

IMPLEMENTING THE SUSTAINABLE DEVELOPMENT GOALS THROUGH THE NEXT MULTI-ANNUAL FINANCIAL FRAMEWORK

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Fondazione Eni Enrico Mattei, 29 Novembre 2018*



SUSTAINABLE DEVELOPMENT GOALS

An agenda for Transforming our World

2015 – leaders from 193 countries of the world came together to face the future



Framework - Millennium Development Goals (ended 2015)

Financing - 3rd Financing for Development Conference (Addis Ababa July 2015)

Principles - Rio Declaration on Environment and Development



A new paradigm: from growth to sustainable development



Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

For sustainable development to be achieved, it is crucial to harmonize three core elements:

- ▶ Economic growth
- ▶ Social inclusion
- ▶ Environmental protection

From aspirations to actions: a transformative approach

2030 Agenda for Sustainable Development - 17 goals 169 targets



Universality - goals apply to every nation ... and every sector. Cities, businesses, schools, organizations, all are challenged to act.

Integration - goals are all inter-connected, in a system. We cannot aim to achieve just one Goal. We must achieve them all.

Transformation - goals involves making very big, fundamental changes in how we live on Earth.



EU leadership in SDG implementation - at home and abroad: speaking as one voice the EU has a stronger weight

"We need a budget to achieve our aims. The budget for us is therefore not an accounting tool, but a means to achieve our political goals"



November 2016 - Commission communication on the 'Next steps for a sustainable European future'

June 2017 – Council conclusions "EU response to the 2030 Agenda for Sustainable Development – a sustainable European future"

June 2017 – Joint Statement Consensus on Development "Our world, our dignity, our future"



Integration of SDGs in the EU policy framework

In 2018– Eurostat has developed a set of 100 Indicators for monitoring progress towards the Sustainable Development Goals in EU. Aligned with the UN list of global indicators, they focus on dimensions relevant to the EU in the context of long-term EU Policies. Eurostat has launched an exercise for reviewing them.

October 2018 – The multi-stakeholder platform's (group gathering organizations from the civil society engaged in the diverse aspects of SDGs) has prepared a contribution paper for the Reflection Paper (paper approved on 11th October).

End 2018/beginning of 2019 – Approval of a Reflection Paper "Towards a sustainable Europe by 2030, This paper will provide the backbone for EU position for the United Nations High Level Political Forum which will take place in July 2019.



Commission Action Plan for financing sustainable growth

Fostering sustainable investments has been identified as a priority in the Capital Markets Union's (CMU) mid-term review, and the Commission has proposed a roadmap to lay the right conditions and incentives for investors to fund projects such as low-carbon and energy-efficient infrastructure.

The Action Plan aims to further connect finance with the specific needs of the European and global economy for the benefit of the planet and our society. The Action Plan has three objectives:

1. Re-orient capital flows towards sustainable investment, in order to achieve sustainable and inclusive growth;
2. Manage financial risks stemming from climate change, natural disasters, environmental degradation and social issues;
3. Foster transparency and long-termism in financial and economic activity.




















Commission Action Plan for financing sustainable growth

Q2 2019 – the Commission will publish a report on a taxonomy on climate change adaptation and other environmental activities as well as a report on green bond standards.

Q2 2019 – the Commission will publish its fitness check of EU legislations on public corporate reporting and amend its non-binding guidelines on non-financial reporting and will adopt a delegated act on the content of the prospectus for green bond issuances and publish a comprehensive study on sustainability ratings and research.



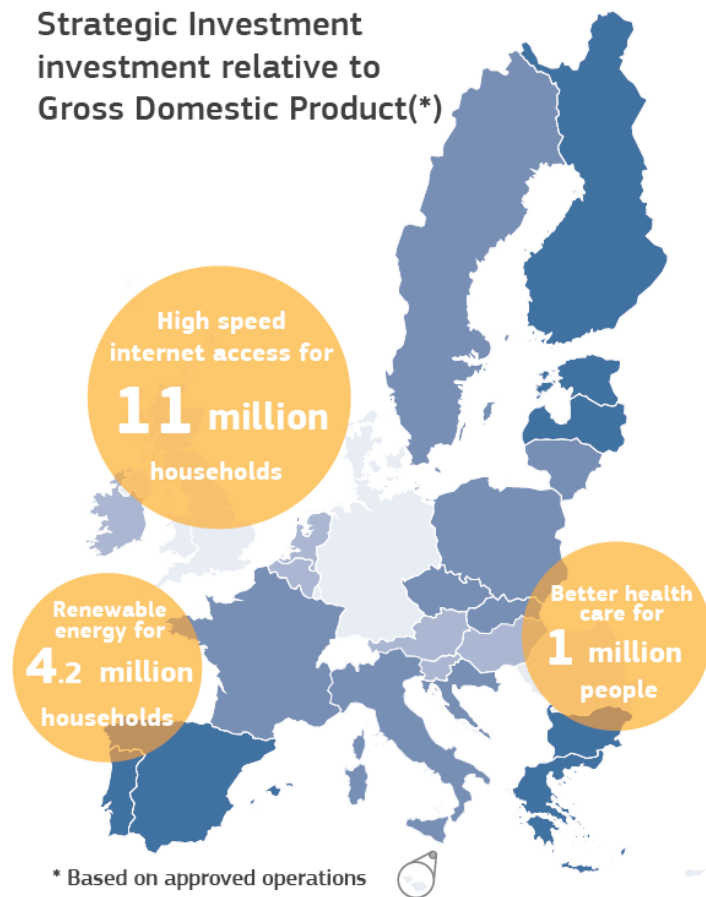
SDGs in the current EU spending programmes

SDGs	EU dimension	EU Programmes	SDGs	EU dimension	EU Programmes
1 NO POVERTY 	End to poverty in all its manifestations, including extreme poverty, over the next 15 years	EFSD, Erasmus+, ESC, ESF, EAGF, EMFF, AFIS, Humanitarian Aid	10 REDUCED INEQUALITIES 	Reducing inequalities between and within countries and in achieving social inclusion and safe migration	Erasmus+, ESC, Customs, ESF, EAGF, AFIS, REC, Humanitarian Aid
2 ZERO HUNGER 	End hunger and malnutrition, and ensure access to safe, nutritious and sufficient food	EAGF, EMFF, Food&Feed, Humanitarian Aid	11 SUSTAINABLE CITIES AND COMMUNITIES 	Enriching the quality of life in cities and communities, in promoting sustainable transport and in alleviating adverse environmental impacts	ITER, EFSD, ESF, EAGF, LIFE,
3 GOOD HEALTH AND WELL-BEING 	Ensure health and well-being for all	EFSD, Erasmus+, ESC, EMFF, Food&Feed, Health, Humanitarian Aid	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Decoupling environmental impacts from economic growth, in decreasing its energy consumption and in tackling waste generation and management	Customs, LIFE, Food&Feed, Consumer,
4 QUALITY EDUCATION 	Ensure access to equitable and quality education through all stages of life	EFSD, Erasmus+, ESF, EAGF, Humanitarian Aid	13 CLIMATE ACTION 	Climate mitigation efforts and in establishing climate initiatives. Climate impacts are measured to assess how and to what extent climate change is affecting Europe	LIFE, Humanitarian Aid
5 GENDER EQUALITY 	Ending all forms of discrimination, violence, and any harmful practices against women and girls in the public and private spheres	Erasmus+, EaSI, ESC, ESF, IcSP, Humanitarian Aid	14 LIFE BELOW WATER 	Advancing marine conservation, in fostering sustainable fishery and in ensuring healthy oceans	EMFF,
6 CLEAN WATER AND SANITATION 	Ensuring universal access to safe and affordable drinking water, sanitation and hygiene	EAGF, Humanitarian Aid	15 LIFE ON LAND 	Improving the status of ecosystems, in decelerating land degradation and in preserving biodiversity	EAGF, LIFE,
7 AFFORDABLE AND CLEAN ENERGY 	Progress made in reducing its energy consumption, in securing sustainable energy supply and in improving access to affordable energy	ITER, EFSD, Euratom, EAGF, Consumer,	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Ensuring peace and personal security, in promoting access to justice and in safeguarding effective justice systems	Erasmus+, ESC, ESF, ISF, Justice, IPA II, CFSP, EIDHR,
8 DECENT WORK AND ECONOMIC GROWTH 	Fostering sustainable economic growth, in increasing employment and in providing decent work opportunities	EFSD, COSME, Erasmus+, EaSI, ESC, Customs, ISA2, ESF, EAGF, Creative Europe, IPA II,	17 PARTNERSHIPS FOR THE GOALS 	Progress in strengthening global partnership and in improving the financial governance in the EU	Copernicus, ISA2, CFSP, EIDHR, IcSP,
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Progress in strengthening R&D and innovation and in promoting sustainable transport	ITER, EFSD, COSME, CEF, ISA2, ESF, EAGF,			



European Fund for Strategic Investments (EFSI)








European Fund for Strategic Investment investment relative to Gross Domestic Product(*)

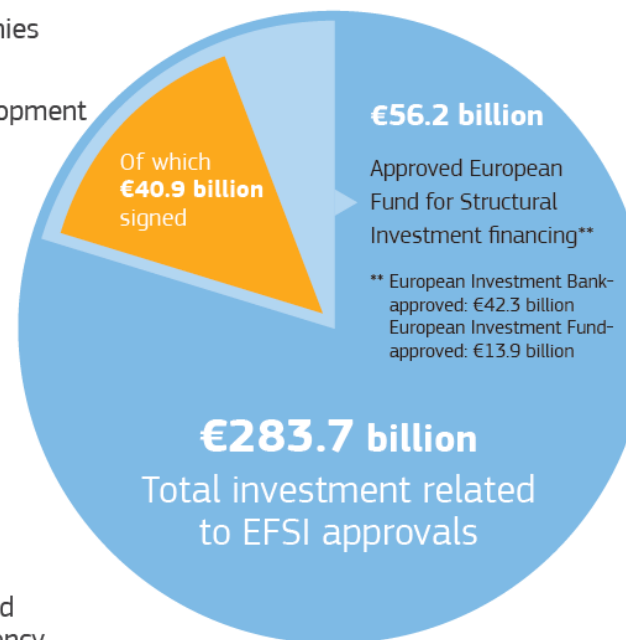


Darker colours signify higher investment

Showcasing the success of the 'Juncker Plan' in using the EU budget to mobilise private investment

EFSI investment by sector(*)

-  Smaller companies **28 %**
-  Research Development and Innovation **22 %**
-  Energy **22 %**
-  Digital **12 %**
-  Transport **8 %**
-  Social Infrastructure **4 %**
-  Environment and resources efficiency **4 %**



Target by 2020 **€500 billion**

EU BUDGET
FOR THE
FUTURE
MFF 2021-2027

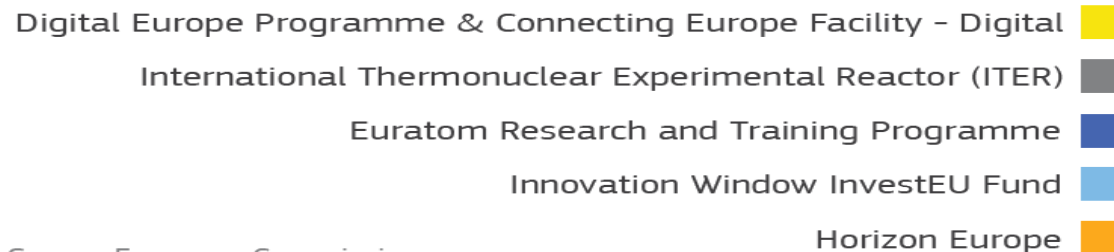




RESEARCH AND INNOVATION



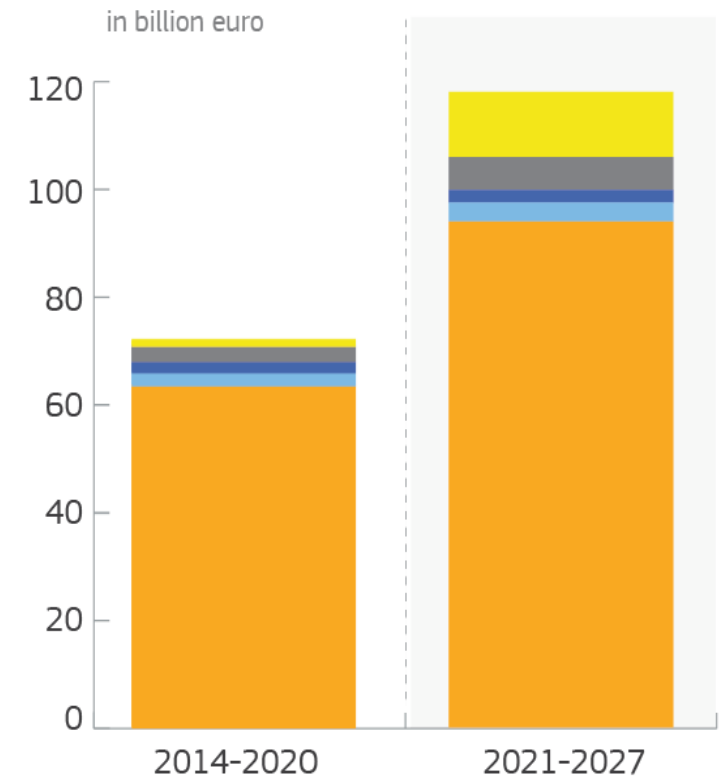
- Building on the success of the EU's past flagship research and innovation programmes, the Commission proposes to **increase investment in research-innovation and digital** by allocating **€114.2 billion** for the future MFF.



Source: European Commission

Note: Compared to the Multiannual Financial Framework 2014-2020 at EU-27 (estimate)

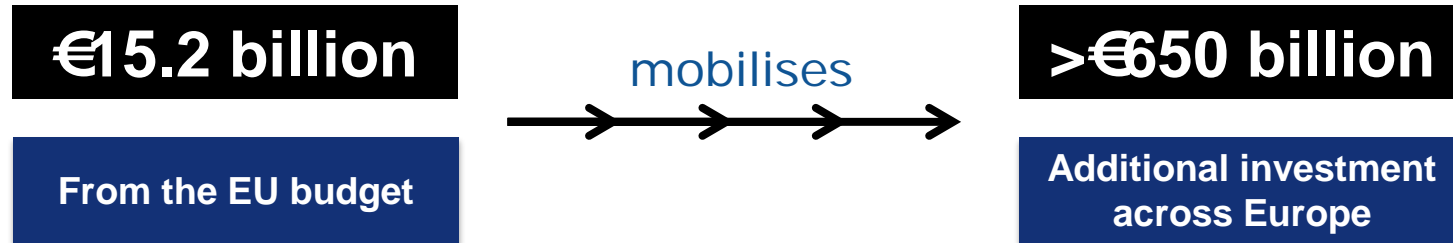
Investing in the future



Source: European Commission



Streamlining tools to promote investment: **INVESTEU FUND**



- ❑ A new, **fully integrated investment fund**: InvestEU
- ❑ **Mobilise** significant **private resources** with a relatively limited amount of public resources for much needed investments throughout Europe
- ❑ Reducing overlaps, **simplify access to funding** and **reduce administrative burden**



REGIONAL DEVELOPMENT AND COHESION



- ❑ A strengthened link with the European Semester
- ❑ A simplified framework and less red tape for the beneficiaries of the funds
- ❑ A more tailored approach to regional development
- ❑ Relative per capita income as the predominant criterion for allocating funds

EUROPEAN REGIONAL DEVELOPMENT AND COHESION FUND

Budget of €273 billion



investing in research and innovation



support small businesses



help with the transition towards a low-carbon economy



support digital, energy and transport networks



fund better health, education and social infrastructure and sustainable urban development

EUROPEAN SOCIAL FUND+

Budget of €101 billion



investing in people



ensuring fairer opportunities for all



funding skills, youth employment and social inclusion



INVESTING IN PEOPLE



- ❑ The proposals upgrade the **European Social Fund** into a **European Social Fund+** with an overall budget of **€100 billion**, simplifying and increasing its effectiveness.
- ❑ More than doubling the size of a **substantially strengthened, inclusive and extended Erasmus+ programme**, further promoting learning mobility across the EU.

Source: European Commission



COMMON AGRICULTURAL POLICY



- ❑ The modernised **Common Agricultural Policy** based on a **new delivery model** will:
 - Place a greater emphasis on the environment and climate;
 - Support the transition towards a more sustainable agricultural sector;
 - Support the development of vibrant rural areas.

- ❑ The modernised policy will have a budget of **€365 billion** and continue to be built around two pillars:
 - direct payments to farmers and
 - rural development funding.

- ❑ For rural development, the Commission proposes to increase **national co-financing rates**. In addition, an amount of **€10 billion** in Horizon Europe will support research and innovation in food, agriculture, rural development and the bioeconomy.



SUSTAINABILITY, ENVIRONMENT PROTECTION AND FIGHT AGAINST CLIMATE CHANGE



Climate Mainstreaming
contributing to climate objectives



20% of Multiannual Financial Framework
2014-2020, EU 28 = **206 billion**

x 1.6



25% of the Multiannual Financial Framework
2021-2027, EU 27 = **320 billion**

Combined increase = + €114 billion

- ☐ **LIFE programme will be strengthened (€5.4 billion)** and will also support measures promoting energy efficiency and clean energy.
- ☐ **Common Agricultural Policy** will place a greater emphasis on environment and climate. It will support the transition towards more sustainable ways of providing safe and high-quality food for the EU's consumers.
- ☐ All farmers receiving area payments will have to comply with a range of requirements related to **climate change**, water, soil, biodiversity and landscapes.

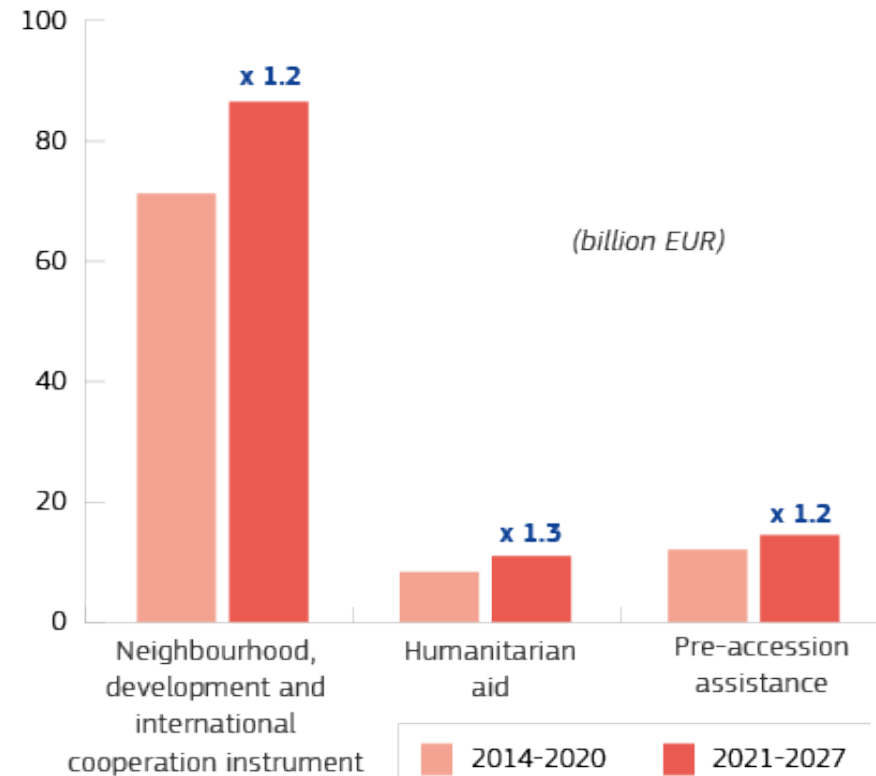


NEIGHBOURHOOD AND THE WORLD (1)



Over half of all development aid comes from the EU and its members, making them collectively the **world's largest aid donor**.

- ❑ The Commission proposes to increase investment in the external actions up to 26% to reach €123 billion in the future long-term EU budget.
- ❑ Major restructuring of the EU's external action instruments to provide better coherence, build on cooperation effectiveness, simplify processes and use economies of scale.
- ❑ New **neighbourhood, development and international cooperation** instrument



Thank You!

