

**REACTION OF SDG WATCH EUROPE:** 

EUROPEAN COMMISSION REFLECTION PAPER: TOWARDS A SUSTAINABLE EUROPE BY 2030 (February 2019)

# In the best option: 4 years after the adoption of the UN 2030 Agenda for Sustainable Development, the EU *considers* this agenda as the overarching strategy for the Future of Europe

#### In general:

In 2015 the European Commission and member states committed themselves to achieve the 2030 Agenda, including the 17 SDGs in 2030. Since then a lot is said, less is done. SDG Watch Europe and many civil society groups with us, asked for a concrete Plan of Implementation to achieve those goals. This week, 3,5 years later, shortly before the mandate of this Commission ends, a long awaited reflection paper on the Sustainable Development Goals was published.

We deeply regret that the paper stays very vague and does not contain any concrete plan, targets or timeline. Five years after the adoption of the 2030 Agenda for Sustainable Development, the EU is still in the phase of "Reflection", without have a plan of implementation on the SDGs, which are quite concrete in targets.

Claiming that sustainability is in the" DNA" of Europe and that we are global frontrunners in sustainable development, is not only self-congratulatory but factually wrong. On too many SDGs, the EU and its Members States can demonstrate only insufficient success or even regression.

In reality, the EU has one of the world's worst ecological footprints and CO2 emissions per capita. The unsustainable lifestyles of Europeans are based on over-consumption of natural resources and labour exploitation in other parts of the world. A sustainable Europe needs to take into account the environmental and social impact beyond our borders rather than creating our own low-carbon, resource efficient and inclusive Europe, while exporting resource-intensive production, poverty and environmental damage to other parts of the world. The EU has to understand and take seriously its role and impact on a global level. We have built our region through the accumulation of historical, social and environmental debt towards peoples in the Global South and future generations.

Even within our own boarders, the EU is not on track to achieve environmental sustainability. Biodiversity loss within EU boarders is one of the areas in which the EU is failing to meet the goals. 90% of European citizens are exposed to polluted air that poses a risk to their health while the EU is slow in banning dangerous chemicals circulating in products. Too many rivers and lakes are polluted and unsustainable farming leads to ground water pollution and soil degradation across the EU.

The SDGs are also about people and the achievement of wellbeing for all within the boundaries of our planet. However, with 22,5% of the EU population at risk of poverty and social exclusion Europe is not reaching its Europe 2020 target of lifting at least 20 million people out of poverty and this is a clear sign that our moral, political and economic systems need to be redesigned. Child poverty rates are at 25% in the EU. Growing up in poverty can negatively affect children's opportunities for the rest of their lives, including their education, health, participation in the labour market and society. More than 11%

of the Europeans are struggling to keep their homes adequately warm. Housing exclusion has been exacerbated by the crisis and policies are failing to provide an adequate response in most countries. Evidence points to an alarming situation with increasing homelessness. And 9.6% of all workers experience poverty, which is a worrying and growing trend"

Cuts in social protection measures, underfunded healthcare services, insufficient and/or inadequate investment in the health workforce and infrastructure, unaffordability of healthcare, financial hardship, increased health inequalities and persistent multi-dimensional barriers to healthcare access are all challenges faced by patients in the EU. These are detrimental to timely access to quality care, good health outcomes and sustainable healthcare systems. The sustainability transition requires investment in effective and integrated social protection systems, including quality services such as health and long-term care. Research shows that investment in education and healthcare have long lasting positive effect on social mobility, however Member states keep reducing investment in both areas.

Austerity-driven deterioration of social conditions and the dismantling of welfare states in the aftermath of the financial crisis has not only resulted in not having solved the poverty in Europe, but also in a deep lack of trust in the European project. Despite the commitment of the EU to lead the fight against inequalities, EU policies and programmes still do not include specific measures to ensure that no one is left behind. This has an impact in the lives of elderly people, migrants, children or persons with disabilities among other communities, who face multiple challenges to be fully included in the society. This defies the UN SDGs pledge to leave no one behind.

The EU must do more in order to improve people's lives, building on social fairness, inclusion and equal opportunities for all.

Implementing the SDGs requires both public and private finance. However, by mainly addressing the latter, the reflection paper fails to recognise the importance of public investments needed to co-finance public goods and the provision of social and ecosystem services.

As SDG Watch Europe we find Scenario 1 as the only acceptable way forward, and we greatly criticise that the European Commission has wasted more time in the other scenarios. Scenario 2 focus on the mainstreaming of the SDGs will probably result in "away-streaming", as has already happen three years of not acting already along this scenario. Under the second scenario, we believe tened with environmental issues within the "Better Regulation process". Scenario 3 which proposes: limiting the EU's action to promoting the implementation of the SDGs in developing countries through its external policies is completely unacceptable. This approach would fundamentally undermine the core principle of universality of the 2030 Agenda which requires that every country adopting the agenda commits to implementing it within their territories while supporting its implementation outside of its borders.

Scenario 3 appears to reflect an outdated and colonialist mentality whereby the European Union would strongly encourage developing countries, through the use of various instruments of EU external action, to implement policies which it is not prepared to implement itself. The EU should not make the mistake of thinking that it can teach "the rest of the world" how to do sustainability better. Instead the European Union must become a working example for the rest of the world and to illustrate how embracing real sustainability can promote social cohesion, stable economic development, ecological well-being and inclusive governance, within its Member States as well as across the region.

## Moving towards a sustainable Europe by 2030:

We welcome the ambition of the EU to create a situation in which all are "living well within the limits of our planet" and in which the economy serves our health and well-being rather than other objectives. However, the Reflection Paper does not question our dependency on economic growth and an economic system that only functions if it constantly expands. We are concerned, that if current trends continue, the environmental and social challenges in Europe will increase. We disagree with the current approach that growth needs to be fueled by issuing more debt, watering down environmental regulation, extracting more raw materials, extending working hours, and cutting social protection. Steps need to be taken to decouple our economy in absolute amounts from resource use and pollution at the scale required.

## 3.1.1: From linear to circular economy

We applaud the ideas behind the circular economy, nevertheless we are also convinced that much more is needed to stay within the fair share of the use of natural resources. At the moment less than 12% of materials are used in a circular way, which means a progress that is too slow to reach our goals by 2030. The main focus of this paper is still economic growth, and that cannot be compatible with the ambition to achieve an absolute decrease in resource use. For that we also need policies that lead to sufficiency.

## 3.1.2 Sustainability from farm to fork

The Commission presents the future Common Agricultural Policy (CAP) as delivery model for the SDGs. Given that the CAP sticks to the heavily criticised 2-pillar structure with inefficient and unsustainable direct payments and disproportionally cuts the more effective 2nd pillar, SDG Watch cannot agree to this assessment. In addition, the mentioned environmental delivery model (with anyhow non-binding eco-schemes and conditionalities) is even not yet agreed by Member States.

The European Commission implicitly assumes that the current CAP has initiated the transition towards a sustainable agricultural sector and that the Future CAP will continue. However, the current CAP, as shown by countless scientific evidences, has failed to deliver any environmental goods and the legislative proposal for the Future CAP does not guarantee higher environmental ambitions and as acknowledged by the European Court of Auditor, is likely to fall short.

While farmers are impacted by climate change and environmental challenges, the report does not acknowledge that our current food production system is fueling our environmental issues instead of being part of the solution. The report put emphasis on "reaping the benefit" of an export-oriented European agricultural model, but it's because of the pursuit of ever growing production export that the EU has heavily intensified its agricultural production. Therefore we are spreading more and more agrochemicals pesticides, we are keeping animals in cramped conditions, losing more and more biodiversity and polluting our environment. Yet our subsidized and often export-oriented intensive agricultural system does not contribute to sustain neither a healthy environment nor a sustainable farmers income.

While the paper recognises the need for a shift to healthier and more sustainable diets, including a "more sustainable consumption of animal-based products", the proposed reliance on education and consumer information to advance such transition is wholly inadequate. It represents a denial of decades of policy and consumer research and the evidence-based policy recommendations adopted by EU Member States in the framework of the World Health Organization (see WHO 'Best Buys'). The evidence behind those policies have once more been confirmed in a recent <u>EU-funded literature</u> review on the effectiveness of nutrition policies.

#### 3.1.4 Ensuring a socially fair transition

The coalition deeply regrets that the European Commission seems to consider the social aspects of the SDGs more as side effects, instead of recognizing them as being fully part of the creation of a more sustainable society. Furthermore, under the heading of social policies, there is a strong focus on the labour market and the importance of quality jobs. While we welcome the emphasis put on the quality of jobs, it needs to be stressed that protection from poverty and reduction of inequality will not only be achieved through jobs.

The EU's social welfare model is not delivering for everyone anymore. Changes to our societies and our workplace are not somewhere in the future but happening right now. At the same time, efforts to reduce costs are leading to cuts in social protection in many Member States and are hampering the process of adaptation to new challenges. Adequate social protection systems, including minimum income schemes, high quality and inclusive social services and support structures that can support everyone at every stage of life are as important.

The European Pillar of Social Rights, signed onto to by all EU heads of state, is a step into the right direction to strengthen the social dimension and bring the EU closer to its people. The role it can play in ensuring a socially just and inclusive transition to a clean and carbon-neutral future is rightly emphasised in the reflection paper. However, there is a lack of more concrete steps, increased investments in early intervention, prevention and social protection schemes, new legislations and

forward looking measures and integrated strategies to ensure that the Pillar is fully adequate in support of sustainable development.

# Horizontal enablers for the sustainable transition

## 3.2.1 Education, science, technology, research, innovation and digitisation

In general the reflection paper neglects the role of education for active citizenship, informed choices, individual and communities' well-being'. It also exemplifies the EU's misguided understanding of the role of research and innovation in meeting the SDGs. The focus on commercialisation and uptake of technological innovation ignores the much more basic and urgent need to set out a roadmap on fully aligning the EU research agenda with the SDGs. This purely economic lens also ignores issues of access to and affordability of the results of research, while the narrow focus on techno fixes sidelines the potential of R&I to look at alternative solutions to global societal challenges, supporting for example decoupling in absolute amounts our economic model with resource use and carbon emissions. Most disturbing, while the role of industry is foregrounded, there is no mention of the importance of engaging with citizens and civil society, despite the fact that civil society has been instrumental in driving the sustainable development agenda, also using a lot societal innovation. R&I is a public good serving the public interest and its contribution to sustainable development must not be reduced to private interest, growth and competitiveness. Therefore we should never put the, by the private sector Invented, "innovation principle" above the precautionary principle.

## 3.2.2 Finance, pricing, taxation and competition

We welcome most parts of this chapter, although do not always see the connection with the rest of the paper, where a more conservative approach is felt. For making a transition towards a sustainable Europe, market instrument can play a role (if together with social adjustments, legal frameworks, regulations and social innovation, ...). Putting the polluter pays principle at the forefront is effective, and should be done at the source (industry).

#### 3.2.3. Responsible business conduct, corporate social responsibility and new business models

While many businesses have adopted SDG-language, recent research shows that companies tend to cherry-pick the goals on which it is easy for them to perform rather than assessing their potential impact on all of the goals. Mainstream business is only interested in the SDGs as long as they promise growth and profit - but achieving the SDGs is not always a business case. We need legally binding rules for human rights and environmental due diligence and corporate accountability and cannot rely on voluntary CSR commitments only. We would like to see the EU endorsing the proposed UN Treaty on Business and Human Rights. While the EU has developed due diligence legislation for certain sectors including conflict minerals and timber imports, there is no powerful instrument to hold European companies accountable for human rights violation or environmental degradation throughout their value chain.

The recent announcement by the Commission of a communication on stepping up EU action against deforestation and forest degradation opens up the possibility to introduce legislative measures to fight deforestation in forest-sensitive supply chains, such as cocoa or soya. However, the future communication must be associated with an ambitious action plan with clear milestones, to ensure a follow up.

#### 3.2.4 Rule-based trade

We welcome the commitment to rules-based trade. However, the sustainability chapter under current trade agreement lack teeth and hard to enforce. Trade and sustainable development must be key in EU trade policy, for example by introducing a formal complaint procedure for civil society organisations and trade unions when violations to the sustainability commitments of trade agreements occur. Moreover, we need to question the objectives behind trade agreement: is the primary objective to boost trade volumes (which usually comes at the price of higher resource use, transport emissions etc.) or is the key objective human well-being within planetary boundaries?

#### 3.2.5 Governance and ensuring policy coherence at all levels

This chapter stays far too little concrete. Besides having the SDGs as overarching Commission's priorities, the corresponding law-making rules need to be adjusted to better address SDGs mainstreaming (better regulation guidelines, impact assessments, stronger enforcement). Monitoring better and reducing the spillovers of our domestic policies.

The EU Semester as the main governance framework operates in policy silos and puts fiscal over social and environmental concerns. It is ill-suited to support a transition to a sustainable Europe. We should urgently reconsider the EU Semester cycle to make it in line with the SDGs and put policy coherence for sustainable development into practice.

## Scenarios for the future

It would be intelligent to put some priorities in our general ambitions for the future scenarios. A clean environment, well being for the citizens are main goals, whilst the economy should be the instrument to achieve this. Not the other way around.

We also cannot agree with the idea that "For the EU to continue to thrive as a prosperous continent, significant parts of the developing world need support to catch up economically and socially" As already mentioned earlier, our economic model is based on extraction of natural resources, cheap labour and possibility to dump our waste to the Global South. It is impossible for developing countries to catch up in a same way as we created our wealth, as we did this on the account of third countries. For the developing world this way of creating wealth is not an option, so the only way is that EU is willing to redistribute wealth and pay a fair price for the natural resources and labour.

## Scenario 1:

This scenario is indeed asked for by the MSP and the only desired one. SDG Watch Europe would like to see 2030 Agenda Strategies on all levels (EU, national, subnational and local), but also accompanied with a concrete plan of implementation, based on all goals and targets, with a timeline and a monitoring scheme. There is an urgent need to stop talking and start acting. Putting the 2030 Agenda principles at the heart of the debates for the Future of Europe, will also be supportive to create a positive narrative and project for the decades to come. We strongly urge the European institutions and Member States to commit to this scenario. SDG Watch welcomes and highly encourages the creation of the post of a Commissioner for sustainability, but recommends to have a Vice President in charge of the issue.

## Scenario 2

Using the SDGs for a new EU-growth strategy is against the main idea of Sustainable Development. The economic dimension cannot be put higher on the priority list than the other challenges (social and environment). On the contrary, there is no economic growth on a dead planet! This scenario is a part of scenario 1, namely mainstreaming SDG policies into all Commissions. Sustainable development is already a principle enshrined in the Treaty, but it has been proved far too often that the available mainstreaming approaches and mechanisms fail to deliver. Thus a scenario like this would not mean any real progress towards the 2030 Agenda and sustainability.

#### Scenario 3:

This scenario is a "no-go" for us: It goes against the universality principle of Agenda 2030. It is based on a fake belief holding that "the EU is already a frontrunner with the SDGs so it should help others catch up" This is a false and inappropriate analysis of current economic and ecological realities. In fact, while there is a considerable degree of academic and technical "expertise" about sustainability within the European Union, its dominant economic model and the lifestyles of European societies are extremely unsustainable.