



Brussels, 5.2.2015  
COM(2015) 44 final

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

**A Global Partnership for Poverty Eradication and Sustainable Development after 2015**

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## **I. INTRODUCTION**

2015 is a pivotal year for global sustainable development and poverty eradication. Through the adoption of the post-2015 development agenda, the international community is called to respond in a transformative manner to fundamental challenges facing the world today: eradicating poverty, achieving inclusive and sustainable development for present and future generations and ensuring the promotion and protection of all human rights and fundamental values as the basis for peaceful and prosperous societies.

Two high-level international meetings in the year ahead provide the opportunity to agree on a new agenda, including a set of Sustainable Development Goals (SDG), and on the new global partnership to underpin it: the Third International Conference on Financing for Development in Addis Ababa in July and the United Nations (UN) summit for the adoption of the post-2015 development agenda in New York in September. This process must bring together and build upon earlier initiatives, in particular the Millennium Development Goals (MDGs) and the 'Rio+20' Conference on Sustainable Development. Agreement on the post-2015 agenda will also have important implications for negotiations under the UN Framework Convention on Climate Change.

Significant progress has already been achieved through various processes at the UN. The report of the Open Working Group on SDGs<sup>1</sup>, the report of the Intergovernmental Committee of Experts on Sustainable Development Financing<sup>2</sup>, and the UN Secretary-General (UNSG) Synthesis Report<sup>3</sup>, provide key contributions and show that a global agreement on an ambitious post-2015 development agenda is within reach.

The European Union (EU) has consistently played an important and constructive role in these processes, providing key inputs and engaging actively with partners at all levels. The European Commission Communications of February 2013<sup>4</sup>, July 2013<sup>5</sup> and June 2014<sup>6</sup> and the Council Conclusions of June 2013<sup>7</sup>, December 2013<sup>8</sup> and December 2014<sup>9</sup> articulate the EU's vision for a post-2015 agenda that needs to be global and universal, incorporating all three dimensions of sustainable development: social, economic and environmental.

Implementing such a far-reaching agenda presents a complex challenge but also a unique opportunity to redefine and strengthen the way the global community works together. In order to deliver the post-

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<sup>1</sup> A/68/970, "Report of the Open Working Group of the General Assembly on Sustainable Development Goals", 12 August 2014.

<sup>2</sup> A/69/315\*, "Report of the Intergovernmental Committee of Experts on Sustainable Development Financing", 15 August 2014.

<sup>3</sup> A/69/700, "The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet", 4 December 2014.

<sup>4</sup> COM(2013)92, "A decent life for all: Ending poverty and giving the world a sustainable future", 27 February 2013.

<sup>5</sup> COM(2013)531, "Beyond 2015: towards a comprehensive and integrated approach to financing poverty eradication and sustainable development", 16 July 2013.

<sup>6</sup> COM(2014)335, "A decent life for all: From vision to collective action", 2 June 2014.

<sup>7</sup> 11559/13 "The overarching post-2015 agenda", 25 June 2013.

<sup>8</sup> 17553/13 "Financing poverty eradication and sustainable development beyond 2015", 12 December 2013.

<sup>9</sup> 16827/14, "A transformative post-2015 agenda", 16 December 2014.

2015 agenda, a new global partnership for poverty eradication and sustainable development is required. For this global partnership to succeed, all will have to contribute. The EU is committed to playing its full part and to working constructively with others, looking forward to their active participation.

Building on the Council Conclusions of December 2014, this Communication sets out the European Commission's views on the overarching principles and main components that the global partnership needs in order to support the post-2015 development agenda effectively. It puts forward proposals on how the EU and its Member States could contribute to the partnership. It emphasises the EU's willingness to positively engage in the global debate on the means of implementation for the future SDGs and will provide the basis for an EU common position in the intergovernmental negotiations. Proposals for possible actions to implement the post-2015 agenda are outlined in the annex.

## **II. OVERARCHING PRINCIPLES OF THE GLOBAL PARTNERSHIP**

The new global partnership will have to bring a new transformative spirit of solidarity and cooperation. National ownership and leadership will be of key importance, supported by political commitment at the highest level. National efforts need to be reinforced by cooperation at all levels and with all stakeholders, building on experience with the MDGs on developing a Global Partnership for Development, and with other international partnerships. To be successful, it is necessary to implement policies and mobilise resources, stepping up contributions of all countries at their level of capabilities.

The global partnership should be based on the principles of shared responsibility, mutual accountability and respective capacity. Countries at all stages of development must engage with and take responsibility for its implementation.

The partnership also needs to be based on human rights, good governance, rule of law, support for democratic institutions, inclusiveness, non-discrimination, and gender equality.

It should support the integration of the three dimensions of sustainable development in a balanced manner so as to avoid working in siloes and making trade-offs between different objectives. The amplifying effect of climate change on the challenges associated with both poverty eradication and sustainable development requires the active integration of climate change issues into the post-2015 development agenda and the global partnership that will underpin it.

Going beyond traditional channels of cooperation, the global partnership needs to promote more effective and inclusive forms of multi-stakeholder partnerships, operating at all levels and involving the private sector and civil society, including social partners, academia, foundations, knowledge institutions and public authorities. The success of the agenda requires policy coherence at all levels to ensure that government policies support poverty reduction and sustainable development. The global partnership should promote the sustainable and effective use of all resources, including domestic resources, international public finance, private sector finance and innovative financing.

A future global partnership should have a clear focus on achieving measurable, concrete and sustainable results that contribute directly to agreed goals and targets, translate into structural reforms and ultimately into positive and sustainable outcomes for people and planet. Transparency and information sharing for all stakeholders should be at the heart of the global partnership, which should underline the importance of strong monitoring, accountability and review at all levels for all citizens and stakeholders and should promote feedback and learning.

To deliver on the post-2015 agenda, all countries should put in place appropriate policies that will allow them to implement the SDGs according to their respective capabilities. Efforts should focus equally on setting up the right policies and on mobilising adequate financial means of implementation, as these are mutually dependent: a clear and results-oriented policy environment is an indispensable prerequisite for financing to have real impact and financing should also actively contribute to leveraging and incentivising other means of implementation, e.g. through enabling policies, capacity building, trade, innovation, private investments.

The European Commission, in close cooperation with the Member States, will work to implement the agenda within the EU and to support implementation elsewhere in the world through constructive cooperation and partnerships. Full implementation of the post-2015 agenda will require the active engagement of the EU and its Member States taking actions at all levels. The EU can offer its experience of implementing policies that reflect key principles of the agenda such as sustainability, cooperation and partnerships. These range from the Europe 2020 Strategy<sup>10</sup>, which aims to create smart, sustainable, inclusive growth through an integrated and coherent set of policy measures, to Policy Coherence for Development<sup>11</sup> and the 7th Environment Action Programme<sup>12</sup>.

### **III. KEY COMPONENTS OF THE GLOBAL PARTNERSHIP – MEANS OF IMPLEMENTATION**

Key components that should form part of the global partnership are outlined below. These include arrangements that should be pursued by all partners for successful implementation and concrete proposals on how the EU could contribute.

#### **3.1. An enabling and conducive policy environment at all levels**

In each country, a coherent mix of effective policies, practices, institutions and resources is needed to create a favourable domestic environment for implementing the post-2015 agenda. Good governance at all levels is an essential means of implementation of the agenda and an important objective in itself.

At national level, all governments in full consultation with their citizens will need to decide how they will contribute to the achievement of the goals and targets, keeping in mind the need to reach out to all members of society, in particular the most vulnerable. The full involvement of civil society is essential. The new global partnership should also unlock the development potential of local authorities and local stakeholders. Coordination between the different levels – global, national, regional and local – should be reinforced.

For implementation at the national and sub-national levels, each country needs an effective legislative and regulatory framework to achieve policy objectives. Countries need to promote effective and responsive institutions, transparent policies and systems and accountability to their citizens through democratic processes based on the rule of law. This should include providing fair and predictable legal frameworks that promote and protect human rights, core labour standards and the environment, and ensure the sustainable management of natural resources. It also requires providing a stable enabling

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<sup>10</sup> COM(2010)2020, "Europe 2020. A strategy for smart, sustainable and inclusive growth", 3 March 2010.

<sup>11</sup> Article 208 (1), Treaty on the Functioning of the European Union: "...The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries".

<sup>12</sup> Decision n° 1386/2013/EU on a General Union Environment Action Programme to 2020 "Living well, within the limits of our planet", 20 November 2013.

environment for the private sector, including establishing a level playing field for competition and encouraging sustainable investments. Implementing and enforcing legislation is critical, including through combatting illegal activities, removing barriers to implementation, building enforcement capacity and raising public awareness, so that stakeholders can hold governments and authorities to account. The EU is committed to improving its own regulatory framework and to cooperating with partners to help develop and strengthen regulatory frameworks that are equitable, effective and transparent, and reinforce the efficiency, independence and quality of justice systems, through capacity building and exchange of knowledge.

Good governance requires effective systems for budgeting, financial allocation and monitoring of expenditure. These systems need to be fully transparent and open to the general public in order to encourage participatory decision-making and private sector engagement, and to tackle corruption. Effective macroeconomic policies are vital to ensure that the necessary resources are mobilised and spent effectively in line with the objectives of the SDGs.

Governments need to promote growth that is sustainable and inclusive, benefitting all members of society, including the marginalised and excluded. Regulatory instruments should be combined with economic instruments, which are flexible and cost-effective tools that can help achieve combined objectives. Economic instruments, such as fiscal incentives, feed-in tariffs and payments for ecosystem services, can create incentives for sustainable growth, including by shifting tax burdens from labour towards products that have negative impacts on sustainability and by issuing tradable emissions permits, as for example is the case with the EU Emissions Trading System. Carbon pricing acts as a major driver of investment in clean technologies and low-carbon solutions, particularly in developing countries; all countries should therefore engage in carbon pricing to address greenhouse gas emissions.

Sustainable public procurement allows governments to leverage public spending to increase demand for sustainable products and services, based on social and environmental criteria, increasing their market share and providing business with tangible incentives.

Policy coherence is at the core of a truly conducive policy environment. For the global partnership to succeed, all policies at national and subnational level need to contribute coherently to the achievement of the SDGs both domestically and internationally.

Account should be taken of the key role of many sectors, such as agriculture, energy and health in contributing to a range of goals and targets. Policy measures that help create and promote access to decent jobs with sustainable and adequate social protection for all, as well as those that facilitate investment in human capital via education, skilling and training, are of critical importance. Addressing inequality and social exclusion, in particular among the most vulnerable, including women, children, the elderly and persons with disabilities remains essential, including through the use of tools such as gender and age markers.

Another key step is reforming or eliminating environmentally harmful subsidies, such as fossil fuel subsidies, and replacing them with interventions that are climate-smart, less environmentally harmful and that contribute more effectively to poverty reduction. Policy coherence also implies adequate coordination mechanisms for dialogue between stakeholders and monitoring and assessment of policies and results.

The importance of the regional level should not be overlooked. The EU actively promotes regional development and integration which can spur trade, investment and mobility, and can foster peace and stability.

At global level, implementing the post-2015 agenda will also require an effective international system of governance, stable financial markets and economic cooperation, including the necessary levels of regulation. Global governance institutions need to be effective and transparent, with systems to assess and report progress against objectives. The moves towards better governance of international financial institutions need to be continued. In addition, the G7 and G20 agendas are examples of the type of policy commitments that could make a big difference.

Global public goods also need coordinated international policies and action, including through better implementation of international agreements that play a central role in achieving several SDGs. Many issues are global or trans-boundary and therefore require specific international cooperation agreements to address them. National policies also need to be consistent and aligned with international agreements. The EU is an active supporter of and party to a number of international agreements and is prepared to take a leading role and further contribute to implementation actions in a number of areas, such as multilateral health agreements, multilateral environmental agreements and international ocean governance.

In an increasingly interlinked world, all countries need systematically to take into account the impact, both positive and negative, that their policies can have on other countries. To this end, all developed, upper-middle income countries and emerging economies should commit to set up systems to assess the impact of adopting new policies on poorer countries. For the EU, Policy Coherence for Development is a legal commitment to take development cooperation objectives into account in policies that the EU implements which are likely to affect developing countries. This means both addressing possible negative impacts of domestic policies on third countries and fostering synergies across economic, social and environmental policy areas.

### **3.2. Develop capacity to deliver the agenda**

The post-2015 agenda can only take root if all partners have effective institutions and the necessary human skills and capacities to eradicate poverty and deliver sustainable development. This includes the capacity to assess needs, collect data, monitor implementation and review strategies. To achieve the SDGs, it is necessary to develop additional and new capacities and skills at all levels and in all countries, including in the EU.

Capacity development, including institutional and organisational development, will only be effective if it is owned and driven by those who need it. It should be driven by learning and knowledge-based initiatives as well as through a continuous, fair and constructive dialogue on policies and development results. This approach should focus on developing human resources and systems and processes for planning, management and monitoring.

All partners in international cooperation, including international organisations, should reinforce and refine their support to capacity development processes, including the use of networks and systems for knowledge exchange, peer learning and coordination among all development partners. This can involve all kinds of cooperation partnerships, including north-south, south-south, triangular and regional approaches, with the engagement of public and private stakeholders. Particular effort is necessary in the Least Developed Countries (LDCs) and in fragile states, where it is essential to prepare conditions for transition and build the resilience of the most vulnerable populations.

The EU is committed to improving and mainstreaming support for capacity development in all sectors of cooperation through a multi-stakeholder perspective. The EU recognises the development of

capacity in partner countries as a key factor for improving aid effectiveness and already facilitates peer-to-peer learning processes and networking through initiatives such as technical cooperation and institutional development programmes. The EU will step up capacity building in the field of statistics and monitoring in partner countries.

### **3.3. Mobilisation and effective use of domestic public finance**

National governments have the primary responsibility for implementing sustainable economic policies. This includes the responsibility to mobilise and use public resources, including natural resources, efficiently.

It also requires sound public financial management and the setting-up and reinforcement of audit, control, anti-fraud and anti-corruption measures, sound tax administration and country by country reporting to increase financial transparency and combat illicit financial flows.

Although domestic public revenues have increased significantly in recent years, the tax ratio for many countries is still low. Beyond providing the fiscal space for national spending on development priorities, the effective and transparent collection and use of domestic public resources strengthens domestic accountability and contributes to a sound government-citizen relationship. Thus, deepening and broadening the domestic resource base and improving its management and effective use in all countries are pivotal for poverty eradication and sustainable development.

Natural capital accounts can help countries rich in natural resources to enhance their governance and transparency in contributing to economic growth. The green economy transformation offers major new opportunities as a driver of sustainable economic growth. The EU is committed to strengthening its efforts in this area, both internally and through support to developing countries.

The increasing integration of international financial markets and economic globalisation brings new challenges to raising domestic revenues. International cooperation to ensure a transparent, cooperative and fair tax environment is therefore needed to increase domestic revenue mobilisation.

Debt is an important element and needs to be considered in the context of overall public finances. Sustainable debt financing, underpinned by effective debt management, is a cornerstone of financial stability and sustainable fiscal policy.

All countries should make commitments to mobilise and use domestic public finance effectively, including for global public goods such as climate and biodiversity and for sectors central to poverty eradication and sustainable development, such as agriculture and energy. All countries should apply environmental and social safeguards and promote and implement programmes that lead to greater resilience thus saving costs in the long term. Mainstreaming climate objectives into public domestic financing is vital both for raising resources for climate change actions and for avoiding unsustainable investments and negative long-term costs.

All countries should commit to achieving optimal levels of government revenue, measured for instance by the tax-to-Gross Domestic Product (GDP) ratio, including by strengthening relevant institutions, increasing the capacity of tax administrations and reforming national tax systems to broaden the tax base where appropriate and to ensure fair and just tax policies.

All countries also need to ensure that they have in place systems for the efficient, sustainable and transparent management of all public resources, including debt and treasury management and management of natural resources revenue. This would require carrying out government-led reform

programmes and strengthening the institutions with responsibility for budgetary planning and oversight, including independent national supreme audit institutions, parliaments and civil society. Open data policies should be encouraged, including the development of national open data portals.

International cooperation to tackle illicit financial flows should be stepped up to ensure a level playing field in taxation for local and international companies. Transparency and accountability in extractive industries should be increased, including the disclosure of payments by companies to governments.

International cooperation should also be strengthened in relation to taxation. All countries should comply with the minimum standards of good governance in the tax area (transparency, exchange of information and fair tax competition) and commit to enacting national regulations to tackle tax evasion, tax avoidance and aggressive tax planning and to avoid harmful tax competition. All countries should work on the implementation of the base erosion and profit shifting recommendations.

### **3.4. Mobilisation and effective use of international public finance**

International public financing remains an important and catalytic element of the overall financing available for developing countries and more will be needed over the next 15 years to implement this ambitious agenda. As the UNSG outlined in his Synthesis Report, the post-2015 agenda should be based on the principles of universality, shared responsibility and solidarity. The European Commission therefore strongly supports the UNSG's call that all developed countries should meet the UN target of 0.7% ODA/GNI and agree to concrete timetables to meet Official Development Assistance (ODA) commitments.

Developing and emerging economies have been driving global growth over the past decade. Given the continuing economic and financial improvements in many developing countries, public international finance needs to evolve over the post-2015 period to be more effective in accelerating the pace of change and helping make it sustainable. An increasing number of countries which are not members of the OECD Development Assistance Committee (DAC) already provide significant amounts of finance. These partners are helping to transform the development finance landscape through alternative cooperation strategies and modalities, and should contribute more to support countries most in need. Given their importance, and in line with the suggestions in the UNSG Synthesis Report, upper middle-income countries and emerging economies should commit to increasing their contribution to international public financing and to specific targets and timelines for doing so.

The EU and its Member States provide more than 50% of all ODA and will maintain a strong collective commitment. The timeline for EU financial commitments should be decided as part of the above-mentioned global commitment, which should ensure that all high-income countries as well as upper-middle income countries and emerging economies are providing their fair share to support poorer countries in reaching internationally agreed objectives.

The role and relevance of international public finance differs between countries. Resources should be targeted where the need is greatest and where they have the highest impact. In this respect, an effort by all providers of finance to reverse the trend of decline in assistance to the poorest countries is vital. As referred to by the UNSG, all high income countries should respect the UN target of 0.15% of GNI for development assistance to LDCs, as laid down in the Istanbul Programme of Action<sup>13</sup>. Upper middle-income countries and emerging economies should also commit to increasing their contribution to LDCs and set targets and timelines to do so.

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<sup>13</sup> A/CONF.219/7, "Report of the Fourth United Nations Conference on the Least Developed Countries", 9-13 May 2011.



International public resources from all providers need to be delivered and used effectively, in line with the principles of ownership, focus on results, inclusive partnership, transparency and mutual accountability. All providers of financing should make concrete efforts to improve transparency, strengthen delivery and accountability, support the measurement and demonstration of sustainable results, implement guidelines in situations of conflict and fragility<sup>14</sup> and reduce fragmentation of the international aid architecture.

In times of economic constraints, making full use of public financing potential is key. ODA can help boost other means of implementation if properly designed and implemented. It can multiply public domestic financing by supporting improved tax and fiscal policies, unlock infrastructure projects through blending and public-private partnerships, and promote science and technology exchanges.

Since the post-2015 agenda has to be fully coherent and supportive of climate objectives, it is important to make sure that the financing framework for the post-2015 agenda is fully coherent and aligned with climate finance, as emphasised by the UNSG's Synthesis Report. It is to be noted in this context that the EU has decided already for the period 2014-2020 to dedicate 20% of its budget – including for external actions – to climate-related projects and policies. The EU also remains committed to fulfilling its obligations under international conventions, including on biodiversity and other key global issues.

### **3.5. Stimulate trade to eradicate poverty and promote sustainable development**

Trade is a key factor for inclusive growth and sustainable development, and is therefore an important means of implementation for the post-2015 agenda.

The EU recognises the primacy of the World Trade Organisation (WTO) with regard to trade-related issues at a global level and considers that the rules-based multilateral trading system plays an invaluable role in creating a level playing field for all countries, notably developing ones. The EU therefore remains fully committed to the Doha Development Agenda and the implementation of the Bali package, notably the Trade Facilitation Agreement and the LDC elements, which will promote further integration of LDCs into international markets and global value chains. The EU will constructively engage in the upcoming negotiations on the post-Bali work programme with a view to completing the Round promptly.

Many countries, notably emerging economies, have successfully realised the potential of an open trading system to boost their trade and to enjoy sustained rates of GDP growth. While these changes have helped to lift hundreds of millions of people out of poverty, not all developing countries have enjoyed such gains. LDCs in particular remain marginalised in global trade.

Each country has the primary responsibility for maximising the potential of trade for inclusive growth and sustainable development through good governance, sound domestic policies and reforms. The aim is to create a stable regulatory environment that is favourable to the private sector and investment, and which contributes to a country's integration into regional and global value chains. At the same time, countries have to ensure internationally-agreed labour standards and adequate skills for the workforce, while promoting the transition towards a green economy.

Yet the world's most vulnerable countries, notably LDCs, face particular obstacles related to lack of capacity, inadequate infrastructure or insufficient diversification of production. They need support in

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<sup>14</sup> Examples are the New Deal for engagement with fragile states (2012) and the Principles for Good International Engagement in Fragile States and Situations (OECD, 2007).

order to facilitate their integration into the global trading system and so derive maximum economic, social and environmental benefits. Improved market access and aid for trade play a crucial role in this respect.

The EU market is the most open to developing countries. The EU has simplified its rules of origin and enhanced information to countries most in need on how to access its market. The EU also implements unilateral instruments in support of sustainable development, including the Generalised Scheme of Preferences (GSP). It provides additional trade preferences under the GSP+ to vulnerable economies committed to effectively implementing 27 core international conventions on human and labour rights, environmental protection and good governance. Furthermore, the Everything But Arms initiative grants duty free and quota free access for all LDC products except arms and ammunition. All developed countries and emerging economies should grant duty free and quota free access to their markets to LDC products.

The EU and its Member States are also the world's leading providers of Aid for Trade, accounting for a third of the global total. This includes capacity building to meet EU standards and enjoy the full benefit of trade agreements and unilateral EU trade preferences. The EU will seek to update its Aid for Trade Strategy in the light of the outcomes of the post-2015 negotiations. All developed countries and emerging economies should increase their Aid for Trade to LDCs and provide it according to development effectiveness principles.

To realise the full potential of trade, all countries have to increasingly reflect 'behind-the-border' issues in their trade policy. These include: trade facilitation; technical regulations and standards; labour and environmental regulations; investment; services; intellectual property rights; and public procurement. The EU addresses these issues in its trade agreements, including with developing countries. Furthermore, all countries should assess the sustainability impact of trade agreements and their impact on LDCs.

The EU has enhanced the integration of sustainable development into its trade policy. This includes the systematic inclusion of sustainable development provisions, including labour and environmental aspects, in all its trade agreements, both with developed and developing partners. The involvement of civil society representatives in the implementation of these provisions is essential to delivering results. All countries should enhance the integration of sustainable development into their trade policy.

The mutual reinforcing of trade and sustainable development can also be promoted by reducing or eliminating tariff and non-tariff barriers for environmental goods, technologies and services, as well as environmentally friendly products. In this respect, the EU is strongly committed to a rapid conclusion of a plurilateral agreement on environmental products and services (the "Green Goods Agreement") and invites more countries to join the on-going negotiations.

In order to deliver the SDGs, a transformational trade agenda needs to improve responsible behaviour and legislation as well as transparency throughout all supply chains. Natural resources are a driver for development through their exploitation and trade, but greater effort needs to be put into promoting legal, responsible, sustainable and transparent sourcing, trade and use of natural resources and raw materials, including through EU legislation on country-by-country reporting and bilateral agreements such as with timber exporting countries. The European Commission has also recently presented a proposal on responsible mineral sourcing from conflict-affected and high-risk areas.<sup>15</sup>

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<sup>15</sup> COM(2014)111, "Proposal for a Regulation of the European Parliament and of the Council setting up a Union system for a supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high risk areas", 5 March 2014.

International measures to combat illegal trade harmful to the environment (such as in wildlife, hazardous substances and natural resources) need to be strengthened – good examples of what can be done are the Voluntary Partnership Agreements that the EU is negotiating in the context of its initiative on Forest Law Enforcement Governance and Trade.

The development of international guidelines and standards, as well as public and private sustainability schemes (such as fair trade schemes), can also provide economic, environmental and social benefits.

### **3.6. Drive transformative change through science, technology and innovation**

Solutions generated by science, technology and innovation are important drivers for the implementation of the vision for the world beyond 2015. Science, technology and innovation, including digitisation, can generate profound changes in a relatively short period of time, but not automatically address social and environmental problems, all stakeholders have to exploit the potential offered by science, technology and innovation to benefit smart, sustainable and inclusive development. All partners therefore have to foster innovation that helps citizens to escape poverty, generates quality employment, optimises complex systems and value chains, promotes sustainable consumption and production patterns, reduces the vulnerability to disasters and other shocks and promotes the efficient use of scarce resources. All countries need to foster the necessary higher or specific skills to encourage and support science, technology and innovation. In developing countries in particular, full use should be made of the potential of information and communication technologies and their applications as drivers of inclusive and sustainable growth, innovation and entrepreneurship.

As most of the technologies are owned by business, their transfer can only work on mutually agreed terms, while their intellectual property rights must also be respected. Governments should foster the facilitation of technology diffusion, sharing and transfer through an enabling environment and incentives at domestic level that are geared towards sustainability and provide adequate protection of intellectual property rights according to the WTO rules. Public-private partnerships and investments in research and development should be promoted, while ensuring their contribution to sustainable development.

All countries should increase bilateral, regional and multilateral cooperation on science, technology and innovation and on solution-oriented research, including on information and communication technologies, to promote implementation of the SDGs. In order to facilitate development of and access to vital and environmentally sound technologies, not only North-South cooperation but also South-South and triangular cooperation are needed, in particular for LDCs. Emerging economies play an important role in the development and transfer of technology and capacity development for LDCs, as well as in scientific and technological cooperation.

Cooperation on technology transfer should go beyond pure technological development and include longer-term investments that are adapted to local contexts, engage with communities and users and ensure that the needs of people and the environment are taken into account ("human-and eco-centred design").

The UN should continue to facilitate access to information on existing technology and promote coherence and coordination between technology mechanisms, including any new mechanisms. In order to bring additional value and avoid duplication, the European Commission suggests that any new mechanism should function as a clearing-house for existing initiatives, aiming to promote coordination and synergies between them, while ensuring the participation of all relevant stakeholders. The

establishment of an online platform building on and complementing existing initiatives, as suggested in the UNSG's Synthesis Report, might contribute to this aim.

The EU is committed to fostering science, technology and innovation, both within the Union and in cooperation with international partner countries and regions. Horizon 2020, the EU's research and innovation programme, earmarks 60% of its budget to support sustainable development and is open to participation from across the world. The EU promotes open access to publications, and on a pilot basis data, resulting from publicly funded research in Horizon 2020 to facilitate knowledge sharing and to enhance research and innovation capacity, including in developing countries. As part of its development cooperation, the EU supports innovation and technology transfer capacities through higher education programmes, especially in the area of sustainable agriculture and food security, with the aim of increasing sustainability by setting agricultural production on to a sustainable growth path and translating research outcomes into practical solutions. Through its participation in various partnerships, the EU also contributes to crisis and disaster prevention, preparedness and response.

### **3.7. Mobilising the domestic and international private sector**

Business and consumers will be key actors in the transition to sustainable development, since the private sector, ranging from small stakeholders to major multinationals, is an important engine for innovation, sustainable growth, job creation, trade, and poverty reduction. It also plays a critical role in investing in resource efficiency and infrastructure, such as sustainable transport systems, energy networks and digital infrastructures that are vital for a country's economic growth. Implementing the post-2015 agenda therefore requires a business environment that is conducive to private sector initiatives, supporting micro, small and medium-sized enterprises, empowering women and deepening financial inclusion. Consumers should be empowered to make informed choices through better information on the sustainability credentials of products, including through the promotion and use of sustainability labelling. Sustainability standards and criteria underpin a range of measures to achieve the SDGs, such as fiscal incentives, public procurement, company reporting and product labelling.

Although the track record of business in mitigating its environmental and social impact is improving, there is huge potential for the private sector to further improve its contribution to poverty eradication and sustainable development. Businesses should systematically analyse the environmental and social impact of the products they use and produce by carrying out a life cycle analysis. There are many standards, principles and guidelines available for companies to use, and the post-2015 agenda provides a great opportunity to start addressing these issues. One example is work to develop guidance for responsible agricultural supply chains.

Governments and the private sector must work together to achieve a common vision of sustainable and inclusive growth, with governments setting the regulatory environment, ensuring its enforcement and establishing incentives, and with the private sector making more sustainable investments. The scale of blending public funds with loans from international financial institutions and funds from the private sector will continue to grow over the next decades, including for sustainable investments in climate-smart infrastructure and businesses and for deepening financial inclusion.

An important pre-condition for the development of the private sector is access to finance, in conjunction with appropriate legal frameworks and judicial structures. Simple, transparent and stable rules and institutions, backed up by functioning justice and dispute-resolution systems are crucial elements for an inclusive and conducive business environment and to promote sustainable investments. A challenge for local and national authorities is to create conditions to encourage

progressive formalisation of the informal sector (resulting in better services and increased tax revenues) without discouraging dynamism and innovation.

Innovative business models that integrate the poor into markets, whether as consumers or producers, should be facilitated as a means of achieving sustainable and inclusive growth. Businesses should be encouraged to continue successful initiatives that aim to improve working conditions and environmental opportunities, such as the Accord on Fire and Building Safety in Bangladesh<sup>16</sup> and the EU Business and Biodiversity Platform<sup>17</sup>.

The private sector can also drive transformation by addressing issues such as transparency, labour conditions, health and safety at work, access to social protection, voice and empowerment as well as waste, pollution, resource efficiency and the protection of the environment. It can also actively support the strengthening of rule of law. Increased resource efficiency, moving towards a circular economy, also makes sound economic sense. Through greater business and product responsibility, particularly in sectors with strong multiplier effects, such as agriculture, energy, digital technologies, infrastructure and green sectors, the private sector will have a huge impact and contribute to attaining inclusive and sustainable growth. This in turn will lead to positive feedback since addressing gaps, for instance in transport or energy infrastructure, will tackle critical bottlenecks to economic growth in many LDCs and to their entry into global value chains.

Multi-stakeholder partnerships are needed to scale up business initiatives. Small and medium-sized enterprises are major drivers of job creation but they often lack the economies of scale and capacity to invest in innovative technology or participate fully in sustainability programmes. Partnerships with large multinationals, for instance through the UN Global Compact<sup>18</sup>, can help small and medium-sized enterprises to realise their sustainable development and innovation potential.

The EU already does much to facilitate private sector engagement in developing countries and will continue its efforts. Through development cooperation, the EU promotes business engagement in sustainable energy, sustainable agriculture, fisheries, forestry and agribusiness, information and communication technologies, sustainable infrastructure, green infrastructure and green economy sectors. The EU encourages businesses to invest more and more responsibly in developing countries, including through differentiated and specific approaches in fragile, conflict-affected countries that urgently need jobs and economic opportunities to restore social cohesion, peace and political stability. The EU works with partner governments to create a supportive business environment, including through stepping up support to small and medium-sized enterprises, promoting eco-entrepreneurship, empowering women as entrepreneurs and workers and deepening financial inclusion.

The EU is taking steps to enhance market reward for corporate social and environmental responsibility and disseminate good practice, improve self and co-regulation processes; and improve company disclosure of social and environmental information. It will also continue to promote sustainability guidelines, including on corporate social responsibility, through dialogue with partner countries. The EU actively promotes meaningful business engagement and the uptake of internationally agreed principles and guidelines, including the UN Guiding Principles on Business and Human Rights.

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<sup>16</sup> See <http://bangladeshaccord.org/>.

<sup>17</sup> See [http://ec.europa.eu/environment/biodiversity/business/index\\_en.html](http://ec.europa.eu/environment/biodiversity/business/index_en.html).

<sup>18</sup> See <https://www.unglobalcompact.org/>.

### **3.8. Harnessing the positive effects of migration**

Among the global trends that will have large-scale and complex impacts on the post-2015 agenda, migration provides an example of an issue which can be managed in a way that contributes positively to achievement of the SDGs.

For individuals, migration can be one of the most powerful and immediate strategies for poverty reduction. People move to escape poverty and conflict, adapt to climate change, environmental and economic shocks, seek protection from persecution or serious harm, and improve the income, health, and education of their families. Although migration has undoubtedly contributed to progress towards achieving many of the MDGs, forced or poorly managed migration can result in personal distress, increase the risk of migrants falling into hands of traffickers, strain capacities in destination countries and increase social tensions. All countries need to make efforts to manage migration effectively with full respect for migrants' rights and dignity, hence reducing their vulnerability. Given that migration occurs in all directions, better migration governance will require strengthened partnerships among states and other stakeholders.

The new global partnership should foster a more collaborative approach to increase the benefits of international migration for sustainable development and to reduce vulnerabilities. The international community should commit to working together to develop a comprehensive framework for addressing both legal and irregular migration in countries of origin, transit and destination, covering also aspects such as health, education and employment. Initiatives are needed to allow legal migrants to keep more of what they earn, particularly by reducing remittances and recruitment costs, to claim portability of earned social security benefits and to contribute their full potential by recognising their skills and qualifications, while combatting discrimination. The international responsibility for migration management must be shared. The international community could also promote measures on migrants' access to public services, health care, education and other services. The EU has pioneered an external migration policy – the Global Approach to Migration and Mobility<sup>19</sup> – that is balanced and comprehensive. This has developed as an efficient framework to engage third countries and regions on migration and asylum issues in mutually beneficial ways. Through this approach, the EU has positive experience in ensuring coherence between migration and development objectives. To go a step further, the European Commission is developing a European Agenda on Migration, with a balanced and comprehensive approach to better link the EU migration policy with its external policies, including development policy, fostering greater internal and external cooperation.

## **IV. KEY COMPONENTS OF THE GLOBAL PARTNERSHIP – MONITORING, ACCOUNTABILITY AND REVIEW**

As the success of the post-2015 agenda depends on countries working together and upholding their commitments, it is important to monitor and review progress on implementation. The monitoring, accountability and review framework should be an integral part of the agenda and be underpinned by the principles of transparency, inclusiveness and responsiveness, efficiency and effectiveness. It needs to cover all aspects of the SDGs as well as all means of implementation, including all aspects of financing. The process should facilitate and encourage countries to maximise progress, design and evaluate effective policies, share experience and demonstrate best practices. But it must be efficient as well as effective, adding value but not duplicating efforts or resources. The framework should build on

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<sup>19</sup> COM(2011)0743, "The Global Approach to Migration and Mobility", 18 November 2011 and 9417/2012 Council Conclusions on "The Global Approach to Migration and Mobility", 3 May 2012.

already established systems for monitoring and accountability, such as those established under international agreements.

As pointed out in the UNSG's Synthesis Report, the new agenda must become part of a contract between people, including civil society and the private sector, and governments. The framework should build upon a multi-layered approach, operating at local, national, regional and international level, ensuring consistency between them, and involving representatives from all stakeholder groups, encouraging their participation in both the monitoring and accountability elements. Attention should be given to the needs of discriminated groups and people in vulnerable situations. National governments must be accountable both to domestic stakeholders for making progress nationally, and to the international community for contributing to the global goals and targets. Encouraged by the global ambition, each government will need to translate the post-2015 agenda into ambitious national action, taking into account national circumstances and capacity. National planning should be inclusive and transparent. Updates on progress should take into account the views of civil society and should be publicly available to ensure broad public engagement in the post-2015 process.

The regional level could provide a useful forum for peer review and learning, and encourage countries to set ambitious targets and stimulate implementation. Work at the regional level could also help to ensure progress on trans-boundary issues, such as integrated river basin management, and on shared targets such as energy efficiency and renewable energy and healthy fish stocks. At the global level, progress towards the global goals and targets should be assessed on the basis of national reports, augmented by other reports, for example on specific goals or themes.

The UN's High Level Political Forum on Sustainable Development is the primary forum in this context and has a key oversight role for maintaining political commitment and facilitating a review of progress and best practices, including recommendations for further action at national or international level. The Forum could make full use of the experience of the Global Partnership for Effective Development Cooperation, which offers useful methodologies, including country-led multi-stakeholder dialogue, data gathering and monitoring, which demonstrate the transformational potential of an inclusive monitoring process on behaviours and levels of ambition. It should be noted that a number of other sectoral UN bodies can provide important inputs for monitoring and review of the post-2015 agenda, and already monitor implementation of existing international commitments. The Global Sustainable Development Report could provide a comprehensive overview of progress. The work of the Development Cooperation Forum should also be taken into account and the different UN bodies should feed into a "one-UN" approach to reporting.

Within the wider efforts to ensure sound monitoring and review, a modernised OECD/DAC measurement framework should serve the post-2015 agenda by allowing the tracking of external finance for all global goals in a coherent fashion. It should also properly valorise non-grant finance and set the right incentives for the provision of development finance. The December 2014 DAC High-Level Meeting made progress in adapting to today's practice of external development finance and removing disincentives to lend to countries most in need. Continued progress is needed on the outstanding work-strands.

Effective monitoring, review and accountability depend on reliable data and informative indicators of progress that can be compared between countries and regions. A core set of appropriate and results-oriented indicators, going beyond GDP and allowing both quantitative and qualitative measurement of progress should be established. The European Commission supports the UNSG's proposal to develop indicators through a technical expert-led process guided by the UN system, to which the EU stands

ready to contribute. Progress reports should be based on open, reliable and timely data, principally drawing on national statistical systems, and wherever possible disaggregated by levels and groups.

To support this improved data availability and quality is needed. Opportunities provided by technological progress, in particular new information and communication technologies, to exploit large volumes of data ("big data") and to strengthen real-time monitoring and disaggregated data gathering, should be harnessed. In addition to socio-economic data, geo-spatial information (such as data retrieved from the EU Copernicus programme, the Global Earth Observation System of Systems and the Global Climate Observing System) as well as in situ monitoring can also make a contribution. The global trend towards more open data represents an opportunity to improve transparency, government efficiency, evidence-based policy-making and accountability.

A "data revolution" – the transformation of how data is produced and used to drive sustainable development – would increase transparency and public access and strengthen quality and comparability of national official statistics, and harness research and technologies for data collection and analysis. Tracking progress must be manageable, including for LDCs, without reducing the transformative ambition of the agenda. Extra effort and innovative approaches need to be taken to collect data in conflict-affected and fragile settings.

The EU remains committed to the establishment and implementation of a strong and ambitious monitoring, accountability and review process. The lessons from the Europe 2020 Strategy could be useful for monitoring and review, as the EU has established indicators to determine and compare progress between Member States and give guidance to help Member States speed up progress towards the targets.

## **V. THE WAY FORWARD**

Based on previous Council Conclusions on a transformative post-2015 agenda, this Communication will inform EU positions in preparation for the Third Financing for Development Conference in Addis Ababa in July 2015 and the Post-2015 UN Summit in New York in September 2015. It will also contribute to the preparation of the 21st Conference of the Parties to the UN Framework Convention on Climate Change in Paris in December 2015. The EU and its Member States will continue to develop more detailed common positions during the negotiations, so as to enable the EU to speak with one voice<sup>20</sup>.

The EU is committed to playing a constructive role in intergovernmental negotiations throughout 2015 and to contributing to the adoption of a truly transformative agenda. The European Commission stands ready to play its part in fully implementing this agenda both within the EU and through its external action, assisted where necessary by the European External Action Service, in cooperation with all its partners.

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<sup>20</sup> See 16827/14, "A transformative post-2015 agenda", 16 December 2014.