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

Marco Carnaccini – BUDG HoU 02 Performance-based budgeting
Fondazione Eni Enrico Mattei, 29 Novembre 2018
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)


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.
“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"
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.
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

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<tr>
<th>SDGs</th>
<th>EU dimension</th>
<th>EU Programmes</th>
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<tbody>
<tr>
<td>1. No poverty</td>
<td>End to poverty in all its manifestations, including extreme poverty, over the next 15 years</td>
<td>EFSI, Erasmus+, ESC, ESF, EAGF, EMFF, AFIS, Humanitarian Aid</td>
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<td>2. Zero hunger</td>
<td>End hunger and malnutrition, and ensure access to safe, nutritious and sufficient food</td>
<td>EAGF, EMFF, Food&amp;Feed, Humanitarian Aid</td>
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<td>3. Good health and well-being for all</td>
<td>Ensure health and well-being for all</td>
<td>EFSI, Erasmus+, ESC, EMFF, Food&amp;Feed, Health, Humanitarian Aid</td>
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<td>4. Quality education</td>
<td>Ensure access to equitable and quality education through all stages of life</td>
<td>EFSI, Erasmus+, ESF, EAGF, Humanitarian Aid</td>
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<td>5. Gender equality</td>
<td>Ending all forms of discrimination, violence, and any harmful practices against women and girls in the public and private spheres</td>
<td>Erasmus+, EaSI, ESC, ESF, icSP, Humanitarian Aid</td>
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<td>6. Clean water and sanitation</td>
<td>Ensuring universal access to safe and affordable drinking water, sanitation and hygiene</td>
<td>EAGF, Humanitarian Aid</td>
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<td>7. Affordable energy</td>
<td>Progress made in reducing its energy consumption, in securing sustainable energy supply and in improving access to affordable energy</td>
<td>ITER, EFSI, Euratom, EAGF, Consumer</td>
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<td>8. Decent work and economic growth</td>
<td>Fostering sustainable economic growth, in increasing employment and in providing decent work opportunities</td>
<td>EFSI, COSME, Erasmus+, EaSI, ESC, Customs, ISA2, ESF, EAGF, Creative Europe, IPA II</td>
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<td>9. Innovation and R&amp;D</td>
<td>Progress in strengthening R&amp;D and innovation and in promoting sustainable transport</td>
<td>ITER, EFSI, COSME, CEF, ISA2, ESF, EAGF</td>
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<td>10. Reduced inequalities</td>
<td>Reducing inequalities between and within countries and in achieving social inclusion and safe migration</td>
<td>Erasmus+, ESC, Customs, ESF, EAGF, AFIS, REC, Humanitarian Aid</td>
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<td>11. Sustainable cities and communities</td>
<td>Enriching the quality of life in cities and communities, in promoting sustainable transport and in alleviating adverse environmental impacts</td>
<td>ITER, EFSI, ESF, EAGF, LIFE, Humanitarian Aid</td>
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<td>12. Responsible consumption and production</td>
<td>Decoupling environmental impacts from economic growth, in decreasing its energy consumption and in tackling Food&amp;Feed, Consumer, waste generation and management</td>
<td>Customs, LIFE, Humanitarian Aid</td>
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<td>13. Climate action</td>
<td>Climate mitigation efforts and in establishing climate initiatives</td>
<td>LIFE, Humanitarian Aid</td>
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<td>14. Life on land</td>
<td>Climate impacts are measured to assess how and to what extent climate change is affecting Europe</td>
<td>LIFE, Humanitarian Aid</td>
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<td>15. Life below water</td>
<td>Advancing marine conservation, in fostering sustainable fishery and in ensuring healthy oceans</td>
<td>EMFF</td>
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<td>16. Peace and justice</td>
<td>Improving the status of ecosystems, in decelerating land degradation and in preserving biodiversity</td>
<td>EAGF, LIFE</td>
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<td>17. Partnerships for the goals</td>
<td>Ensuring peace and personal security, in promoting access to justice and in safeguarding effective justice systems</td>
<td>Erasmus+, ESC, ESF, ISF, Justice, ISA2, CFSP, CIDHR</td>
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<td>18. Partnerships for the goals</td>
<td>Progress in strengthening global partnership and in improving the financial governance in the EU</td>
<td>Copernicus, ISA2, CFSP, CIDHR, iCSP</td>
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European Fund for Strategic Investments (EFSI)

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%

Darker colours signify higher investment

* Based on approved operations

Total investment related to EFSI approvals: €283.7 billion
Target by 2020: €500 billion

Approved European Fund for Structural Investment financing**
- €56.2 billion
- Of which €40.9 billion signed

** European Investment Bank-approved: €42.3 billion
European Investment Fund-approved: €13.9 billion

High speed internet access for 11 million households
Renewable energy for 4.2 million households
Better health care for 1 million people
EU BUDGET FOR THE FUTURE
MFF 2021-2027
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.
Streamlining tools to promote investment: **INVESTEU FUND**

- **€15.2 billion** From the EU budget mobilises **>€650 billion** Additional investment across Europe

- **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

Source: European Commission
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
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.

Source: European Commission
LIFE programme will be strengthen (€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.
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.

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

Source: European Commission
Thank You!