“Revision of the EU Consensus on Development: Towards a new Consensus for fair and sustainable Global Common Good Policies”

Contribution of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) to the EU public consultation on the “UN 2030 Agenda for Sustainable Development and revising the European Consensus on Development”

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Preface

This paper presents the contribution of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) as submitted to the public consultation “UN 2030 Agenda for Sustainable Development and revising the European Consensus on Development”. The paper is based on DIE research and policy advice on European development cooperation and the 2030 Agenda with its Sustainable Development Goals. The contribution follows the order of the questions presented in the public consultation and is structured as per its 5 sections:

https://ec.europa.eu/eusurvey/pdf/answer/d9a5d84d-08ca-4635-bcc5-dcb2f3e7733e/

The views presented in the contribution are those of the authors.

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1. Why change is needed

3.1 There is a range of key global trends (e.g. changing geography and depth of poverty; challenges related to climate change, political, economic, social, demographic, security, environmental or technological) which will influence the future of development and the implementation of the 2030 Agenda. Which of these do you think is the most important?

3.2 How should EU policies, and development policy in particular, better harness the opportunities and minimise the negative aspects of the trend you identified in the previous question?

Q3.1:
A prioritization among the key global trends referred to in the question would appear inadequate; all of them concern existential and largely interconnected questions for humanity. The 2030 Agenda has developed a new normative framework for international cooperation towards sustainable development, and the Sustainable Development Goals (SDGs) define the new overarching objectives. As the 2030 Agenda is universal, it encompasses both domestic and external EU policies (Hackenesch et al. 2016). We therefore recommend a broader and bolder agreement at the EU-level not only on how to operationalise and implement the 2030 Agenda, but also to lay the foundation for a much needed fair and effective global common good policy, able to address the needs and challenges confronting Europe today.

The rationale for revising the European Consensus is obvious. The 'old' Consensus was formulated against the background of the international community's drive to accelerate efforts to support developing countries in attaining the Millennium Development Goals (MDGs), goals which the developed countries were assumed to have achieved. The 2030 Agenda, however, creates a necessity for broadening the goal spectrum and for moving imminent global challenges into the focus of European external action. The new Consensus could thus be relabelled ‘European Consensus for Sustainable Development’. The new Consensus should incorporate all three dimensions of sustainable development (social, economic and environmental), and deeply ingrain the 2030 Agenda into a new ‘EU policy for global sustainable development’. The Consensus should thereby lay the foundation and set the course for transformative global cooperation between states and societies at all development levels over the next 10 to 15 years. The new EU “Global Strategy on Foreign and Security Policy” of June 2016 (hereafter: Global Strategy, EUGS) - the new overarching strategy for EU external action - includes several direct references to the 2030 Agenda. The discussions on the European Consensus (as well as on the SDG Communication which is planned for October/November 2016) now present one important opportunity to translate this very broad ‘mandate’ into more concrete action.

Developing a new and ambitious vision for European development policy will by no means be an easy task. The European Union is in crisis mode. Its capacity to implement domestic reforms and its position as a global power are being undermined by centrifugal forces within Europe and the risk of disintegration. In this context, for the European Commission, the European Parliament and member states represented in the Council the difficulty lies in reaching agreement on a common blueprint for European development policy. However, an agreement on a landmark change for European development policy of the EU and member states is all the more important to make a significant and positive contribution to address global challenges and crises. Beyond the relevance of securing the outcome of a mobilising and guiding new ‘leitmotiv’ for EU development cooperation, the process of doing so would also create the opportunity for enhancing and afterwards continuing a regular and targeted reflection process between the development policies of the EU and its member states.
Q3.2: Revising the European Consensus provides at least three key opportunities: First, the new Consensus can transform the traditional paradigm of needs-based EU development policies towards European cooperation based on mutual interest in global sustainable development. Second, the new European Consensus can and should send a strong signal that Europe is willing to move ahead in better coordinating the development policies of the EU institutions and the member states. The Lisbon Treaty made a step forward, defining that the EU and member states’ development policies complement each other (Art 208). The EU has introduced not only division of labour but also joint programming. The new Consensus ought to have only one part that defines the strategic direction for the development policies of the EU and member states (it should not include a separate part for the EU institutions). It should also identify a new level of cooperation among member states and EU institutions and move from joint programming towards joint implementation of European development policies.

Third, the European Consensus should raise the Union’s ambition for strengthening the coherence between development and other policy fields. Building on the new EU Global Strategy, the new Consensus should identify a select number of policy domains for which closer cooperation with development policy is to be envisaged. These policy fields should at least include humanitarian aid, security, trade and fisheries policies, migration, energy, and environment policy. Closer cooperation between EU Commission’s Directorate-General (DG) Development Cooperation (DEVCO) and DG Environment (ENV) during the negotiations of the 2030 Agenda can serve as a starting point. However, the process for revising the European Consensus is currently not set up in a way that would allow for strengthening policy coherence. Outreach towards other policy fields and joint responsibilities ought to take a much more prominent place in the consultation and drafting process of the European Consensus.

Finally, the British decision to leave the EU will have to be ‘factored-in’ in the debates on the new European Consensus. The UK is the second largest bilateral donor in the world after the United States, and it has been a leader in shaping global development policy strategies. As the UK decides to leave, Europe should ensure close coordination and exchange with the UK to make best use of resources and expertise, and jointly achieve a greater impact. Building on the experience of enhanced cooperation with Norway and Switzerland in the context of the EU Africa Trust Fund, the Consensus could consider priorities for further cooperation with likeminded non-EU development cooperation partners. At the same time, EU leaders should also show resolve and use the building-up reform-momentum to move ahead in further strengthening cooperation in European external and development policy.

2. Priorities for our future action: what we need to do

| 4.1 How can the EU better address the links between achieving the Sustainable Development Goals, the Paris Agreement on climate change and addressing other global sustainable development challenges? |
| 4.2 How should the EU strengthen the balanced integration of the economic, social and environmental dimensions of sustainable development in its internal and external policies, and in particular in its development policy? |
| 4.3 What are the main changes you would like to see in the EU’s development policy framework? |
| 4.4 In which areas highlighted above would you expect to see greater consistency between development policy and other areas of the EU external action in the implementation of the 2030 Agenda? |
| 4.5 How can the EU refine its development policy to better address inequalities – including gender inequality – in the context of the implementation of the 2030 Agenda? |
Q4.1 & Q4.2: SDGs and Paris agreement – how to strengthen sustainable development in EU development policy

“A sustainable society is one where economic growth is compatible with planetary boundaries and distributed fairly among its citizens” (Falkenberg 2016). For Europe, sustainable development therefore has clearly two interlinked dimensions:

Internally, sustainability perspectives and fairness focus are cross-cutting issues that concern all policy areas and portfolios. The implementation of the SDGs in the EU member states represents a tremendous challenge in itself. Above all, the inequality within and between countries threatens the cohesion of European states and societies – as well as that of the Union as a whole. We have to counter-act now for a long-term stabilisation of societies and to contain and repel risks of institutional failure and societal decomposition that Europe faces. Honing in on and tackling existential threats of global warming, increasing inequality, erosion of legitimacy in the member states and the breakdown of livelihoods at Europe’s borders and in its periphery is not optional. In view of reinvigorating Europe’s own resilience, sustainable growth and social cohesion the European Commission has set the course and outlined a number of crucial targets (pertaining to EU domestic public policy, although with a potentially far-reaching outward dimension) for the member states.

Externally, EU policy makers should ensure that the new EU Global Strategy on Foreign and Security Policy (EUGS), a guiding document for the EU’s External Action produced by the EU’s High Representative of the Union for Foreign Affairs and Security Policy, Vice-President of the European Commission (HRVP), will be interpreted and implemented as a call for global engagement, in line with the overarching sustainability and cooperation goals. The SDGs feature prominently, under heading 1 on ‘Shared Interests and Principles’: “Prosperity must be shared and requires fulfilling the Sustainable Development Goals worldwide, including in Europe” (EUGS, p. 5). The Global Strategy was endorsed by the EU Heads of State or Government on 28 June 2016. There are further direct references to the importance of the SDGs, namely to “promote [...] equality”, “fair and open markets” and “sustainable access to the global commons” (EUGS, p. 10); as well as to their importance to achieve societal resilience and inclusiveness; and “to expand and apply the principle of policy coherence for development to other policy areas” (EUGS, p. 31). With such a direct mandate from the member states included in the Global Strategy, putting the sustainable development goals at the core of a shared European interest the 2030 Agenda has gained clout to determine a clear direction of EU external action. As a result, the EU development community should no longer be required to permanently negotiate problems of competence distribution and prioritization within the wider array of external policy instruments. It should be clear, instead, that all external policies have to contribute to – or, at the very least, not to undermine and jeopardize – SDG achievement.

In the context of the implementation of the Paris Agreement, sustainable development should be further augmented in EU development policy: International assistance should support mitigation in

\[P. 15: \text{“Echoing the Sustainable Development Goals, resilience is a broader concept, encompassing all individuals and the whole of society. A resilient society featuring democracy, trust in institutions, and sustainable development lies at the heart of a resilient state.”}\]
developing counties; at the same time, credible international assistance in the context of climate change must be underpinned by adequate domestic policies and actions. Ambitious action to prepare for and respond to the effects of climate change is key – above all in many developing countries. Adaptation and management of loss and damage (L&D) are of utmost priority to many of the EU’s partner countries. Ultimately, adaptation and L&D are a matter of climate justice. The longer the international community waits to act ambitiously on mitigation, the more vulnerable countries and populations will be affected by the impacts of climate change. The EU should consider participating in the novel “nationally determined contribution” (NDC) partnership in order to help moving forward with implementing NDCs in developing countries. Last but not least, developing countries expect ambitious, predictable and accessible finance for adaptation and mitigation, not just from 2020 onwards, but also in the short term. Climate finance monitoring, reporting and verification (MRV) needs to be transparent, with developing countries having their say about appropriate standards and criteria.

The implementation of both the 2030 Agenda and the Paris Agreement calls for fundamentally new ways of ‘working together’. Viewing climate policies in the context of the 2030 Agenda can enable the EU to foster synergies and co-benefits (e.g. climate mitigation can lead to better air quality and thus foster health) and address trade-offs. In the light of the present challenges and the ambitious goals of the 2030 Agenda and the Paris Agreement whole-of-government approaches (WoGA, see also below Q5.5) crossing departmental borders are much needed. Such approaches need to reach from the member states’ diverse administrative layers up to the EU hierarchies - and beyond, linking with the global governance structures of the UN system, G20/G7 or regional partners in all corners of the world. The 2030 Agenda should more strongly inform and co-determine the EU’s engagement and positioning in international organizations, including economic and financial institutions and the diverse cooperation or dialogue forums, to create a common understanding and to help orchestrate common approaches together with Europe’s partners worldwide (Henökl & Reiterer 2017). If the EU wants to be an actor for global development that matters, it has to put itself in a position to be able to shape and influence the future of international cooperation. Europe will have to invest in mobilizing its partners worldwide in order to translate the sustainable development goals into concrete governance action.

Therefore, a much broader and bolder approach going way beyond poverty eradication is required – a larger vision, not only to solve the most pressing issues and burning questions, not only focusing on mitigating short or medium term goals or aspects – but a holistic policy for sustainable development that acknowledges all three dimensions of sustainability as a condition for stability, social justice and democracy. A new paradigm of vertical and horizontal policy coherence for sustainable development (PCSD) would place the above mentioned agendas right at the heart of EU decision-making, whereby development policy is reflected to its full extent under a shared responsibility in all of EU action, internal and external (ETTG 2016). Close coordination with DGs Trade, Neighbourhood and Enlargement (NEAR), Energy, CLIMA, Agriculture (AGRI), Research, the European Commission Humanitarian Office (ECHO), and, of course, the European External Action Service (EEAS), including the Common Foreign and Security Policy (CFSP) should be institutionalized and formalized - beyond the principle of ‘bona fide’ administrative cooperation (Henökl 2016a). Continuous coordination beyond exchange of information between the respective Committees in the European Parliament and bureaucracies at member state level is also needed (see further Q5.5 on how to achieve PCSD).
Q4.3 + 4.4: Key changes for the EU’s development policy including consistency with other policy fields

**Focus European Development Policy on few priority areas**

The new European Consensus on Development should define only two or three main areas for European development policy, and avoid a long list of topics for the EU to work on. An example could be the Agenda for Change that previously defined two key priorities for the EU institutions’ development policy. In line with the 2030 Agenda and the Climate agreement, to ensure continuity with the Agenda for Change priorities, and given the aforementioned key global trends (Q3.1), the new European Consensus should emphasize three priority areas for European development policy: (1) democratic governance (including support for security and effective institutions); (2) inclusive and sustainable growth; and (3) management of (natural) resources and climate change. Building on the 2007 EU Code of Conduct on Complementarity and Division of Labour, and in line with the Lisbon Treaty’s requirement for two-directional complementarity between the EU and the member states bilateral development policies, discussions should reengage with the debate on the comparative advantage of the EU level and the geographic and thematic capacities of the member states.

**Consistency between development and other policy fields to implement the 2030 Agenda**

The new European Consensus on Development should be more closely associated with the wider EU external action, while keeping a clear vocation and profile for development policy. In light of the external challenges facing the EU several areas stand out, where development policy should work more closely with other policy areas (see also Q5.5).

**Humanitarian Aid**

The EU Global Strategy suggests to more closely link EU development policy and EU humanitarian aid. The new European Consensus provides an opportunity to define this nexus. The European Consensus on Development and the European Consensus on Humanitarian Aid should stay two separate documents. However, the cooperation between development and humanitarian aid should be much more strengthened and encouraged by means of a more operationalised ambition expressed in the new vision statement. For example, the practice of ‘bridging’ the two areas could be further developed: in cases where ECHO does not have adequate funds for establishing or maintaining of emergency interventions (such as the care of refugees) ECHO can turn to the budget resources of DG DEVCO, “borrowing” these and using them for short-term humanitarian purposes. However, in many instances the rigidity of the EU structures, particularly the financial framework, is an obstacle to such supplementation and cooperation. Frequently raised counter-arguments also include the differing principles, modes of intervention and priorities for development and humanitarian aid. For example, as part of its efforts under the heading of linking relief, rehabilitation and development (LRRD) DEVCO actively links its long-term cooperation projects with ECHO’s interventions (Henökl & Keijzer 2016).

**Support for democracy, human rights and good governance – being even more ambitious than Goal 16**

The EU will have to rethink and understand the “development-democratic governance nexus” (at the sub-national, national, regional and global levels), i.e. the importance of democracy and statehood for development as well as the interdependence with global and regional political order (and vice versa). The 2005 European Consensus on Development has made support for democracy, human rights and good governance a more prominent aspect in European development policy. As a result, the EU institutions (and some member states) have gradually increased the share of their development aid geared towards supporting governance reforms (Hackenesch 2016).
The revised European Consensus should renew the EU’s strong commitment to support democracy, human rights and good governance. The 2030 Agenda and in particular Goal 16 provide an important international framework that the EU can use as a basis for cooperating with third countries on governance reforms. In this regard, however, Goal 16 entails at least two risks. First, given its strong focus on security and fragile states and the current urgency and preoccupation with crises and conflict in the EU’s neighbourhood, the Agenda could be interpreted too narrowly as focusing on fragility and conflict, leaving aside support for inclusive political institutions. Second, one has to bear in mind that the EU would have liked to see more ambitious goals on human rights and democratic participation. By limiting its support for governance reforms to interventions focused on Goal 16, the EU would fall short of its original ambitions during the negotiations for the 2030 Agenda. In cooperating with third countries on the implementation of Goal 16, the EU should thus put a strong focus on supporting democratic institutions and human rights. The EU ought to put a strong emphasis on fostering democracy building and to support just states and cohesive societies, and to stabilize legitimate government. These are crucial long-term efforts to counter the spread of ungoverned spaces and areas of limited statehood surrounding the European Union (Henökl & Stemberger 2016).

Careful use of political conditionality to support democratic governance reforms should continue to be part of EU development cooperation. However, a system of scrutiny and control of its applicability and appropriateness, e.g. via the European Parliament, needs to be in place to minimize negative effects (Henökl 2016c). The EU has to make more effort to explore options to promote governance reforms also through other policy fields beyond development policy, e.g. trade or climate policy. On the other hand, using aid conditionality to set incentives for partner countries to take refugees back is likely to have strong negative bearings on the quality of cooperation and relations with developing countries. Moreover, domestic developments in Europe question the EU’s credibility and legitimacy to support political reforms elsewhere. The EU’s normative power and legitimacy to support governance reforms elsewhere has come under considerable pressure with shrinking political spaces in some EU member states and the EU’s response to the refugee crisis (particularly the deal with Turkey) (Hackenesch & Castillejo 2016).

**Consistency with trade policy**

The EU is an economic giant, a leading trade actor, the world’s largest market and its most committed aid provider, yet it is often regarded as a political dwarf. Trade matters are frequently under national leadership, while prosperity is at the core of the EU agenda and negotiating international trade agreements is an EU competence, with DG Trade in the lead. Yet, there are a number of political and institutional tensions surrounding the trade agenda and trade aspects of EU external action have remained rather subdued in the recent Global Strategy. Both DEVCO and the EEAS prefer to leave trade questions to DG Trade, which is a mistake since trade is essentially political and concerns making real choices about societal development. The Consensus represents an opportunity for the EU’s development policy to present a proactive vision as to what a development-friendly EU trade policy should entail. It should also encourage greater ambition in related policy areas that affect economic development in developing countries, such as the full implementation of relevant EU legislative initiatives on financial transparency and tax avoidance.

**Q4.6: Consistency with security policy**

It is generally agreed upon that synergy effects between humanitarian aid, rehabilitation, state- and resilience building, conflict prevention, economic development, and strengthening institutional capacities can be expected by coordinating and combining approaches from conflict resolution and crisis management, on the one side, with development and cooperation instruments, on the other. This is notably the case – and particularly relevant – for tackling the root causes of conflict and flight, especially in intricate political and socio-economic contexts where problems and policy issues are
closely interrelated: On the one hand, without security, comprising the dimensions of traditional and non-traditional security issues as well as human security beyond the immediate absence of violent conflict, it is impossible to create sustainable development and public welfare. On the other hand, in order to create lasting peace and stability, it is necessary to build resilient communities and to maintain economic activities in order to sustain the livelihoods of local populations. Equitable trade in turn increases the chances for prosperity for all parties involved, while at the same time peace and a certain economic level are necessary to enter into fair and mutually beneficial exchange of goods and services. Finally, states, societies or ethnic groups tied together by trade relations, enabling and securing the livelihoods of their populations are also less likely to resort to violence to manage social or political conflicts and to fall victim to fragility or institutional failure (Henökl & Webersik 2014).

Q4.7: Consistency with migration policy
Insights gained by research on root causes of migration and refugees (Schraven et al. 2015) unambiguously show that a combined and sustained effort of conflict prevention, crisis management and development policy is required if we are serious about addressing the issue. At the same time, we also need to understand the demographic benefits for Europe, where in many countries we face aging populations and accompanying evolving economic and societal demands. Migrants should be seen, first and foremost, as individuals or families with (human) rights and who represent a resource – a human, demographic and economic and creative resource, and as one crucial facilitator contributing to economic and social development here, and then, in case they return at a later stage or through financial remittances sent back to their families at home – yet probably only insufficiently balancing the brain drain from their country of origin.

A necessary (but not sufficient) condition for the integration of people in host countries is to let them take part in cultural, social activities and, therefore also in, work life. European societies should provide education and equip them with the skills and training to create value and earn their living and (self-) respect in their new environments. European citizens need to learn to appreciate the value-added these people can create in European societies and to help them build the basics of their own subsistence.

3. Means of implementation: how do we get there?

5.1 How can EU policies, and EU development policy in particular, help to mobilise and maximise the impact of the increasing variety of sustainable development finance, including in particular from the private sector?

5.2 Given the evolving availability of other sources of finance and bearing in mind the EU’s commitments on Official Development Assistance (e.g. Council Conclusions from 26 May 2015 on "A New Global Partnership for Poverty Eradication and Sustainable Development after 2015", and inter alia, paragraphs 32 and 33), how and where should the EU use its Official Development Assistance strategically and to maximise its impact?

5.3 How can the EU better support partner countries in mobilising their own resources for poverty eradication and sustainable development?

5.4 Given the importance of middle income countries to the implementation of the 2030 Agenda, what form could differentiated partnerships take?

5.5 Given experience so far in taking into account the objectives of development cooperation in the implementation of EU policies which are likely to affect developing countries (e.g. Policy Coherence for Development: 2015 EU Report), how should the EU step up its efforts to achieve Policy Coherence for Development, as a key contribution to the collective effort towards policy coherence for sustainable development? How can we help ensure that policies in developing countries, and internationally contribute coherently to sustainable development priorities?
Q5.1 & Q5.2: EU ODA
The EU should strive fulfil the 0.7% target with regard to ODA spending, which it committed to in the ‘old’ European Consensus on Development but failed to achieve by 2015. The EU should move beyond emphasising its performance towards ‘collectively’ meeting this target to make sure that all member states make progress towards achieving the target, bearing in mind their different ‘baselines’. This would help to avoid an unwanted ‘two-speed Europe’ in terms of ODA investments through national budgets. Beyond ODA, it also needs to promote other innovative financial instruments and agree on targets and a timetable in this respect. The EU should, for instance, propose to offer financial incentives for private actors engaging in co-financing of development cooperation projects; practically facilitating engagement of non-governmental actors; improve the framework conditions for such engagement, by giving latitude, encouragement and providing services (trade representations, embassies, p2p activities, strengthening interconnectedness of civil society). Measures should also include increasing the moral pressure on and ‘nudging’ those who earn from production and access to markets or resources, to take care of a share of the bill for building and maintaining functioning societies.

Q5.3: Domestic Resource Mobilisation
Donors should contribute to augment the income base of developing countries by also helping them to earn and to extract revenue (through taxation of profits and contributions to social benefits) from those who have resources to spare, next to providing and co-creating ‘green’ business models, sustainable investment and engaging in knowledge -, technology -, and skill-transfer. The EU should participate and lead the way in sustainable and balanced global economic and financial governance, via norm-creation, coordination of tax policies and increasing financial transparency in order to ensure that taxes are paid where value is created. The EU has a genuine interest in preventing illicit financial flows and should push ahead in the appropriate multilateral forums, such as the G20. In order to improve the conditions for domestic resource mobilisation by developing countries, the EU should invest in global financial transparency and a legal framework facilitating the economic sustainability of development countries.

Q5.4: Cooperating with Middle Income Countries
The 2030 Agenda identifies various priorities for the EU’s engagement with middle-income countries (MICs) on (domestic) sustainable development and global public goods, but requires investments by both the EU and the countries in concretising mutual cooperation interests and clarify expectations. The EU would have to define major global challenges where specific MICs (and non-European industrialised countries) are particularly relevant and where the EU thus as a specific interest supporting and engaging with these countries to address these challenges.

The EU could consider applying ideas from cohesion policy in upper middle income countries and call for co-financing of mutual benefit projects, as another option to using grants or loans financed through ODA and leveraged by multilateral banks. Given that environmental policy is still significantly underfinanced in most MICs, an emphasis should be put on protection of the biosphere, responsible use of natural resources and public goods provision.

Overall, more advanced forms of mutual engagement should replace development cooperation programmes, so that the EU stays involved with these countries: next to trade and investment, one could think of partnerships in research and education, facilitating mobility, administrative twinning or exchange schemes, city partnerships, open policy dialogues in diverse fields according to the countries’ needs and capacities. These could include health, environment, climate, energy and green growth, sustainable production and consumption patterns, inequality, urbanization. Strategic partners should also be met at eye-level to engage with the EU in efforts of orchestrated global governance, as in
building or reforming international institutions and setting standards in an inherently development-friendly way.

**What role for development aid funds in engaging with MICs?**

Should the EU continue to focus its ODA mainly on the poorest countries? It would be too simple to answer with ‘Yes’. According to SDG 17, the share of ODA provided to LICs should be at least 0.15-0.25% of the GDP. As a response to changing realities, the EU has introduced the principle of differentiation and graduation of UMIC for DCI countries – a course of action which is not undisputed given the large income disparities within these countries. If the EU continues to implement the differentiation principle during the next couple of years also for ACP countries, DG DEVCO should prepare that process more carefully and learn from previous experiences with the DCI. If the EU continues the differentiation principle, one important consequence should be to increase the non-ODA proportion of the MFF Heading 4 (without reneging on ODA commitments made in the 2030 Agenda) in order to have access to funds to engage with MICs (and non-EU industrialised countries on sustainable development and global public goods. Thematic instruments and blending could play a (more) prominent role here.

**Q5.5: Policy Coherence for Sustainable Development**

In a nutshell, the Consensus reform should be used as an occasion to promote coherence for sustainable development to the benefit of the sustainable development goals. The EU has gained substantial experience with Policy Coherence for Development (PCD). It should now considerably broaden and reform this concept towards Policy Coherence for Sustainable Development (PCSD). The challenge of promoting PCSD involves more than an added letter and requires moving more decisively from concentrated towards shared responsibility. This entails a gradual shift from the existing PCD approach – with DEVCO as its undisputed owner – to an approach whereby all DGs share ownership and responsibility for realising the 2030 Agenda.

PCD has been an institutionalized central policy goal in the EU since the Treaty of Maastricht (1992), reiterated and spelled out in the European Consensus on Development (2005) and further strengthened in the Treaty of Lisbon (2009). Over the years, several reports have been published by the European Commission and the Organization for Economic Cooperation and Development (OECD) (Carbone & Keijzer 2016). In parallel, the EU had a leading role in the initiation and negotiation of the SDGs, setting the global agenda for cooperation post-2015, in which it strongly emphasised the need for non-financial means of implementation including PCD.

PCSD has been conceptualised as the effort of addressing a three-dimensional coordination paradox (see Henökl 2016a): 1) horizontal and 2) vertical policy coherence, i.e. cross-cutting policy sectors and spanning various levels of governance; together with 3) a ‘forward’ orientation to meet a number of identified, ‘real-world’ needs and agreed-upon development goals. If we add the movement along various time-lines, such as the evolution of problems and issues, electoral cycles, changing policy-priorities and agendas, sequencing of decisions, contingency and the sheer duration of reform measures to show results, PCSD also has a dynamic component of permanent re-evaluation and adjustment. This involves political will, guiding policy orientation from the executive top of governmental (incl. EU) hierarchies, commitment of resources (manpower and expertise), constant coordination, and tight coupling of diverse administrative layers (also between EU and MS) to jointly work in pursuit of one set of goals, as well as regular review and optimization.

In line with this, the 2030 Agenda explicitly provides for regional organisations to play a key role in joint action and common learning. Obviously the EU is in the centre stage to elaborate a comprehensive strategy, to offer support to member states and partners globally in the
implementation of the SDGs, and to report the results to the UN High Level Political Forum. The revision of the European Consensus on Development is therefore a timely opportunity to re-orient and guide EU policies, notably in the field of external action (foreign affairs, development cooperation, trade, investment) as well as in other areas of shared or exclusive Union competence (agriculture, environment, fisheries and maritime affairs, energy, transport, internal market and industry, social affairs and inclusion or research). In these policy areas, it is important for the new EU Consensus to raise the EU’s level of ambition and to provide clear indicators as a basis for accountability, and to adapt the existing frameworks for the more technical aspects of the process of promoting PCSD.

4. The actors: making it work together

| Q6.1 | How should the EU strengthen its partnerships with civil society, foundations, the business community, parliaments and local authorities and academia to support the implementation of the 2030 Agenda (including the integral Addis Ababa Action Agenda) and the Paris Agreement on climate change? |
| Q6.2 | How can the EU promote private sector investment for sustainable development? |
| Q6.3 | How can the EU strengthen relations on sustainable development with other countries, international financing institutions, multilateral development banks, emerging donors and the UN system? |
| Q6.4 | How can the EU best support partner countries to develop comprehensive and inclusive national plans for the implementation of the 2030 Agenda? |
| Q6.5 | What are the best ways to strengthen and improve coherence, complementarity and coordination between the EU and the Member States in their support to help partner countries achieve poverty eradication and sustainable development? |
| Q6.6 | How can EU development cooperation be as effective as possible, and how can we work with all partners to achieve this? |
| Q6.7 | What further progress could be made in EU Joint Programming, and how could this experience be linked with other EU joined-up actions in supporting countries’ delivery of the 2030 Agenda? |

Q6.1, 6.2, 6.3 (see also sections Q5.2, 5.3 and 5.4):
The EU should in particular strengthen cooperation with parliaments. The EU has invested in its cooperation with civil society and local authorities in development cooperation. Parliaments, on the contrary, have received much less attention. They are, however, important actors in strengthening democratic decision-making processes.

Q6.4:
With regard to emerging donors and strategic partners, the EU should in particular review its cooperation with China on development (see also Fues et al. 2016; Henökl & Webersik 2016). As the second largest economy in the world, China has become an indispensable partner in global efforts to support developing countries in the post-2015 era. Recent policy decisions reflect the determination of the country’s leadership to respond to the world’s expectations and accept global responsibilities. For the first time, foreign aid policies are explicitly included in the 13th Five-Year Plan by stating that China will take an active role to help other developing countries to achieve the SDGs.

EU-China cooperation on development is part of the EU-China strategic partnership. Relations in the framework of the strategic partnership have intensified considerably since the early 2000s. However, in
the field of development, joined efforts have remained limited. While cooperation started in 2008 when the European Commission published a Communication on trilateral cooperation with China and Africa, practical results have been modest. The EU-China 2020 Strategic Agenda for Cooperation agreed at the EU-China Summit in 2013 has sought to strengthen cooperation on development. However, it has not yet led to the creation of functional political structures and practical instruments for dialogue and joint action in development policy.

The EU should address this gap in strategic vision to capitalize on the opportunities presented by the deepened engagement of China for international development cooperation. As the 2030 Agenda is very comprehensive and would require broad reforms in both the EU’s and China’s domestic and external policy-making, sector policy dialogues beyond the dialogue on development cooperation could and should play an important role in the EU’s and China’s cooperation on the 2030 Agenda. EU-China dialogues are much diversified, covering a large range of policy fields and issues like education and culture, environment, energy, employment and social affairs, information society, public health, agriculture, regional policy, food safety etc (see Henökl & Reiterer 2015). The EU and China should review in which areas sectoral dialogue has been particularly successful (or where recent reforms are promising) and where EU-China cooperation could make an important contribution to the implementation of the 2030 Agenda. Examples could be forestry, fisheries and maritime governance.

In 2015, President Xi has made several announcements of increasing Chinese expenditure in South-South Cooperation in the areas of climate change, natural resource management, environmental protection and green economy. Currently, China is exploring options for harnessing its South-South Cooperation towards promoting its concept of ecological civilization which has many overlaps with the concepts of green economy and sustainable development, and the 2030 Agenda. This is a promising area for future Sino-European cooperation, especially in African countries.

Broadening involvement, ownership and societal buy-in

Beyond governmental cooperation, particularly in the field of climate change, the EU should also promote greater engagement of non-state and sub-national actors, above all in all aspects of climate policy. Without corresponding long-term efforts and institutional backing, ‘bottom-up’ contributions can hardly be expected to live up to their potential. The EU should therefore aim to achieve an inclusive and integrated approach that facilitates the necessary ambition, experimentation and transparency. A comprehensive framework for climate actions requires clear criteria for tracking, verifying and acknowledging ambitious non-state and sub-national climate action as well as partnerships with business and industry (Chan & Pauw 2014).

The 2030 Agenda for Sustainable Development provides a very promising framework to engage with middle-income countries, but requires investments by both the EU and the countries in concretising mutual cooperation interests and clarify expectations. This is all the more important as MICs fulfil central functions regional and global public goods. In view of the EU’s differentiation policy that entails phasing out bilateral cooperation with upper middle income countries, strengthening the EU’s cooperation with these countries despite aid reductions will likely require adding the non-ODA proportion of MFF Heading 4 without reneging on ODA commitments made in the 2030 Agenda.

Q6.5, 6.6 and 6.7:

The development of comprehensive and inclusive national plans for the implementation of the SDGs clearly is an area for further cooperation with member states, some of whom are already doing this. The Commission can encourage as well as facilitate forums for exchange and joined lesson-drawing, and share its own expertise of coordination across various policy fields.
One concrete example for increasing aid effectiveness is joint programming and implementation: Existing efforts of joint programming should be evaluated and explored for best practices to be replicated in more cases. In parallel, the EU and member states should try and engage in projects of joint implementation to make best use of synergies and achieve economies of scale.

**Decentralization and devolution of tasks to EU Delegations in third countries**, including planning competences and the capacity to coordinate donors, are steps in the right direction. The EU should build on the gained experiences and enlarge the scope from sector coordination to program and project coordination, and from joint programming to joint implementation. Wherever possible a **comprehensive tailored approach should be developed including donors and recipients in a whole-of-government logic**, involving all concerned administrative hierarchies and other relevant **actors** (from civil society, multilateral institutions or the private sector) on both sides. Blending of cooperation instruments and techniques as well as flexibility and specificity in the delivery of support, aimed at local ownership and societal buy-in, should contribute to achieve inclusive and sustainable development results.

5. **Keeping track of progress**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
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<tbody>
<tr>
<td>7.1</td>
<td>How can the EU strengthen its own use of evidence and analysis, including in the development field, to feed into its regular review on the Sustainable Development Goals to the UN?</td>
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<tr>
<td>7.2</td>
<td>How can the EU help to ensure the accountability of all actors involved in implementation of the 2030 Agenda, including the private sector? How can the EU encourage a strong and robust approach to the Follow Up and Review of the 2030 Agenda from all actors?</td>
</tr>
<tr>
<td>7.3</td>
<td>How should EU development cooperation respond to the regular reviews on progress of the partner countries towards the 2030 Agenda goals?</td>
</tr>
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**Q7.1:** The EU should strongly invest in its ex-ante Impact Assessment so that it provides a genuine and strong evaluation of the potential impact of policy options on the realisation of the SDGs with a view to detrimental domestic and external effects. Recent research shows that such analysis from a PCD perspective presently tends to be either absent or inadequate (Carbone & Keijzer 2016). To realise this, the EU has to both better resource its impact assessment function but also more strongly supervise assessments through its quality control function to avoid DGs to evade this requirement.

**Q7.2:** The EU should consider making such reporting a requirement for receiving EU ODA linked to the promotion of the 2030 Agenda. The UK and the Netherlands have introduced compulsory IATI reporting in their bilateral development policies from which the EU could draw inspiration. It should however also ensure a centralised reporting system to collect and make available these reporting contributions and discuss with EU member states how to best realise this. Finally, also accountability mechanisms for the private sectors should be introduced. To this end a specific code of conduct and transparency rules should be drawn up, based on existing models.

**Q7.3:** In view of the transformative, universal and differentiated nature of the 2030 Agenda and its Sustainable Development Goals, the EU should refrain from an independent reporting on the contributions through its development policy. Instead, development cooperation should provide inputs to centralised EU reporting on its internal and external contributions to sustainable development that should be prepared under the political responsibility of the first Vice President of the Commission as mandated for promoting sustainable development. The external dimensions of the EU’s SDG action should be accounted for by the second Vice President and High Representative of the Union responsible for external action.
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