



Council of the
European Union

Brussels, 23 November 2016
(OR. en)

14774/16

DEVGEN 261
ONU 132
ENV 735
ACP 169
FIN 821
RELEX 984

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	23 November 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2016) 739 final
Subject:	COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - Next steps for a sustainable European future: European action for sustainability

Delegations will find attached document COM(2016) 739 final.

Encl.: COM(2016) 739 final



Strasbourg, 22.11.2016
COM(2016) 739 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Next steps for a sustainable European future

European action for sustainability

{SWD(2016) 390 final}

1. INTRODUCTION: THE EU'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable development has since long been at the heart of the European project. The EU Treaties give recognition to its economic, social and environmental dimensions which should be addressed together. The EU is committed to development that meets the needs of the present without compromising the ability of future generations to meet their own needs. A life of dignity for all within the planet's limits that reconciles economic prosperity and efficiency, peaceful societies, social inclusion and environmental responsibility is at the essence of sustainable development.

European societies today face many sustainability challenges from youth unemployment to ageing populations, climate change, pollution, sustainable energy and migration. We must tackle current challenges and prepare for the future, responding to the pace and complexity of global change and the demands of an increasing global population. To preserve the European social model and social cohesion, it is essential to invest in our young people, foster inclusive and sustainable growth, tackle inequalities and manage well migration. Pursuing responsible fiscal policies and implementing reforms will strengthen the sustainability of our healthcare and pension systems. To preserve our natural capital, it is crucial to accelerate the transition to a low-carbon, climate resilient, resource efficient and circular economy. For these challenges to become opportunities for new businesses and new jobs, a strong engagement in research and innovation is needed.

The EU has a strong starting position and track record, with a high level of economic development, social cohesion, democratic societies and a commitment to sustainable development which is firmly anchored in the European Treaties¹. The Treaty on European Union² requires the Union to ensure consistency between the different areas of its external action and between these and its other policies.

Under the current Commission sustainable development is mainstreamed in key cross-cutting projects as well as in sectoral policies and initiatives. In the past, an EU Sustainable Development Strategy was launched in 2001³, revised in 2006⁴ and reviewed in 2009⁵. Since 2010, sustainable development has been mainstreamed into the Europe 2020 strategy⁶, confirmed by the current Commission and built around education and innovation ("smart"), low carbon emissions, climate resilience and environmental impact ("sustainable") and job creation and poverty reduction ("inclusive").

1.1 The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)

2015 marked a defining year for sustainable development worldwide. World leaders adopted at the 70th UN General Assembly on 25 September 2015 a new global sustainable development framework: the 2030 Agenda for Sustainable Development (hereafter the "2030

¹ Articles 3 (5) and 21 (2) of the Treaty on European Union (TEU)

² Article 21 (3), 2nd subparagraph of the Treaty on European Union

³ COM/2001/0264 final

⁴ European Council DOC 10917/06

⁵ COM(2009) 400 final

⁶ COM(2010) 2020 final

Agenda")⁷ having at its core the Sustainable Development Goals (SDGs). In the same year, the Paris Climate Agreement (COP21)⁸, the Addis Ababa Action Agenda⁹, as an integral part of the 2030 Agenda, and the Sendai Framework for Disaster Risk Reduction¹⁰ were also adopted.

The EU was instrumental in shaping the global 2030 Agenda, which is fully consistent with Europe's vision and has now become the world's blueprint for global sustainable development. The 2030 Agenda represents a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide, ensuring that no one is left behind. The 17 SDGs and their 169 associated targets are global in nature, universally applicable and interlinked. All countries, developed and developing alike, have a shared responsibility to achieve the SDGs. The 2030 Agenda integrates in a balanced manner the three dimensions of sustainable development - economic, social and environmental - and reflects for the first time an international consensus that peace, security, justice for all, and social inclusion are not only to be pursued on their own but that they reinforce each other.

The 2030 Agenda is based on a global partnership involving all stakeholders, requires mobilisation of all means of implementation and a strong follow-up and review mechanism to ensure progress and accountability. The 17 SDGs provide qualitative and quantitative objectives for the next 15 years to prepare ourselves for the future and work towards human dignity, stability, a healthy planet, fair and resilient societies and prosperous economies. They help to steer a process of convergence, between Member States, within societies and with the rest of the world.

1.2 Next steps for a sustainable European future

The EU is fully committed to be a frontrunner in implementing the 2030 Agenda and the SDGs, together with its Member States, in line with the principle of subsidiarity. The 2030 Agenda will further catalyse a joined-up approach between the EU's external action and its other policies and coherence across EU financing instruments.

The EU's answer to the 2030 Agenda will include two work streams. The first work stream, presented in this Communication, is to fully integrate the SDGs in the European policy framework and current Commission priorities, assessing where we stand and identifying the most relevant sustainability concerns. A second track will launch reflection work on further developing our longer term vision and the focus of sectoral policies after 2020, preparing for the long term implementation of the SDGs. The new Multiannual Financial Framework beyond 2020 will also reorient the EU budget's contributions towards the achievement of the EU's long-term objectives.

⁷ UN Resolution A/RES/70/1

⁸ UN decision -/CP.21, adoption of the Paris Agreement

⁹ UN Resolution A/RES/69/313

¹⁰ Adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan, on March 18, 2015

2. THE EUROPEAN RESPONSE TO THE 2030 AGENDA

The 2030 Agenda provides an opportunity for the EU to strongly anchor its strategic orientation in the global effort to build a sustainable future, which the Union has co-shaped together with its partners. The SDGs are already being pursued through many of the EU's policies and integrated in all the Commission's ten priorities.

2.1 Mapping of European policies contributing to the SDGs

A full overview of how European policies and actions contribute to the Sustainable Development Goals, within the EU and through the EU's external action, is presented in the Staff Working Document accompanying this Communication. For each of the 17 SDGs, the most relevant actions that the European Union is undertaking are summarised.

This mapping exercise shows that current EU policies address all 17 goals. The Europe 2020 strategy plays an important role in addressing several of the SDGs. While Europe can point to good achievements and progress under all goals, strengthened implementation and further focused action in all areas will be required to implement the full 2030 Agenda by 2030.

The instruments used to deliver on individual SDGs also depend on where division of responsibilities lies between the EU and Member States.

Some of the main actions contributing to the SDGs within the EU include:

On *SDG 1 "End poverty in all its forms everywhere"*, the role of the European Union internally, in line with the subsidiarity principle, is mainly to support Member States in the fight against poverty to help them reach the headline target on poverty set by the Europe 2020 strategy in a context where the crisis has affected progress towards the target.

For *SDG 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture"*, the reformed Common Agricultural Policy (CAP) has three objectives that remain very relevant and high on the agenda: viable food production, sustainable management of natural resources and climate action, and balanced territorial development. Similarly the reformed Common Fisheries Policy aims at contributing to sustainable food supply through sustainable fishing and aquaculture activities. Through the Fund for European Aid to the most Deprived the EU supports Member States' actions to provide sufficient amounts of safe and nutritious food to the most deprived people. These policies are complemented by research and innovation actions on food and nutrition security such as FOOD 2030.

On *SDG 3 "Ensure healthy lives and promote well-being for all at all ages"* the EU complements Member States' action through legislation and other initiatives on public health, health systems and environment related health problems (including air quality, chemicals and waste). Health is important for people's individual well-being and for shaping a sustainable economy as it is key to improve labour market participation and productivity¹¹. The Commission will help Member States to reach the SDG targets, in particular reducing chronic

¹¹ The forthcoming publication "OECD/EU's Health at a Glance: Europe 2016" shows that although life expectancy in the EU has increased on average by 7 years since the early 1990s, there has been no gains in healthy life years in many EU countries.

diseases' mortality, ensuring quality healthcare, strengthening capacity to prevent and manage global health threats (including antimicrobial resistance), ending HIV/AIDS and Tuberculosis (and reducing Hepatitis), and implementing the Framework Convention on Tobacco Control.

On *SDG 4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"*, the EU has set Europe 2020 headline targets on the number of early school leavers and on tertiary educational attainment. Through the Skills Agenda, the Education and Training 2020 strategic framework for peer learning and exchange and the Erasmus+ programme the EU directs its efforts to actively support Member States in improving the quality of education and training to guarantee opportunities for young people.

In relation to *SDG 5 "Achieve gender equality and empower all women and girls"*, gender equality is enshrined in the EU political and legal framework since the very start of European integration and new policies are being developed to address persistent gender inequalities. Equally, *SDG 10 "Reduce inequality within and among countries"*, is at the heart of the EU's social agenda and cohesion policy.

Protecting the environment is key for the quality of life of current and future generations. Several SDGs have a strong environmental dimension, including *SDG 6 "Ensure availability and sustainable management of water and sanitation for all"*, *SDG 14 "Conserve and sustainably use the oceans, seas and marine resources for sustainable development"* and *SDG 15 "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss"*. Europe's environmental improvements in recent decades have been driven by EU legislation providing a high level of protection in areas such as water quality and nature conservation. The Birds and Habitats Directives protect ecosystems, and the expansion of the Natura 2000 network of protected areas to 18% of EU land has been an important achievement. Further efforts are required to achieve the EU targets of halting biodiversity loss by 2020 and restoring at least 15% of degraded ecosystems. While Europe's fish stocks have historically suffered from overfishing, many stocks are now recovering as a result of a strongly science-based Common Fisheries Policy. The recently adopted Joint Communication on International Ocean Governance¹² sets out actions to ensure safe, clean and sustainably managed oceans.

Still faced with a range of natural capital challenges, the EU is increasingly complementing legislative approaches with other policies designed to *"Ensure sustainable consumption and production patterns"* or *SDG 12*. Here, resource efficiency and circular economy actions aim to decouple economic growth from resource use and environmental degradation. Sustainable consumption will also require consumer policies that raise awareness and allow consumers to make informed choices contributing to sustainability.

In the area of energy and climate, *SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all"* and *SDG 13 "Take urgent action to combat climate change and its impacts"*, the EU has set ambitious 2030 targets to reduce greenhouse gas emissions, improve energy efficiency and increase the share of renewable energy. In addition, there is a political commitment of devoting at least 20% of the EU budget to climate action. The Commission already proposed how to reduce greenhouse gas emissions in all sectors of the

¹² JOIN(2016) 49 final

economy¹³ and a package of initiatives to boost clean energy transition is forthcoming. This package will focus on delivering the energy efficiency and renewables objectives in view of realising the Energy Union and in particular the 2030 Climate and Energy policy framework. It will help boost jobs and growth and make a swift difference for the real economy.

On the socio-economic side, the Europe 2020 strategy for smart, sustainable and inclusive growth aims at 75% employment for ages 20-64 helping to address SDG 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". The recovery in the labour market strengthened over 2015 and 2016, with a significant improvement in most indicators. The employment rate (20-64 years old) increased in the EU by 0.9 percentage points in 2015 and kept rising up to 71.1% in the second quarter of 2016, exceeding the pre-crisis level of 70.3% (yearly) in 2008¹⁴. However, although decreasing, labour market disparities across Member States remain large compared to the pre-crisis period and challenges as regards youth unemployment and unemployment of disabled persons remain in several Member States.

Under SDG 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", the Investment Plan for Europe covers strategic investments in key areas such as in infrastructure, research and innovation, as well as in risk finance for small businesses. Also European Structural and Investment Funds¹⁵ cover investments in infrastructure and research and innovation. The Connecting Europe Facility is funding resilient networks and infrastructures in transport, telecommunications and energy. Research and innovation, underpinning the implementation of virtually all SDGs, is funded through the Framework Programme for Research and Innovation (Horizon 2020). The 2016 European Innovation Scoreboard still shows a considerable performance lead of the EU over many others and the challenge is to keep this position.

As regards SDG 11 "Make cities and human settlements inclusive, safe, resilient and sustainable", EU cities, led by Stockholm, Vienna, London, Frankfurt and Hamburg, account for five of the top eight most sustainable cities¹⁶. The Urban Agenda for the European Union is a joint effort of the Commission, Member States and European cities, to strengthen the urban dimension of European and national policies. In line with the UN New Urban Agenda, the EU strengthens the resilience of urban settings through prevention of disaster and climate related risks. The EU Covenant of Mayors for Climate and Energy is a bottom-up local and regional action for tackling in an integrated manner climate change mitigation and adaptation, and access to secure, sustainable and affordable energy.

For SDG 16 "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels" EU policies and legislation are in place with many of the underlying principles anchored into the Treaty on European Union and the EU Charter on Fundamental Rights and going beyond the ambition set out in SDG 16.

¹³ COM (2016) 500

¹⁴ Eurostat

¹⁵ European Structural and Investment Funds (ESIF): the three cohesion policy funds (i.e. the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the European Social Fund (ESF)), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF)

¹⁶ Arcadis, Sustainable Cities Index 2016 (2016)

Under *SDG 17 "Strengthen Means of Implementation and revitalise the global partnership for sustainable development"*, the Commission, in close cooperation with Member States, will work to implement the agenda through putting in place enabling policies, mobilising adequate financial means of implementation from all sources including the private sector, capacity building, science, technology and innovation, trade, ensuring policy coherence, and forming partnerships to strengthen delivery. The "Trade for all strategy"¹⁷ adopted right after the UN 2030 Agenda, commits the EU to a responsible trade and investment policy as an instrument of SDG implementation contributing to boosting jobs, sustainable growth and investment in Europe and outside.

Moreover, several EU financing instruments complement European policies and actions and contribute in a horizontal way to the SDGs. For example, cohesion policy - through the European Structural and Investment Funds - is the EU's main investment policy, aiming to achieve economic, social and territorial cohesion by reducing disparities between the levels of development of the various regions. It contributes to the Europe 2020 strategy and to the diverse development needs in all EU regions with EUR 350 billion for the period 2014-2020. Also the EU Framework Programme for Research and Innovation, Horizon 2020, is cross-cutting and funds projects underpinning many SDGs. In various ways the EU ensures that synergies between financing instruments and policies are ensured.

2.2. The contribution of the Commission's 10 priorities to the 2030 Agenda

The political agenda of the current Commission is focused on jobs, growth, fairness and democratic change, following discussions with the European Parliament and inspired by the European Council's "Strategic Agenda for the Union in Times of Change". The ten priorities of the agenda touch upon key challenges for Europe. Many of the Sustainable Development Goals are deeply entwined with these challenges and the Commission's objectives under the ten priorities.

The section below distils the most relevant synergies between the SDGs and the ten priorities. Fully exploiting these synergies between the SDGs and the Commission's highest priorities ensures strong political ownership and avoids that implementation of the SDGs takes place in a political vacuum.

Furthermore, section 2.3 looks into the most relevant commitments under the EU's external action, covering priority 6 on trade and priority 9 on a stronger global actor.

Most of the work under "Priority 1. A new boost for jobs, growth and investment" is directly delivering on various SDGs and addressing key sustainability challenges Europe faces.

Since the global economic and financial crisis, the EU has been suffering from high unemployment, an investment gap and a lack of competitiveness. Poverty and inequality remain a concern. The European social model will not be sustainable in the future if growth remains at its current level. In an ageing society, with a current ratio of 2 active people

¹⁷ COM(2015) 497 final

supporting one inactive person on average across the EU¹⁸, pension liabilities in many Member States will increase significantly¹⁹ while youth unemployment figures remain high.

This is why the number one priority since the start of this Commission has been to boost jobs, growth and investment. Europe's track record in successful socio-economic development over the past 60 years must be extended through sustainable job creation to provide opportunities for future generations and improve social outcomes in terms of poverty and inequality reduction. This will ensure Europe's long-term competitiveness in the global economy while preserving the European way of life.

In a global competitive environment where the EU should not compete on low wages, investment in quality **education and training (SDG 4)** and in young people is crucial to ensure sustainable and inclusive growth. Core competence lies with Member States but to support them, all instruments available at EU level such as Erasmus+ and the cohesion policy must be mobilised fully. Europe's prosperity and way of life are based upon its greatest asset: its people. From 2010 to 2014, investment in education and training decreased by 2.5% in the EU as a whole²⁰. Smart investments that improve the quality of skills and strengthen the performance of education and training systems are essential. The Commission will address the modernisation of education and the quality of apprenticeships and better tracking of graduates next year. The Youth Guarantee will be reinforced as a tool to invest in young people, in their skills and in their first steps in a career.

The **Investment Plan for Europe**²¹ (e.g. **SDG 8, 9, 12, 13**) is intended to mobilise EUR 500 bn in additional investments in the real economy through the European Fund for Strategic Investments (EFSI) by 2020. Investment in several strategic sectors such as education, healthcare, water, energy, transport and other infrastructure, industries and agriculture, and promotion of future-oriented initiatives, such as renewable energy, circular economy and climate mitigation and adaptation, have been an important part of the success of the first stage of EFSI. For the second stage, EFSI 2.0²², the Commission has proposed a quantitative goal (40%) on targeted climate change projects. Outreach activities at the highest level will promote forward looking proposals not just for the climate target but to ensure uptake of broader sustainable growth projects. In addition, the new proposal will make it easier to combine with other major funding sources such as European Structural and Investment Funds to support sustainable growth in several sectors across the EU.

The **circular economy (SDG 6, 8, 9, 11, 12, 13, 14, 15)** offers a transformative agenda with significant new jobs and growth potential and stimulating sustainable consumption and production patterns. Focus on resource efficiency and minimising waste in a context of rapid global resource depletion gives the EU a competitive edge and stimulates innovation. It creates local jobs, at all skills levels and with opportunities for social integration. The transition to the circular economy offers a chance for Europe to modernise its economy, making it more future proof, green and competitive. The circular economy also contributes to lower carbon dioxide emission levels and energy savings as well as decreased air, soil and

¹⁸ Eurostat

¹⁹ The 2015 Ageing Report: Economic and budgetary projections for the 28 EU Member States (2013-2060)

²⁰ Education and Training Monitor 2016

²¹ COM (2014) 903 final

²² COM (2016) 581 final

water pollution. Implementation of the 2015 circular economy action plan remains high on the agenda of the Commission as confirmed in the 2017 Work Programme.

The monitoring framework for the circular economy in Europe will be ready in 2017. To scale up investment in the circular economy, a platform to support the financing of the circular economy will be established. Another new initiative in 2017 will be a comprehensive strategy on plastics to improve the economics, quality and uptake of plastic recycling and reuse and reducing (micro-)plastic leakage into the environment. It will help European industry to develop the plastics of the future, less dependent on fossil fuels and offering solutions for reducing global **marine pollution (SDG 14)**. To promote safe reuse of treated wastewater, minimum requirements for reused water (**SDG 6**) will be set. Action on sustainable food systems and preventing **food waste (SDG 12)** will be taken through the EU Platform on Food Losses and Food Waste, to support the UN target of halving per capita global food waste by 2030. Targeted action is planned to facilitate food donation and the safe use of food not suited for human consumption for production of animal feed as well as more effective date marking on food.

The implementation of the **EU's environmental acquis (SDGs 6, 14, 15)** remains vital for long-term sustainability and is inseparable from the broader economic and societal challenges. As highlighted in the 7th Environment Action Programme, maintenance and improvement of our natural resource base is also essential for our economic sectors to deliver their services, e.g. agriculture, fisheries or energy. The Commission will strengthen the tracking of progress of environmental objectives through the Environmental Implementation Review and will launch initiatives to simplify environmental reporting, facilitate access to justice, and support environmental compliance in Member States (**SDG 17**).

Agriculture (SDG 2) plays a substantial role in the 2030 Agenda and in any sustainable future as it is intrinsically linked to issues such as jobs, food, air, climate change, water, soil and biodiversity (**SDGs 8, 12, 6, 13 and 15**). The Commission will therefore take forward work and consult widely on simplification and modernization of the Common Agricultural Policy to maximize its contribution to the Commission's ten priorities and to the Sustainable Development Goals.

With its work on "Priority 3. A resilient Energy Union with a forward-looking climate change policy", the EU has adopted a clear 2030 framework and is actively working towards the two relevant SDGs.

The EU is the largest energy importer in the world²³, vulnerable to supply shocks. Hence the importance of energy security, market integration, energy efficiency and using indigenous energy resources, in particular renewables, to reduce our dependence on external suppliers while decarbonising the economy and stimulating new business sectors. Europe needs the right choices now as shifting to a low-carbon economy will be made harder by the economic, social and environmental costs of having fragmented energy markets. The objective of the **Energy Union** is to ensure affordable, secure and sustainable energy for businesses and households (**SDG 7**). The Energy Union promotes energy cooperation and integration to achieve those objectives. Renewables and energy efficiency, in particular, are at the heart of

²³ Eurostat and the International Energy Agency

this EU strategy as those play an increasingly important role in tackling climate change while enhancing energy security and strengthening EU industrial and technological leadership.

The 2015 Paris Agreement is a historically significant landmark in the global fight against **climate change (SDG 13)**; a success for the world and a confirmation of the EU's path to a low-carbon and climate resilient economy. The EU has set an ambitious economy-wide domestic target of a reduction of greenhouse gas emissions of at least 40% for 2030. The target is based on global projections that are in line with the medium term ambition of the Paris Agreement. The EU will continue to lead by example and by action on regulatory policies to reduce emissions, strengthen climate change adaptation and disaster risk management, but also on enabling factors that accelerate public and private investment in innovation and modernisation in all key sectors. The low-emission mobility strategy contributes to achieving a competitive and resource efficient transport system. On aviation and shipping, the EU played a leading role in the global agreements reached this year to tackle emissions. Proposals to accelerate the low-carbon transition, covering all sectors of the economy in the EU are being negotiated²⁴.

Under "Priority 4. A deeper and fairer internal market with a strengthened Industrial base", in particular the Capital Markets Union, a new and forward looking approach to ensure sustainable finance is taken forward, linked to several SDGs.

Sustainable finance (SDG 8, 9, 13, 14 and 15) is high on the agenda of the G20 and in Europe, finance ministers, regulators and industry are all actively looking at what can be done. In light of the SDGs, the Paris Agreement and the transition to a low-carbon, climate resilient, more circular and resource-efficient economy, the EU wants the current financial system to be better aligned with its policies in support of sustainable growth and investments. In this context, the **Capital Markets Union** sets out concrete initiatives for example on green bonds, promotion of long-term investments or the prudential aspects linked to the regulation of banks. Moreover, a system is in place to ensure increased transparency for investors on disclosure of non-financial and diversity information, including on environmental matters, social and employee aspects, respect for human rights, anti-corruption, bribery and other matters. Defining a coherent EU strategy on sustainable finance will help to identify, prioritise and sequence the ways in which EU financial policy reform can enable and galvanise the flow of (public and private) capital towards sustainable investments.

As a first step, the Commission will establish a high-level expert group to provide advice on developing an overarching and comprehensive EU strategy on sustainable finance, having particular regard to the challenges posed by climate and environmental risk to the financial system and the need to harness financial markets in responding to these challenges. The expert group will also reflect on how pertinent recommendations can be extended to other dimensions of sustainability. This should allow the EU to maintain international leadership in the development of sustainable markets. The Commission will follow up on this work in the Capital Markets Union mid-term review in 2017.

Under "Priority 5. A deeper and fairer Economic and Monetary Union", in particular the European Pillar of Social Rights and action on Corporate Social Responsibility help to address the challenges of work in the 21st century as required by the SDGs.

²⁴ COM (2015) 337, COM (2016)482 and COM(2016)479

In a context of rapid economic, labour market, social, demographic and technological change, the issue of inclusive and sustainable growth, employment and decent work (**SDG 8**) is more topical than ever for Europe. In the aftermath of the crisis, the **European Pillar of Social Rights** aims at putting social fairness at the heart of EU policies. A set of key principles for the conduct of employment and social policies will help to take into account better new economic, social and demographic trends. Health is one of the elements playing a role in boosting human capital in terms of productivity and labour participation. As a way to enhance upward social and labour market convergence, particularly within the euro area, the Pillar will help deliver on **SDGs 1, 3 and 10**.

Additionally, EU action on **Corporate Social Responsibility and Responsible Business Conduct** encourages the private sector to contribute to the achievement of social and environmental objectives, thereby fostering equitable and sustainable growth and the protection of social rights (**SDG 8**). Throughout global supply chains EU policies contribute to more sustainable practices in forest management, better working and environmental conditions in textiles and ship recycling, combatting illegal fishing and trade in conflict minerals and endangered species. The Commission will intensify its work on Responsible Business Conduct, focusing on concrete actions to meet current and future social, environmental and governance challenges, building upon the main principles and policy approach identified in the Commission's 2011 EU Corporate Social Responsibility Strategy.

"Priority 7. An area of justice and fundamental rights based on mutual trust" includes continued policy efforts related to the SDGs on justice and gender equality.

Effective **justice systems** play a crucial role for upholding the rule of law and the Union's fundamental values (**SDG 16**). They are also a prerequisite for an investment and business friendly environment. The EU is encouraging Member States to improve the effectiveness of their national justice systems in the context of the European Semester, the EU's annual cycle of economic policy coordination.

Gender equality (SDG 5) is one of the fundamental values of the European Union and goes back to 1957 and the principle of equal pay for equal work in the Treaty of Rome. Today, active policies remain a necessity to better utilise female talent and improve the participation of women in the labour market, their economic independence, pay and pensions, equality in leadership positions, fighting gender-based violence, and more gender equality in our external action. Progress has been achieved in recent years, for example, by the highest employment rate ever recorded for women (65.3% in the second quarter of 2016) up from 62.8% in 2008²⁵, although a gender gap in employment still remains. From 2003 to 2016 the share of women on boards of the largest publicly listed companies in the EU rose from 8.5% to 23%²⁶. Challenges on the pay and pension gap remain large: the gender gaps in pay and in pensions show no sign of narrowing. Even if women are reaping the benefits of education, in 2014 they were still paid 16.7% less than men per hour of work and their pension is 40% lower than men's pension on average²⁷. Through its "Strategic Engagement for Gender Equality 2016-

²⁵ Eurostat

²⁶http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/supervisory-board-board-directors/index_en.htm

²⁷ Eurostat

2019" the Commission is committed to work further towards gender equality in priority areas and it will in 2017 present an initiative to promote a better work-life balance for men and women.

In the context of the refugee crisis, work on "Priority 8. Towards a new policy on migration" supports progress related to several SDGs.

The world is facing the highest number of refugee flows since the end of the Second World War, with more than 65 million people forcibly displaced worldwide²⁸. In this context, a new comprehensive migration policy is needed, promoting regular channels and tackling irregular migration flows, thereby saving lives, preserving human dignity and helping to support growth and reduce inequality (e.g. ***SDG 1 and 10***). Migration management is a shared responsibility, not only among EU Member States, but also vis-à-vis non-EU countries of transit and origin. The European Agenda on Migration²⁹ and its follow-up actions, including the new Partnership Framework with Third Countries³⁰, provide such a comprehensive approach grounded in the respect of fundamental rights, trust, solidarity and mutual accountability.

2.3. The European Union as a committed global partner to promote the 2030 Agenda

The vision of the 2030 Agenda is fully consistent with the objectives of **EU external action**, including the pursuit of sustainable development³¹. The Global Strategy on Foreign and Security Policy for the European Union³² sets out the strategic direction for the EU's external action and identifies clear links to the 2030 Agenda. It emphasises the importance of a comprehensive approach in the EU's external actions and the need for an integrated EU approach to increase the EU's impact in responding to and preventing violent conflicts and crises as well as of improving coherence between the EU and its Member States. The SDGs will be a cross-cutting dimension of all the work to take forward the Global Strategy³³. The Global Strategy underlines that there is a direct link between our security and prosperity in our surrounding regions, including the EU Enlargement and neighbourhood countries. Echoing the SDGs, promoting resilience of states and societies at all levels is a way to promote stability and sustainable development globally, while reinforcing Europe's own security and prosperity.

The EU Enlargement Policy will continue to focus efforts on the rule of law, including security, fundamental rights, democratic institutions and public administration reform, as well as on economic development and competitiveness. These fundamentals for meeting the Copenhagen and Madrid membership criteria are fully consistent with the fundamentals of the 2030 Agenda.

²⁸ The United Nations Refugee Agency (UNHCR), "Global trends: forced displacement in 2015" (2015)

²⁹ COM (2015) 240

³⁰ COM(2016) 385

³¹ See Article 21 (2) d) of the Treaty on European Union

³² A Global Strategy for the European Union's Foreign and Security Policy "Shared Vision, Common Action: A Stronger Europe", June 2016

³³ Council conclusions on the follow-up to the EU global strategy on foreign and security policy (paragraph 5), 17 October 2016

The revised **European Neighbourhood Policy** (2015) introduced differentiated partnerships with the neighbourhood countries, with the key goal of stabilisation. It provides the EU with the necessary tools to reach out to partner countries on security, building resilience, good governance, democracy and human rights, economic development, connectivity, energy, migration and mobility and, as such, supports sustainable development.

EU action has a particular place in supporting **prevention, management and resolution of crises** around the world, with its Common Security and Defence Policy missions, a significant financial contribution to the African Peace Facility and the recent proposal to support capacity building for security and development within the new security sector reform strategic framework³⁴. The EU will promote a broader concept of security, encompassing inclusive and accountable institutions at all levels.

The EU champions a **rights-based approach** to development cooperation, whose implementation is critical in delivering on the SDGs. This approach encompasses all human rights and promotes inclusion and participation, non-discrimination, equality and equity, transparency and accountability. Gender equality is at the core of the EU's values and enshrined in its legal and political framework. The EU will promote women's rights, gender equality and the empowerment of women and girls as a priority across all areas of external action.

The **EU's development policy** plays a central role in the implementation of the 2030 Agenda. As the world's biggest development actor, the EU and its Member States have a significant impact on achieving the SDGs worldwide. This is why the Commission presents, together with this Communication, a proposal for a **new European Consensus on Development**³⁵, which reflects the holistic approach of the 2030 Agenda. The proposal for a new Consensus seeks to achieve the primary objective of poverty eradication by systematically integrating the social, economic and environmental dimensions and strengthening the nexuses between development and security, humanitarian and migration issues.

The proposal for a new European Consensus also represents a paradigm shift in terms of means of implementation. It moves beyond a traditional focus on international development assistance to mobilise the much larger funds required to finance the SDGs, combining aid with domestic resources and leveraging private investments. It also stresses the role of good domestic and international policies, including policy coherence. The recently proposed **European External Investment Plan**³⁶, building on the successful experience of the Investment Plan for Europe, is a good illustration of this new approach to means of implementation.

In the proposal for a new European Consensus on Development, the Commission proposes a new way of working with partner countries and together with Member States – from joint programming to joint actions – to ensure greater coherence, complementarity and effectiveness. There is also a clear need to foster more differentiated **partnerships** in accordance with our partners' development paths and needs – keeping the focus on the poorest and most vulnerable, while also recognising the importance of more advanced developing countries for the achievement of the SDGs. The Communication on the future relations with the African, Caribbean and Pacific Group of States concerning a **post-Cotonou**

³⁴ JOIN (2016) 31 final

³⁵ COM(2016) 740

³⁶ COM (2016) 581 final

framework³⁷, also adopted together with this Communication, is a key example of this tailored partnerships approach.

The **EU's humanitarian assistance** plays an important role in the provision of lifesaving assistance and contributes to reducing vulnerability and protecting human dignity. Concentration of extreme and chronic poverty in fragile states is often compounded by recurring cycles of natural disasters and devastating conflicts, resulting in ever more severe humanitarian situations, which put development gains under increasing threat and negatively affect the stability of entire regions and societies. The EU is at the forefront of resilience building of the most vulnerable communities. It sets the ways forward for a more effective collaborative action, bringing together humanitarian action, long-term development cooperation and on-going political engagement, thereby contributing to poverty eradication.

EU Trade policy as set out in the Trade for All Communication is fully supportive of sustainable development worldwide, notably through its focus on the trade-development nexus. Trade agreements such as the Economic Partnership Agreements and trade regimes such as Everything But Arms (EBA) and the Enhanced Generalised System of Preference (GSP+) provide strong support to sustainable development by linking trade with development and good governance.

The EU's impact outside its borders is not limited to its external action agenda. Many of the EU's policies with a domestic dimension contribute to the implementation of the Sustainable Development Goals worldwide. Therefore, **achieving coherence across all EU policies** is crucial for achieving the SDGs. Policy coherence for development is an essential element of the EU's response to the sustainable development challenge enshrined in the European Treaties. Concrete projects such as energy interconnections in Africa and with Europe across the Mediterranean region, as well as ongoing EU action towards sustainable global supply chains, such as in the timber and garment sectors, show the added value of pursuing a coherent approach.

3. HOW THE EU WILL TAKE FORWARD THE IMPLEMENTATION OF THE 2030 AGENDA

3.1. Governance

Sustainable development requires a holistic and cross-sector policy approach to ensure that economic, social and environmental challenges are addressed together. Hence, ultimately sustainable development is an issue of governance and requires the right instruments to ensure policy coherence, across thematic areas as well as between the EU's external action and its other policies.

The **new structure of this Commission** with Vice-Presidents and its project-based approach is an important instrument that facilitates this way of working. Project teams bringing together different sectoral policy angles aim to ensure that efforts in one policy area reinforce initiatives in other fields, creating a more concerted and mutually-reinforcing agenda. Moreover, the new function of First Vice-President includes a horizontal responsibility for sustainable development. To ensure policy coherence, the First Vice-President will play a

³⁷ JOIN(2016) 52

coordinating role in taking forward the Commission's work in actively implementing the 2030 Agenda.

The use of the Commission's **better regulation tools** is another way to ensure further mainstreaming of sustainable development in European policies. All Commission impact assessments must evaluate environmental, social and economic impacts so that sustainability is duly considered and factored in. Ex post evaluations must also analyse all three dimensions in a strong integrated approach. Strengthened impact assessment guidelines and enhanced procedures confirming this mainstreaming approach were a key component of the better regulation package adopted in 2015. Stakeholder involvement and public consultations form another component of the better regulation toolbox to meet the inclusiveness requirement that is at the heart of the 2030 Agenda.

The **European Semester**, as the EU's economic governance framework has a strong focus on employment and social performance thereby promoting a more sustainable socio-economic model in the European Union.

3.2. Financing

The **EU budget**, representing around 1% of EU Gross National Income (GNI), is an investment budget that complements national budgets and the wide set of EU policy and regulatory instruments to tackle challenges both at European and at international level. The Commission has already largely incorporated economic, social and environmental dimensions, which are at the heart of the SDGs, into the EU budget and spending programmes. The performance framework of EU spending programmes for 2014-2020 already contains relevant elements to report on the three dimensions.

The **EU budget focused on results (BFOR) initiative**³⁸ also aims to ensure that every euro of European tax payers' money spent contributes as much as possible to improving our future. The shift from measuring spending towards measuring results - from ensuring mostly compliance with the rules, towards aiming as well for maximum performance - ensures that resources are allocated in a sufficiently flexible manner to address urgent needs and focus on priorities.

The **Investment Plan for Europe** references specifically the SDGs and promotes coherence with the EU budget. Different policies such as the **European Structural and Investments funds** and instruments like the **Connecting Europe Facility** work alongside **European Investment Bank** financing to promote sustainability objectives, such as energy efficiency and clean transport, through the use of innovative financing instruments that help to achieve the necessary scale of investment required. There is also a political commitment of devoting at least 20% of the EU budget to climate action. Moreover, **Horizon 2020** is expected to contribute at least 60% of its budget to sustainable development and 35% to climate action. As part of the Global Partnership to implement the SDGs (**SDG17**), the EU is collectively committed to provide 0.7% of GNI as **Official Development Assistance (ODA)** within the timeframe of the 2030 Agenda. It will also collectively provide 0.15% of GNI as ODA to Least Developed Countries in the short term, and reach 0.20% in the timeframe of the 2030 Agenda.

³⁸ http://ec.europa.eu/budget/budget4results/initiative/index_en.cfm.

Looking ahead at the Multiannual Financial Framework beyond 2020, the Commission will explore how EU budgets and future financial programmes can best continue to adequately contribute to the delivery of the 2030 Agenda and support Member States in their efforts.

3.3. Measuring progress at national, UN regional, EU and global level

Keeping track of progress in a systematic and transparent way is essential. The 2030 Agenda provides for follow up and review at national, regional and global level. The EU, in coordination with its Member States, is committed to playing an active role at each level to maximize progress towards the SDGs, to ensure accountability to citizens, and to ensure that no one is left behind.

The Agenda includes 17 goals and 169 underlying targets for which the UN Statistical Commission in March 2016 agreed an indicator framework comprising 230 indicators as a practical starting point for global monitoring. The 2030 Agenda also foresees monitoring at the level of UN regions. As for monitoring in the United Nations Economic Commission for Europe (UNECE) region, a roadmap to guide the work of the UNECE countries on statistics for the Sustainable Development Goals is being prepared. At national level, Member States are asked by the United Nations to put in place systems for measuring progress and reporting.

The Commission will contribute by monitoring, reporting and reviewing progress towards the Sustainable Development Goals in an EU context. This includes regularly reporting on the EU's contribution to the implementation of the 2030 Agenda in the context of the United Nations High Level Political Forum for Sustainable Development.

A first overview of where the EU and its Member States stand in view of the SDGs can be found in the Eurostat publication issued in parallel with this Communication³⁹. From 2017 onwards, the Commission will carry out more detailed regular monitoring of the Sustainable Development Goals in an EU context, developing a reference indicator framework for this purpose and drawing on the wide range of ongoing monitoring and assessment across the Commission, Agencies, European External Action Service and Member States.

3.4. Shared responsibility for implementation and rewarding excellence

The SDGs are a collaborative agenda between all levels of public governments and civil society, signed up by all UN member states. Implementation needs to be taken forward in partnership with all.

This Communication provides a framework for the EU and its Member States to implement the 2030 Agenda. In line with the principle of subsidiarity, the EU will only act in areas outside its exclusive competences when the objectives can be better achieved at Union level than by action of Member States. Close cooperation with Member States is therefore necessary and many issues affecting sustainable development will need to be addressed by Member States themselves, who are currently in the process of establishing their own national frameworks for the achievement of the SDGs and for reporting to their own citizens and to the UN.

³⁹ Eurostat, "Sustainable Development in the European Union - A statistical glance from the viewpoint of the UN Sustainable Development Goals (2016)

Cities and local authorities have a particular role in the 2030 Agenda implementation with a specific dedicated goal (*SDG 11*) as well as the other urban related targets through the 2030 Agenda. Cities are at the heart of today's economic, environmental and social challenges. More than 70% of EU citizens live in urban areas while about 85% of the EU's GDP is generated in cities⁴⁰. These urban areas are the engines of the European economy and act as catalysts for innovative sustainable solutions promoting the transition to a low-carbon and resilient society. However, they are also places where problems, such as unemployment, segregation, poverty and pollution are at their most severe.

The Urban Agenda for the EU adopted in 2016 will therefore be taken forward in a holistic way together with local authorities covering all aspects of sustainable development, also contributing to the implementation of the global "New Urban Agenda"⁴¹. The Commission will have a central role in the implementation of the Urban Agenda for the EU keeping in mind the diversity of cities and their responsibilities and interactions with the wider territory, providing expertise, implementing actions and facilitating the multilevel governance process.

Sustainable development will not be brought about by public sector policies alone. It is a joint agenda of citizens, civil society, organisations and businesses. More and more companies embrace the SDGs and put into practice corporate social responsibility, in their own interest, as well as in the interest of the European economy and society. European companies can provide innovative solutions for tomorrow's challenges, and be the drivers for change within the EU and beyond our borders. Society at large needs to ingrain sustainability as a guiding principle in the many choices that each citizen, company and civil society actor makes every day.

To create a dynamic space bringing together the different stakeholders of the public and private sphere, the Commission will launch a multi-stakeholder Platform with a role in the follow-up and exchange of best practices on SDG implementation across sectors, at Member State and EU level. This Platform could act as a peer-learning hub where stakeholders can engage in debates about sustainability activities and inform others about ongoing successful initiatives. Each year a European Sustainability Prize will be awarded to recognize initiatives with a transformative contribution to the global 2030 Agenda implementation.

4. CONCLUSION

The EU, as a project based on fundamental values and fairness, embraces the UN 2030 Agenda for Sustainable Development as a unique opportunity for a better future. The global vision behind the SDGs to take action for people, the planet and prosperity is fully in line with our European agenda: sustainability is a European brand. Aware of the limits of the planet, scarcity of resources, rising inequalities and the importance of sustainable growth for preserving our social welfare systems, we want to put the European and global economy on a new path to give better lives to people, ensuring a fair share for all and notably the younger generation.

⁴⁰ Eurostat

⁴¹ Adopted in October 2016 at Quito during the UN Habitat III conference, A/CONF.226/4

To preserve the future, the right policy choices have to be made today. The mapping exercise of our policies and acquis has clearly indicated that all seventeen SDGs are addressed through European action. Moreover, many of the SDGs are at the heart of the highest political priorities of the Juncker Commission. The Sustainable Development Goals can only be attained successfully at EU level and by its Member States if new policies take into account sustainability and policy coherence from the start and if implementation of existing policies on the ground is pursued in partnership with all stakeholders and on all levels.

The Commission is fully committed to the delivery of the 2030 Agenda through the following key actions and governance elements:

- The Commission will mainstream the Sustainable Development Goals into EU policies and initiatives, with sustainable development as an essential guiding principle for all its policies. Existing and new policies should take into account the three pillars of sustainable development, i.e. social, environmental and economic concerns. The Commission will to this effect ensure that its policies are sustainability-assured through its better regulation tools.
- The Commission will provide as of 2017 regular reporting of the EU's progress towards the implementation of the 2030 Agenda.
- In order to promote sustainable development around the world, the EU will continue working with external partners, using all the tools that are available under its external policies and support in particular the efforts in developing countries.
- The Commission is committed to take implementation of the 2030 Agenda forward with the Council and the European Parliament as the co-legislators and budgetary authority of the EU, and with other European institutions, international organisations, civil society organisations, citizens and other stakeholders.
- The Commission will launch a multi-stakeholder Platform with a role in the follow-up and exchange of best practices on SDG implementation across sectors, at Member State and EU level.
- The Commission will launch reflection work on developing further a longer term vision in a post 2020 perspective.

In line with the commitments in the framework of the United Nations, Member States are invited to maintain ownership and to work on national frameworks for the achievement of the SDGs, implementing related European policies timely and reviewing progress made.

Table: The 2030 Agenda Sustainable Development Goals⁴²

The 2030 Agenda Sustainable Development Goals	
Goal 1.	End poverty in all its forms everywhere
Goal 2.	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3.	Ensure healthy lives and promote well-being for all at all ages
Goal 4.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5.	Achieve gender equality and empower all women and girls
Goal 6.	Ensure availability and sustainable management of water and sanitation for all
Goal 7.	Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9.	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10.	Reduce inequality within and among countries
Goal 11.	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12.	Ensure sustainable consumption and production patterns
Goal 13.	Take urgent action to combat climate change and its impacts*
Goal 14.	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15.	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17.	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

⁴² UN Resolution A/RES/70/1