different users, including a digital publication and a dedicated website. The most recent report presented for the first time the status and progress of the Member States towards the SDGs⁵.

The European Commission remains committed to the 2030 Agenda. Under the leadership of President von der Leyen, the Commission has presented an ambitious policy programme to deliver on sustainability in the EU and beyond. The SDGs are an intrinsic part of the President's political programme⁶ and lie at the heart of the policymaking on internal and external action across all sectors.

An array of deeply transformative policies has already been presented, highlighting the need for Europe to continue innovating and to remain at the cutting edge of global science. This includes the European Green Deal, the climate law, a new Industrial Strategy for Europe, the Annual Sustainable Growth Strategy 2020 and 2021, the updated European Skills Agenda and the European Education Area amongst others.

¹ Transforming our world: the 2030 Agenda for Sustainable Development <u>https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E</u>

² <u>COM(2016) 739</u> final of 22 November 2016

³ COM(2019) 22 of 30 January 2019

⁴ European Consensus on Development 'Our World, our Dignity, Our Future' (8 June 2017), Official Journal of the European Union, C 210, 30 June 2017.

⁵ <u>https://ec.europa.eu/eurostat/web/sdi/overview</u>

⁶ President von der Leyen's <u>Political Guidelines</u>: A Union that strives for more- My agenda for Europe.

This staff working document explains how the European Commission is taking forward its commitment to sustainable development, the 2030 Agenda and the SDGs through its internal and external action policies, while also monitoring progress at Member State and European Union levels.

This commitment has even greater relevance in light of the global COVID-19 pandemic by providing an impetus to 'building back better' towards a more inclusive, sustainable, just and resilient future for all, leaving no one behind. At the start of this UN Decade for Action⁷, the SDGs will keep the EU focused on a sustainable growth path compatible with planetary boundaries, on wellbeing, inclusion and equity. This recognises that the economy must work for the people and the planet⁸.



The 17 Sustainable Development Goals (used courtesy of the UN)

THE COMMISSION'S HOLISTIC APPROACH TO SUSTAINABILITY AND THE SDGS

The President's political programme integrates the SDGs into all Commission proposals, policies and strategies. All of the 17 SDGs feature in one or more of the six headline ambitions announced in President von der Leyen's Political Guidelines. Moreover, all Commissioners will ensure the delivery of the SDGs within their policy area pursuant to their mission letters⁹, while the College as a whole is collectively responsible for the overall implementation of the SDGs. In doing so, the college is overseen by the President, who is responsible for setting the Commission's political agenda.

Figure showing how the Commission's political programme address the SDGs¹⁰

⁷ <u>https://www.un.org/sustainabledevelopment/decade-of-action/</u>. The Decade of Action calls for accelerating sustainable solutions to all the world's biggest challenges ranging from poverty and gender to climate change, inequality and closing the finance gap.

⁸ <u>https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52019DC0650&from=EN</u>

⁹ Mission letters are found under each Commissioner: https://ec.europa.eu/commission/commissioners/2019-2024/timmermans_en_

¹⁰ In the figure, the SDGs are represented under a specific Commission political priority to which they are strongly associated, while noting that most SDGs contribute to varying degrees to several priorities.

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Stronger Europe in the world	" ***						
European Democracy	°≣ ©	10.000 (‡)	16				

The European Council, the European Parliament and the Council¹¹ have called upon the Commission to prepare an overarching strategy to implement the SDGs in the EU. The Commission' approach is to focus on delivering concrete actions that will bring tangible progress in the areas of the SDGs. The President's political guidelines and the Commission's annual work programmes constitute this Commission's strategy to implement the SDGs, putting the onus squarely on the implementation.

The new Commission's comprehensive or "whole of government" approach to implementing the SDGs comprises several strands as depicted in the Figure below. The key strands of this approach are:

- Designing and effectively applying deeply transformative policies;
- The European Semester of economic governance: coordination of economic policies;
- The Multiannual Financial Framework and the recovery instrument 'Next GenerationEU';
- Mainstreaming the SDGs in policymaking using better regulation tools;
- Ensuring policy coherence for sustainable development;
- EU engagement in the world;
- Monitoring and reporting;
- Engagement of civil society, private sector and other stakeholders.

https://www.consilium.europa.eu/en/press/press-releases/2018/10/18/20181018-european-councilconslusions/



DESIGNING AND EFFECTIVELY APPLYING DEEPLY TRANSFORMATIVE POLICIES

There is a need to fundamentally rethink policies affecting all dimensions of the economy so that the value given to protecting and restoring natural ecosystems, using resources sustainably, and improving human health is reflected. This is where transformational change is most needed and potentially most beneficial for the EU economy, society and natural environment. At the same time, keeping open and competitive markets is essential, as it guarantees that the objectives of the European Green Deal and the SDGs will be attained in the most cost- and resource-efficient way¹². The EU should also promote and invest in the necessary digital transformation and tools as these are essential enablers of many of the fundamental changes needed.

Such transformative policies span across different headline ambitions of the European Commission and are especially relevant to the European Green Deal. Box 1 presents the many important initiatives adopted very early by the von der Leyen Commission demonstrating the commitment to implement the SDGs through EU policies, both internally and externally.

Several strategies and action plans adopted within the first year map out a series of actions that are or will be presented progressively over the next few years. Where necessary and in line with better regulation practices, further transformative policies may be considered by the Commission as part of its future annual work programmes .

Box 1. Initiatives adopted by the von der Leyen Commission in its first year.

• Communication on a **European Green Deal**¹³: a new growth strategy to transform the EU into a fair, inclusive and prosperous society, with a modern, knowledge-driven, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050, and which protects, conserves and enhances the EU's natural capital, and protects the

¹² On 13 October 2020 DG Competition published a call for contributions on questions about how competition rules and sustainability policies work together.

¹³ <u>COM(2019) 640</u> final of 11 December 2019; A European Green Deal.

health and well-being of citizens from environment-related risks.

- Communication on the **Annual Sustainable Growth Strategy 2020** initiating the European Semester surveillance cycle and the first step in integrating the Sustainable Development Goals¹⁴.
- Communication on the **Green Deal Investment Plan**¹⁵: the EU strategy to boost sustainable public-private financing over the next decade.
- Proposal establishing **Just Transition Fund**¹⁶.
- Communication on a Strong Social Europe for Just Transitions¹⁷.
- Communication on Shaping Europe's Digital Future¹⁸.
- Proposal to put into law the objective to make the **EU climate neutral by 2050**¹⁹.
- Coordination of a common European response to the **COVID-19 outbreak**²⁰ to tackle the health crisis and cushion the impact of this economic hit and **ERAvsCORONA**²¹.
- Communication on a Union of Equality: Gender Equality Strategy 2020-2025²².
- Communication on a New Industrial Strategy for Europe²³.
- A new Circular Economy Action Plan for a cleaner and more competitive Europe²⁴.
- Communication on an EU Biodiversity Strategy for 2030²⁵.
- Communication on a **Farm to Fork Strategy** for a fair, healthy and environmentally friendly food system²⁶.
- Joint Communication and the EU Action Plan on Human Rights and Democracy for 2020-2024²⁷.
- Communication on European Skills Agenda for sustainable competitiveness and social fairness and resilience²⁸.
- Package for fair and simple taxation including Communication on an Action Plan for fair and simple taxation supporting the recovery²⁹ and Communication on Tax Good Governance in the EU and beyond³⁰.

- ²² <u>COM(2020) 152</u> of 5 March 2020; A Union of Equality: Gender Equality Strategy 2020-2025.
- ²³ <u>COM(2020) 102</u> final of 10 March 2020 on a new industrial strategy for Europe.
- ²⁴ COM(2020) 98 final of 11 March 2020; A new Circular Economy Action Plan for a cleaner and more competitive Europe.

²⁹ <u>COM(2020) 312</u> final of 15 July 2020

¹⁴ <u>COM(2019) 650</u> final of 17 December 2019; Annual Sustainable Growth Strategy 2020.

¹⁵ <u>COM(2020) 21</u> final of 14 January 2020; Green Deal Investment Plan.

¹⁶ <u>COM(2020) 22</u> final of 14 January 2020; Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund.

¹⁷ <u>COM(2020) 14</u> final of 14 January 2020; A strong social Europe for Just Transitions.

¹⁸ <u>COM(2020) 67</u> final of 19 February 2020; Shaping Europe's Digital Future.

¹⁹ <u>COM(2020) 80</u> final of 4 March 2020; Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law).

²⁰ <u>COM(2020)_112 final</u> of 13 March 2020; Coordinated Economic Response to the COVID-19 Outbreak.

²¹ Working Document of 17 April; First "ERAvsCORONA" Action Plan.

²⁵ <u>COM(2020) 380</u> final of 20 May 2020; EU Biodiversity Strategy for 2030.

²⁶ <u>COM(2020) 381</u> final of 20 May 2020; a Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system.

²⁷ <u>COM(2020) 5</u> final of 25 March 2020; Action Plan on Human Rights and Democracy 2020-2024.

²⁸ COM(2020) 274 final of 1 July 2020; A European Skills agenda for sustainable competitiveness, social fairness and resilience.

³⁰ <u>COM(2020) 313</u> final of 15 July 2020

- Communication on Stepping up Europe's 2030 climate ambition: Investing in a climateneutral future for the benefit of our people³¹.
- The New Pact on Migration and Asylum and accompanying legislative proposals and recommendations³².
- Communication on Achieving the European Education Area by 2025³³.
- Communication on a new European Research Area³⁴.
- Proposal establishing an 8th Environment Action Programme³⁵.
- Communication on a **Renovation Wave**³⁶.
- Communication on a Chemicals Strategy for sustainability³⁷.
- Proposal for a Directive on adequate minimum wages in the European Union³⁸.

The European Green Deal is a major flagship initiative and puts forward the EU's new growth strategy whose implementation will contribute directly to achieving at least 12 of the 17 SDGs. It sets out the Commission's ambition to build a modern, resource-efficient, clean, circular and competitive economy that tackles climate and environmental challenges, as well as to secure a fair and inclusive transition for all, and thus addressing many challenges in the 2030 Agenda. It has been expressly designed and presented, as part of the Commission's strategy to implement the SDGs.

In addition, the European Pillar of Social Rights is the EU's social strategy to make sure that the transitions to climate-neutrality, digitalisation and demographic change are socially fair and just. Proclaimed by all EU institutions in 2017, the 20 principles of the Pillar aim at improving equal opportunities, access to high quality and inclusive education jobs for all, fair working conditions and social protection and inclusion.

THE EUROPEAN SEMESTER OF ECONOMIC GOVERNANCE

Within its mandate of coordinating economic, employment and social policies, the European Semester provides a well-established framework for the coordination of the economic and employment policies to guide the Union and the Member States through the challenges of the recovery and twin transition. Signalling the importance that this Commission attaches to 2030 Agenda, it announced a refocusing and integration of the SDGs into the European Semester. The refocusing will contribute decisively to the overall SDG implementation and help Member States follow-up on their individual commitments involving the various local and regional governance levels.

The first Annual Sustainable Growth Strategy (ASGS), published in December 2019³⁹ emphasised the need to refocus the European Semester on integrating the SDGs and

³¹ <u>COM(2020) 562</u> final of 17 September 2020; Stepping up Europe's 2030 climate ambition: Investing in a climate-neutral future for the benefit of our people.

³² <u>COM(2020)609</u> of 23 September 2020 with accompanying <u>legislative proposals and</u> <u>recommendations</u>.

³³ COM(2020)625 final of 30 September 2020; Achieving the European Education Area by 2025.

³⁴ <u>COM(2020) 628</u> final of 30 September 2020; A new ERA for Research and Innovation.

³⁵ <u>COM(2020) 652</u> of 14 October 2020; 8th Environment Action Programme.

 $[\]frac{36}{\text{COM}(2020) 662}$ of 14 October 2020; A Renovation Wave for Europe.

³⁷ COM(2020) 667 of 14 October 2020.

³⁸ <u>COM(2020) 682</u> final of 28 October 2020; Adequate minimum wages in the European Union.

³⁹ COM(2019) 650 final of 17 December 2019; Annual Sustainable Growth Strategy

advancing competitive sustainability. Environmental sustainability, productivity gains, fairness and macro-economic stability were chosen as the four dimensions of the Commission's economic policy in the years to come.

This commitment was reaffirmed in this year's Annual Sustainable Growth Strategy that detailed the fundamental linkage of the European Semester and the new Recovery and Resilience Facility. The advancement of the publication of the 2021 ASGS aims steering the national efforts in the direction of long-term sustainable growth in all its dimensions.

'We should never forget that competitive sustainability has always been at the heart of our social market economy. (...) The things we make today may have changed.

But we must rediscover our competitive sustainability. (...) It was in this spirit that each and every Member State committed to the United Nations Sustainable Development Goals'.

President von der Leyen's speech to the European Parliament on 27 November 2019

In the 2020 cycle of the Semester, the country reports included, for the first time, a chapter on environmental sustainability, integrated SDGs in the various other sections, and a dedicated annex reporting on Member States' overall SDG performance. The role of the European Semester will evolve further with the implementation of the Recovery and Resilience Facility, as put forward in the 2021 Annual Sustainable Growth Strategy.

In line with the objectives of the Recovery and Resilience Facility, Member States' national Recovery and Resilience Plans should focus on the twin green and digital transition and contribute to the achievement of the SDGs with continued monitoring.

For the Member States submitting their recovery and resilience plans in 2021, the Commission will produce analytical documents assessing the substance of the plans as part of the process required for the Council to formally approve the plans. These assessments will replace the country reports in 2021. Monitoring of SDGs will be preserved in this context. In addition, given the comprehensive and forward-looking policy nature of the plans, there will be no need for the Commission to propose country-specific recommendations in 2021. Reform implementation will continue to be monitored, including as regards the SDGs, based on previous years' country-specific recommendations.

The European Semester already integrates the European Pillar of Social Rights with its 20 principles and accompanying Social Scoreboard indicators⁴⁰, which reflect the high ambition of the EU with regard to social outcomes. The objectives set by the SDGs in terms of employment, education and skills, working conditions, fighting poverty and inequality, and promoting equal opportunities and social inclusion are being pursued through the implementation of the Pillar. The progress in this field will continue with the adoption of new policies and proposals (e.g. minimum wage, Youth Guarantee, Skills Pact, Child Guarantee, Education for Climate Coalition, a European Competence Framework on climate change and sustainable development) and the adoption of the Action Plan for the full implementation of the European Pillar of Social Rights in 2021.

The Annual Sustainable Growth Strategy also underlined the importance of a number of elements that enable the design and implementation of sustainable policies such as effective institutions, independent and efficient justice systems, quality public administrations, robust anti-corruption frameworks, an efficient delivery of public procurement, effective insolvency frameworks and efficient tax systems. The

⁴⁰ https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/

Commission has strengthened the assessment of public administrations weakness within the European Semester⁴¹.

The shift towards a green and digital transformation, boosted by the COVID-19 pandemic, is changing the way we work, learn, and lead our everyday lives. The EU's move to a resource-efficient, circular, digitised, inclusive and climate neutral economy and the widespread deployment of artificial intelligence and robotics are expected to create new jobs while other jobs will change or even disappear.

These profound transformations will create opportunities but Europe can only grasp these opportunities if its people develop the right skills and competences. The updated European Skills Agenda of July 2020^{42} and the European Education Area from September 2020^{43} will support sustainable, inclusive and quality education and skills. They establish actions and objectives to be met by 2025 to fill the skills gap and support the twin green and digital transitions as well as the Union's recovery from the COVID-19 pandemic.

Recovery and resilience: 'Next GenerationEU'

The COVID-19 crisis constitutes an unprecedented challenge for Europe and the world. In addition to the significant human dimension and social consequences, the outbreak is a major economic shock for the EU economy. The pandemic is threatening to affect decades of progress made on sustainable development and the fight against poverty and inequality.

On 27 May 2020, the Commission presented the European recovery plan, consisting of a revised Multiannual Financial Framework 2021-2027 and the recovery instrument Next Generation EU⁴⁴ that aims to address the damage caused by the pandemic by investing in a green, digital, social and more resilient EU.

Relaunching the economy does not mean going back to the status quo before the crisis, but taking forward the agenda of sustainability and resilience. We must repair the short-term damage from the crisis in a way that reinforces and accelerates the achievement of our long-term ambition. The European Parliament and the Council reached an agreement on the recovery plan on 10 November 2020. Once adopted, the package of a total of $\in 1.8$ trillion will be the largest package ever financed through the EU budget. It will help rebuild a post-COVID-19 Europe, which will be greener, more digital, more resilient and better fit for the current and forthcoming challenges.

The Recovery and Resilience Facility is the central pillar of the Next Generation EU. To achieve a climate mainstreaming target of 30% for both the multiannual financial framework and Next Generation EU, each national recovery and resilience plan will have to include a minimum of 37% of expenditure related to climate and a minimum of 20% related to digital. In line with the systemic approach of the SDGs, all investments must respect the EGD's green pledge to 'do no significant harm' to the EU's environmental and climate objectives.

⁴¹ The Economic Policy Committee has mandated the Commission to propose a benchmark for public administration reforms within the Semester. A proposed methodology for assessment will be discussed in Q1 2021.

⁴² <u>COM(2020) 274</u> of 1 July 2020; A European Skills agenda for sustainable competitiveness, social fairness and resilience

⁴³ COM(2020) 625 of 30 September 2020; Communication on Achieving a European Education Area by 2025

⁴⁴ <u>COM(2020) 456</u> final on Europe's moment: Repair and Prepare for the Next Generation.

MULTI-ANNUAL FINANCIAL FRAMEWORK AND NEXT GENERATION EU

Tracking the contribution of EU finance to the SDGs

The Union's budget is also an effective instrument to deliver progress in the areas of the SDGs. The Commission's work has focused on reinforcing the quality and the visibility of the Commission's reporting, focusing on demonstrating the policy coherence between the EU budgetary policies expressed in the Multi-annual Financial Framework (MFF) and the SDGs. In this context, the Annual Management and Performance Report of the Union Budget⁴⁵ (AMPR) for the 2019 financial year provides illustrative examples of how some of the 45 (out of 60) EU funding programmes which are relevant for SDG purposes contribute to the various SDGs⁴⁶.

The Commission is also improving the presentation of the SDGs in the Programme Statements. In particular, the horizontal section provides an overview of the policy coherence of the EU budget towards SDGs. In addition, the SDG-specific section of the individual Programme Statements⁴⁷ attached to the draft annual budget includes illustrative examples of how each programme contributes to the relevant SDGs. Furthermore, the Commission put in place an internal review process to verify the contribution of each individual programme to the indicated SDGs. This is an ongoing process that was conducted for the first time in 2020 and which the Commission intends to reinforce over time.

In line with the Commission's commitment to strengthen continuously its reporting, the Commission is exploring the possibility of developing an SDG expenditure tracking methodology for the EU budget.

The methodology should capture the transversal nature of the SDGs and the simultaneous contribution of programmes to different SDGs, in the light of interlinkages and cobenefits. The transversal nature of SDGs is shown by the fact that 87% of the spending programmes contributing to SDGs are designed to address multiple SDGs through their policy actions. This ensures a holistic approach in addressing sustainable development.

To give just one example, under the Development Cooperation Instrument, the Electrification Financing Initiative (ElectriFI) is the EU's flagship initiative to increase access to clean energy in developing countries, which contributes to SDG 7 (Affordable and Clean Energy). By improving renewable energy access, ElectriFI spurs also job creation and economic growth, and helps reducing greenhouse gas emissions, hence also contributing to both SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action).

⁴⁵ Pursuant to Article 318 TFEU, the Commission must submit annually to the European Parliament and to the Council the accounts of the preceding financial year relating to the implementation of the budget and an evaluation report on the Union's finances based on the results achieved.

⁴⁶ See section 1.2.2 of COM(2020) 265 final of 24 June 2020.

⁴⁷ Programme statements provide information on the rationale and objectives of each programme; how the resources are spread among the programmes; provide an annual snapshot on programmes' implementation; present all available performance information and results achieved; substantiate the draft budget with available performance information including best possible forecast of outputs.

Sustainable Finance

The Commission's policy on sustainable finance promotes the integration of environmental, social and governance considerations in the investment decisions of the financial sector in order to promote increased longer-term investments into sustainable economic activities and projects and is instrumental to help deliver on the SDGs. More specifically, sustainable finance at the EU level, including the future EU green bond standard, aims to support delivery of the objectives of the European Green Deal by channelling private investment into the transition to a climate-neutral, climate-resilient, resource-efficient clean, circular and inclusive economy.

The Commission announced that it would issue the entire EU SURE bond of up to $\notin 100$ billion as social bonds, and adopted an independently evaluated Social Bond Framework. Moreover, the Commission committed to issue 30% of the Next Generation EU bonds as green bonds. These are important policy enablers, which will support the integration of EU capital markets, stimulate the development of green and social bonds, make the EU a more attractive investment destination and strengthen the international role of the euro.

The Commission's policy agenda on sustainable finance has been driven and guided by the 2018 action plan⁴⁸ on financing sustainable growth which has led to the development and implementation of a number of important policy initiatives including the Taxonomy Regulation⁴⁹ and the EU Green Bond Standard.

Building on this, and in the framework of the European Green Deal, the Commission announced a renewed sustainable finance strategy, which aims to revisit the current sustainable finance strategy and reinforce the ambition to match that of the European Green Deal within the context of the EU's COVID-19 recovery programme. The renewed finance strategy also contributes to the objectives of the European Green Deal Investment Plan⁵⁰ launched on the 14 January 2020 with the objective of boosting sustainable private investments over the next decade.

The Commission is also coordinating international efforts through its International Platform on Sustainable Finance⁵¹. With the aim of exchanging best practices and aligning national and regional-level policy initiatives, the platform offers a multilateral forum for dialogue between policymakers that are in charge of developing sustainable finance policy and regulatory measures. Since its launch, in October 2019, membership continues to grow and currently includes the EU and 13 other countries accounting for 50% of greenhouse gas emissions globally, 50% of the world population and 45% of global GDP.

BETTER REGULATION

In 2002, the Commission established a new framework for integrated impact assessment⁵² in an effort to improve the quality and coherence of the policy development process, contribute to an effective and efficient regulatory environment, but also to deliver a more coherent implementation of the European strategy for sustainable

⁴⁸ <u>https://ec.europa.eu/info/publications/sustainable-finance-renewed-strategy_en</u>

⁴⁹ <u>https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en</u>

⁵⁰ https://ec.europa.eu/info/publications/200114-european-green-deal-investment-plan_en

⁵¹ <u>https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/international-platform-sustainable-finance_en</u>

⁵² <u>COM(2002) 276</u>: Commission Communication on "*Impact Assessment*". <u>http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2002:0276:FIN:EN:PDF</u>

development. The Commission's approach is particularly strong in requiring the assessment of all significant environmental, fundamental rights, economic and social impacts allowing trade-offs to be identified. Each impact assessment systematically assesses a range of policy options for their effectiveness, efficiency and coherence including the external impacts of domestic policies on developing countries and global commons where these are relevant⁵³.

Extensive guidance and tools support the Commission's better regulation system⁵⁴. This includes guidance on how to identify and assess key impacts linked to sustainable development. The OECD's 2018 regulatory policy outlook⁵⁵ ranks the Commission highly in the areas of consultation, evaluation and impact assessment and higher than any Member State. Notwithstanding the OECD's assessment, the Commission has reviewed⁵⁶ its approach and identified certain aspects that could be improved further, including a more effective implementation of the interinstitutional agreement between the European Parliament, Council and European Commission on better law-making⁵⁷. The Commission's 2020 work programme⁵⁸ has already signalled an intent to present improvements to its approach to support President's von der Leyen's political priorities in general and the implementation of the SDGs in particular.

Ensuring policy coherence for sustainable development

Ensuring policy coherence for sustainable development (PCSD) is an important commitment in the 2030 Agenda⁵⁹ and a central part of the Commission's approach to governance for the implementation of the SDGs. It requires taking into account the impact of all policies on sustainable development at all levels – nationally, within the EU, in other countries and at global level⁶⁰.

Sustainable development requires a holistic and cross-sector policy approach and is ultimately an issue of governance, which needs to be pursued in partnership with all stakeholders and on all levels. Policy coherence for sustainable development includes promoting a whole-of-government approach and ensuring political oversight and coordination efforts across government and at all levels, from global to local, for SDG implementation, taking into account the interlinkages between the SDGs⁶¹. To ensure such policy coherence, it is essential to integrate the economic, social, environmental, and governance dimensions of sustainable development at all stages of domestic and international policymaking. In these efforts, the quality of public administration is key. A

⁵³ See Tool #34 of the better regulation toolbox on Developing countries: <u>https://ec.europa.eu/info/files/better-regulation-toolbox-34_en</u>

⁵⁴ <u>https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox/better-regulation-toolbox en</u>

⁵⁵ OECD (2018), OECD Regulatory Policy Outlook 2018, OECD Publishing, Paris, <u>https://doi.org/10.1787/9789264303072-en</u>.

⁵⁶ <u>COM(2019) 178 final</u> of 15 April 2019; Better regulation – Taking stock and sustaining our commitment.

⁵⁷ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making: OJ L 123, 12.5.2016, p. 1–14

⁵⁸ <u>COM(2020) 440</u> final of 27 May 2020; Adjusted Commission Work programme 2020.

⁵⁹ See 2030 Agenda for Sustainable Development (target 17.14).

⁶⁰ Paragraph 108 of the New European Consensus on Development; <u>https://ec.europa.eu/international-</u> partnerships/system/files/european-consensus-on-development-final-20170626_en.pdf

⁶¹ See Joint Research Centre platform on SDGs in knowsdgs.jrc.ec.europa.eu

whole-of-government approach will help to address systemic challenges that extend beyond individual SDGs⁶².

The European Commission's system of better regulation contributes effectively to ensuring such policy coherence in relation to sustainable development. Addressing interlinkages, synergies and trade-offs between the three dimensions of sustainable development in impact assessments and evaluations is embedded in the guidance on implementing better regulation and is fully reflecting SDGs in the objectives of the instruments of the MFF. While historically, the Commission's impact assessment system has looked at sustainability with a forward-looking dimension, as new policies are prepared, the role of ex-post evaluation has grown in importance over the last 5 years or so⁶³. Evaluations allow policy performance to be checked against what was initially expected and for corrective active to be taken. As such, evaluations offer another tool to improve policy coherence for sustainable development. Among other elements, policy coherence for sustainable development includes ensuring that all EU policies contribute to the achievement of SDGs in partner countries⁶⁴. The work of the Commission on policy coherence for sustainable development builds on its longstanding experience with promoting policy coherence between internal policies and external actions to ensure that development objectives are taken into account when designing new policies⁶⁵.

Embedding strategic foresight into the EU policy-making will enable the creation and use of collective intelligence to anticipate developments and prepare for new opportunities and challenges earlier and more effectively⁶⁶. The COVID-19 recovery, in particular, is an opportunity to bounce forward and build win-wins at the interface between resilience and sustainability transformations while advancing the EU's strategic autonomy and technological sovereignty.

EU ENGAGEMENT IN THE WORLD

Through its external action, the Commission is committed to contributing to the implementation of the SDGs globally. The Commission pursues its priorities externally, such as the European Green Deal, and its commitment to contribute to implement the SDGs by promoting the respect for human rights, gender equality, peace and security, democracy and the rule of law. The EU advances these headline ambitions globally through diplomacy, multilateral cooperation, development cooperation, and its humanitarian assistance and other policies such as trade or education. Implementing these priorities and actions is key in order to work with our partners to implement the SDGs.

The COVID-19 crisis has put partner countries in challenging situations with effects across the SDG framework. While it is too early to take stock of the full impacts yet, projections estimate that an additional 150 million people may live in extreme poverty by

⁶² See <u>GSDR 2019</u>, The Future is Now: Science for Achieving Sustainable Development

⁶³ See Better Regulation Tool #62. https://ec.europa.eu/info/sites/info/files/file_import/better-regulation-toolbox-62_en_0.pdf. Models provide a framework to analyse and investigate the impacts of policy options ex ante (IA), or also ex post (retrospective evaluations).

⁶⁴ Paragraph 109 of the European Consensus on Development.

⁶⁵ Article 208 of the Treaty on the Functioning of the European Union.

⁶⁶ See first annual Strategic Foresight Report, Strategic Foresight - Charting the course towards a more resilient Europe, <u>https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-europeandemocracy/strategic-foresight/2020-strategic-foresight-report_en</u>

2030⁶⁷. Ultimately, COVID-19 will further exacerbate inequalities, which is a central impediment to the SDG framework given its interrelated social, economic and environmental dimensions, hindering our efforts to leave no one behind. The 2030 Agenda and its SDGs provides us an opportunity to build back better together and to set the world on a sustainable path.

The COVID-19 pandemic is reversing some of the global progress made towards the SDGs. A global recovery plan is needed to mitigate and counteract this trend, linking investment and debt relief to the SDGs⁶⁸. The purpose is to ensure a green, digital, just and resilient recovery which brings countries closer to achieving the SDGs and the Paris Agreement The EU has the opportunity to support our partners to 'build back better', in line with the Commission's overall priorities. Implementing shared priorities is key in order to help partner countries implement the 2030 Agenda.

In this respect, the external action of the EU and its Member States is explicitly geared towards the implementation of the 2030 Agenda further to the 2017 European Consensus on Development⁶⁹. The EU has made progress to support developing countries implementation of the SDGs through its cooperation programmes, financial flows and trade⁷⁰. However, additional efforts will be necessary to compensate for the gaps that have arisen due to the pandemic. It is important to ensure that gains made so far on SDG implementation are not compromised but preserved and built upon. In this context, the EU and its Member States have already mobilised EUR 36 billion⁷¹ for the global response to the COVID-19 crisis.

The EU will continue its active engagement with partner countries through policy dialogue, aiming at the convergence of priorities between the EU and partners with the SDGs as a key reference. The Commission's monitoring, reporting and results framework is regularly reinforced to show better how its actions and response, including Team Europe initiatives, contribute both to the Commission's priorities and to the implementation of the SDGs in our partner countries. Incorporating SDG perspectives in upstream work on the design of external actions will facilitate reporting downstream. The proposed Neighbourhood, Development and International Cooperation Instrument (NDICI)⁷² and Instrument for Pre-accession Assistance (IPA III) fully integrate the objective of supporting implementation of the SDGs through external action. Under NDICI, for the next programming period, geographic and thematic multi-annual indicative programmes should include, among others, the context and justification of the SDGs.

Open and rules-based trade

⁶⁷ World Bank report 'Poverty and Shared Prosperity (Reversals of Fortune)', October 2020. https://www.worldbank.org/en/news/press-release/2020/10/07/covid-19-to-add-as-many-as-150million-extreme-poor-by-2021

⁶⁸ Speech by President von der Leyen at the UN High-Level Event on Financing for Development, 28 May 2020.

⁶⁹ European Consensus on Development (2017).

⁷⁰ 2019 Joint Synthesis Report on the Implementation of the European Consensus.

⁷¹ Team Europe global response package: <u>https://eeas.europa.eu/headquarters/headquarters-homepage/77326/coronavirus-european-union-launches-"team-europe"-package-support-partner-countries-more-€20 en</u>

⁷² The formal decision-making process for programming will only take place after the adoption of the NDICI regulation by Parliament and Council.

Open, rules-based and fair trade is one of the best tools to increase prosperity, raise living standards and promote more sustainable development. The Commission supports the use of multilateral institutions and bilateral and multilateral trade agreements to shape global standards.

The Commission continues to work on a strong, open, and fair trade agenda. Each new comprehensive bilateral agreement contains a sustainable development chapter promoting the highest standards of climate, environmental and labour protection. In addition, the Commission is committed to integrating strong provisions on gender equality in its future trade agreements. Commitments to international instruments on human rights, labour standards, environmental preservation, and good governance are also at the heart of the EU's Generalised Scheme of Preferences, notably through the Special Incentive Arrangement on Sustainable Development and Good Governance (GSP+).Europe also takes a tough stance on the enforcement of existing agreements and trade arrangements to promote sustainable development. The Commission continues to work with its trading partners to ensure the effective implementation of trade agreements. In addition, the Commission recently appointed a Chief Trade Enforcement Officer to monitor and improve the parties' compliance. The Commission continues its work to develop its trade defence toolbox.

At the multilateral level, the Commission is also committed to strengthening the global rules-based trading system. The EU has been at the forefront of efforts to reform the World Trade Organisation to reassert its relevance and effectiveness in ensuring that trade remains open and fair. The WTO must also contribute to ensuring a sustainable and green global recovery from the pandemic. Sustainability and the WTO's contribution to advancing the Sustainable Development Goals are also at the core of the EU's WTO reform strategy, and include amongst others concluding the fisheries subsidies negotiations, proposing an initiative on trade and health and starting a reflection on a trade and climate initiative.

Engagement on SDGs at multilateral level

The EU and the United Nations are natural partners in the efforts to shape a safer and better world for all. To that end, the EU supports effective multilateralism and a rulesbased international order with the UN at its core. The COVID-19 pandemic is testing our capacity to act in a collective way, which is more necessary than ever. This is an opportunity to reinforce multilateralism to ensure that we have a robust and effective UN that delivers on today's global challenges, particularly the implementation of the SDGs.

As a major negotiating success of the EU globally, the SDGs are a useful vehicle to project globally the EU's values and objectives, and provide a shared reference framework useful for international partnerships. Consequently, it is in the EU's interest to play a leading role in accelerating the implementation of the 2030 Agenda also globally through its external action⁷³ in coordination with its action in support of the Paris Agreement.

Showing consistent progress towards the SDGs and engaging with partner countries and civil society as well as the Union's representation at high-level international fora, including the United Nations High-Level Political Forum on Sustainable Development (HLPF)⁷⁴, is crucial to advance the EU's commitment to and leadership in sustainable development, as well as addressing the impact of COVID-19 globally. At global level,

⁷³ COM(2019)22 of 30 January 2019: Reflection Paper 'Towards a Sustainable Europe by 2030'.

⁷⁴ https://sustainabledevelopment.un.org/hlpf

Voluntary National Reviews ('VNRs'), which are reports that countries present at the HLPF on implementation efforts, for discussion them with the UN membership and with other stakeholders, are becoming increasingly strong tools for monitoring and mutual accountability. In short, VNRs are the cornerstone of the review process. Following the 2020 exercise, all EU Member States will have presented at least one VNR. In addition, each year an increasing number of local authorities across the world coordinate on the follow-up progress on SDG implementation by presenting their Voluntary Local Reviews (VLR).

Another key element of the HLPF are the annual thematic reviews through rotation of a set of SDGs every year, which has proven a powerful tool to mobilise specific constituencies and forge partnerships.

In addition to the United Nations, the global implementation of the SDGs is also part of our partnerships with international organisations, international financial institutions and global fora, which have integrated the 2030 Agenda among their activities (G7/20, World Bank Group, IMF, OECD, etc.). There is also scope to deepen alliances with regional and other actors to support the 2030 Agenda in international fora. The Joint Communication towards a comprehensive strategy with Africa shows how this priority initiative contributes to the shared effort by EU and Africa to implement the 2030 Agenda⁷⁵.

MONITORING AND REPORTING

In the Communication '*Next steps for a sustainable European future*' from November 2016, the European Commission committed to a regular monitoring of the SDGs in the EU based on a reference indicator framework. The Commission has developed the EU SDG indicator set in a very broad consultative process, which involved many stakeholders including the Member States, Council Committees, NGOs, academia, and international organisations. The EU SDG indicators have been chosen both for their policy relevance for the EU and their statistical quality. The indicator set is reviewed annually.

The 2020 SDG report⁷⁶ contained for the first time a visual presentation of the status and progress of the Member States towards the SDGs. For the 2021 edition, Eurostat intends to improve the presentation of the Member State assessments and to address spillover effects of EU action in more detail. Moreover, the report will contain a first assessment of the impact of the COVID-19 pandemic on sustainable development in the EU.

In addition, EU Agencies, such the European Environment Agency⁷⁷ or the European Union Agency for Fundamental Rights⁷⁸, provide targeted information and knowledge for decision-makers on topics closely related to the SDGs. Non-for-profit organizations and civil society organisations also provide substantial analysis on sustainability policy across the EU⁷⁹.

⁷⁵ JOIN(2020) 4 final, 9.3.2020.

⁷⁶ https://ec.europa.eu/eurostat/web/products-catalogues/-/KS-01-20-192

⁷⁷ https://www.eea.europa.eu/themes

⁷⁸ See 2019 report "Implementing the Sustainable Development Goals in the EU: a matter of human and fundamental rights" https://fra.europa.eu/fr/about-fra

⁷⁹ See for example the 2019 report from the Institute for European Environment Policy and the Sustainable Development Solutions Network (SDSN): <u>https://ieep.eu/publications/2019-europe-sustainable-development-report</u>

Reporting at United Nations

The Commission will continue to report regularly at global level on the implementation of the SDGs through EU internal and external policies and actions. This will be done at High Level Political Forum (HLPF) as the main UN platform on sustainable development with a central role in the follow-up and review of the 2030 Agenda at the global level. The HLPF meets at Head-of-State level every four years, which is an occasion to enhance the impact of reporting by the EU⁸⁰. The Council Conclusions of 10 December 2019⁸¹ called on the Commission to report on EU's internal and external implementation of the 2030 Agenda at the HLPF in 2021.

On 18 July 2019, the Commission organised a high-level event⁸² at the HLPF in New York where it presented the EU's approach including the Commission's Reflection Paper '*Towards a Sustainable Europe by 2030'*, the '*Eurostat Monitoring Report on progress towards the SDGs in an EU context'* and the *Joint Synthesis Report on the implementation of the European Consensus on Development*, as well as the 2019 EU report on policy coherence for development⁸³. Similar high-level presentations can be made at regular intervals to present progress by the EU, such as the HLPF in July 2021.

In addition, at the HLPF, a voluntary review can be made during each four-year cycle. The next HLPF meeting at summit level, which will be in 2023, provides an opportunity for presenting through a Voluntary National Review the progress on the implementation of the SDGs through EU internal and external policies and actions.

External monitoring, results and reporting in relation to the SDGs

At country level, programme/project monitoring is undertaken for sectors relevant to the Commission's priorities, using result-chain approaches to track SDGs achievement. Result oriented monitoring reports (ROM) by EU delegations refer explicitly to the SDGs. The EU Results Framework (EURF), which was revised in 2018, includes indicators that are consistent with the UN SDG indicators, to show the results of EU development cooperation across the breadth of the 2030 Agenda. Where they exist, in the context of joint programming and Team Europe initiatives, joint results frameworks agreed with Member States draw on national results frameworks and SDG indicators.

Since July 2018, the Commission's financial reporting tools allow to report each project and programme against several SDGs (including the principal SDG and other relevant interlinked SDGs). This approach focuses further attention on the interlinkages between the SDGs and ensures that well-designed actions can create co-benefits and meet multiple objectives in a coherent way⁸⁴.

The EU results framework and the financial reporting form the basis for the Annual reports on the financing of EU external action. Since 2019, these reports include structured information on progress in relation to the SDGs. In addition, in 2019 (and then every four years), the EU presented a Joint Synthesis Report (JSR) on the

⁸⁰ On the external action side, the Consensus requires to produce a joint synthesis report as a contribution to EU reporting to the HLPF, when meeting at Head-of-State level every four years (paragraph 120).

⁸¹ <u>https://data.consilium.europa.eu/doc/document/ST-14835-2019-INIT/en/pdf</u>: The Council invites the Commission to prepare a report for the HLPF on the EU's internal and external implementation of the 2030 Agenda during the next HLPF cycle, preferably in 2021.

⁸² <u>https://ec.europa.eu/info/events/delivering-the-2030-agenda-for-sustainable-development_en</u>

⁸³ 2019 EU report on Policy Coherence for Development. SWD(2019) 20 final.

⁸⁴ Paragraph 19 of the European Consensus on Development and Article 8(4) of the NDICI proposal.

implementation of the European Consensus on Development⁸⁵, as a collective report on the contribution to the external implementation of the SDGs by the EU and its Member States (and including the European Investment Bank). This joint approach is in line with the major strengthening of the Team Europe approach in response to COVID-19, which underlines the need for stronger joint approaches with Member States and the support to SDG implementation. Evaluations should also be designed to provide useful information on how EU actions are contributing to its commitments at global level, including the SDGs.

ENGAGEMENT OF CIVIL SOCIETY, PRIVATE SECTOR AND OTHER STAKEHOLDERS

The Commission consults systematically during the preparation of new major initiatives including the evaluation of existing policies. The Commission has launched 245 webbased public consultations since the von der Leyen Commission took office on 1 December 2019⁸⁶. However, the role and value of citizen and stakeholder consultation goes much wider with important implications for the quality of public policy-making as well as democratic governance as a whole. Therefore, the Commission continues to innovate as it develops its outreach to society. Stakeholder acceptance of new policies and their commitment to implement them effectively are more likely if those most affected have been involved in an open and transparent process where their views and data have been considered seriously. Participatory policymaking brings greater legitimacy. This is even more relevant for designing transformative policies. The views of citizens on sustainable lifestyles, values and behaviours can also enrich a new conversation on diverse visions of a good life.

Partnerships are an integral part of the SDGs and remain essential for maintaining progress over time. Under the previous Commission, engagement with civil society and other external partners was organised under the high-level SDG multi-stakeholder Platform. This enriched the debate about how to best progress toward the SDGs, the policy trade-offs and synergies that exist, and the solutions that can be envisaged at local, regional, national and European levels. The Platform contributed to the preparation of the Commission's Reflection Paper 'Towards a sustainable Europe by 2030'⁸⁷. The engagement with the civil society resulted in a number of policy conclusions and guidelines that found their way to the political agenda of the von der Leyen Commission. While the Platform's mandate expired in 2019, the good cooperation that was established is now being taken forward in the European Climate Pact and in the context of preparing individual initiatives.

The European Climate Pact is a new non-legislative initiative to bring together different stakeholders and civil society with the aim to commit them to action and more sustainable behaviour. It will be an important part of the Commission's stakeholder engagement strategy post-Platform, and should support an enhanced coordination in the implementation of the Paris Agreement and the SDGs. Moreover, in line with the Better Regulation rules, the Commission will continue to engage in a meaningful way with

⁸⁵ <u>COM(2019) 232</u> final: The 2019 Joint Synthesis Report of the European Union and its Member States.

⁸⁶ Between 1 December 2019 and 13 October 2020: the following documents have been published for consultation on the 'Have your say' web portal: 86 public consultations; 86 roadmaps and 73 inception impact assessments.

⁸⁷ Contribution of the SDG Multi-Stakeholder Platform to the Reflection Paper "Towards a sustainable Europe by 2030" October 2018. <u>https://ec.europa.eu/info/sites/info/files/sdg_multi-stakeholder_platform_input_to_reflection_paper_sustainable_europe2.pdf</u>

stakeholders in different policy areas in order to design policies that are fit for purpose, contribute to the implementation of the SDGs and leave no one behind.

Implementation of SDGs is not only a matter for public authorities but requires the full participation of civil society, including the private sector. Civil society organisations have taken up this challenge and are actively mobilised for the implementation of the SDGs.

Sustained involvement of and cooperation with civil society organisations, social partners, national and sub-national and local authorities as well as EU-level organisations including the European Economic and Social Committee and the Committee of the Regions are important in order to mobilise national-level stakeholders and regional communities that are key to the SDGs' delivery. They have also been at the forefront of the efforts to stem the socio-economic fallout from the pandemic. In addition, the Committee of the Regions and the European Economic and Social Committee - and its Sustainable Development Observatory (SDO) - play an important role in strengthening civil society involvement in the monitoring of the SDGs and enhancing evidence-based policymaking. Further means to exchange and promote dialogue between civil society and the Commission will emerge as part of the Commission's implementation of the SDGs, such as conferences and periodic meetings.

The Conference on the Future of Europe⁸⁸ will be a new public forum for an open, inclusive, transparent and structured debate with citizens around a number of key priorities and challenges, including the implementation of the SDGs. It is part of President von der Leyen's pledge to give Europeans a greater say on what the EU does and how it works for them. It aims to bring Europe beyond its capital cities, reaching every corner of the EU, strengthening the link between Europeans and the institutions that serve them.

CONCLUSIONS

The Commission has an ambitious political programme to deliver a sustainable European Union. Guided by the 17 SDGs, the Commission has presented numerous policy proposals since 1 December 2019 that will place the EU onto a more solid path towards sustainability, a rational use of resources and social fairness. Additional important proposals are envisaged as the Commission's political programme is rolled-out over the next few years⁸⁹. Sustainable development is mainstreamed into the policymaking and economic coordination processes and the Commission continues to monitor progress comprehensively to ensure that the EU remains on the right long-term track. The EU also continues to take a leading role to promote international partnerships to support the implementation of the 2030 Agenda in the post-COVID-19 world.

The whole of government approach described above will continue to evolve in the coming years to achieve sustainability at home and abroad. This is a journey towards a Union that thrives while leaving no one behind and preserves the long-term viability of life- and prosperity supporting ecosystems for this and future generations.

⁸⁸ <u>COM(2020) 27</u> final of 22 January 2020, Shaping the Conference on the Future of Europe.

⁸⁹ See for example, the 2021 Commission work programme; <u>COM(2020) 690</u> final of 19 October 2020.