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TUDCN EU WORKING GROUP
9-10 MAY, 2023 BRUSSELS

“HALFWAY TO 2030: A TRADE UNION TAKE ON THE EU AND SDGs”



C. EU as a global player

The third part should provide a critical analysis of the role played by the EU in supporting the SDGs through its external action and in the multilateral context. Recommendations should highlight the priority actions for the European Union to support a real acceleration towards the 2030 Agenda in the UN context, considering the opportunities provided by the next HLPF2023, the SDGs Summit next September, as well as the upcoming Summit of the Future in 2024 and the World Social Summit in 2025.





Priority number 5 of European Commission program 2019-2024 is entitled “**A stronger Europe in the world**”. Centred on Goal 17 of the UN 2030 Agenda, it includes cooperation - development aid, and also the strategic role of the EU in the multilateral system.



C.1 The Global Gateway initiative

The main program for cooperation and development aid is the Global Gateway initiative, launched on **1 December 2021** with the Joint Communication adopted by the Commission and the High Representative/Vice President (HR/VP) Josep Borrell. Conceived as Europe's contribution to ***narrowing the global investment gap***, the strategy will focus on high-quality physical infrastructure as it not only holds the key for sustainable development across the world but is a crucial part of the puzzle for fighting climate change and protecting the environment, improving global health security and boosting the competitiveness of the world economy.



Recalling the World Bank estimates of **an investment gap of EUR 1.3 trillion a year** including infrastructure to limit climate change and environmental degradation, the initiative aim to **mobilise €300 billion** in investments through a so-called **Team Europe approach**..

The team Europe approach means *joining forces so that our joint external action becomes more than the sum of its parts*, bringing together resources of the EU and EU Member States, European financial institutions and national development finance institutions, and actively seek to mobilise private sector finance and expertise and support access to sustainable finance. EU funds are included in the EU multi-annual budget 2021-2027, in particular the Neighborhood, Development and International Cooperation Instrument (NDICI)-Global Europe.



The Global Gateway includes investments in digital, energy, transport infrastructures, in the health sector (to support access and manufacturing of vaccines, medicines and health technologies), in education and capacity building.

The initiative is **declared fully aligned with the UN's 2030 Agenda** and its Sustainable Development Goals (SDGs), and the Paris Agreement. It intends to be consistent with the G7 commitment subscribed at the Carbis Bay Summit in June 2021, to a 'Build Back Better World'.

It specially endorse as guiding principles *an **ethical approach** so that infrastructure projects **do not create unsustainable debt or unwanted dependencies**, good governance and transparency, equal partnerships, meaning that those most affected by potential projects – **local communities, businesses and partners** – **must have their full say** through proper public consultations and civil society involvement, respect of the European Green Deal oath to **'do no harm'**, commitment to create inclusive growth and jobs.*



Governance of the initiative is under the **overall steer of the President of the Commission**, by the **High Representative/Vice President** of the Commission and responsible Commissioners. In this context, a **Global Gateway Board (GTB)** is established to provide strategic guidance and identified operational priorities, a **business advisory group** for private sector involvement is set up.



- **investments should be based on impact assessments** that evaluate not only strategic considerations but also issues relating to climate change, environmental protection, human rights and social responsibility;
- **create links and provide lasting economic and social benefits** for local communities in partner countries. **This is only possible if the bottom-up approach is used to build strong local value-added production chains and to strengthen domestic markets in partner countries** by creating high quality jobs as well as sustainable know-how transfers.
- **transparency and due diligence** procedures must be found in the ‘sine qua non’ conditionalities for launching any project funded by EU state and non-state actors

- a set of tools is needed to allow **access to key data, as well as parameterisation of relevant indicators to measure progress in implementing this strategy** and transparency tools such as an improvement of the website that consent access to relevant information on all the projects, budgets and partners involved.
- in order to improve the quality and relevance of the decisions that will be taken in the Global Gateway Board, **other members representing civil society organisations, including social partners, especially trade unions, have to be involved.**
- considering that the Global Gateway initiative is potentially in competition with initiative such as the American Build Back Better and the British Clean and Green, a **coordination between the Global Gateway EU initiative and other international cooperation for development strategies** that are based on the same values, is needed.



On the basis of similar consideration such as EESC, the NGOs coalitions **Counter Balance and Eurodad**, criticise the Global Gateway for

- ***not being sufficiently responsive to make a meaningful contribution towards poverty reduction, and the fight against inequalities and climate change, calls for transparency on decision-making, and ensure a democratic ownership of development strategies and meaningful participation of a broad range of stakeholders, both in partner countries and in Europe, including the European Parliament and civil society.***



The European Parliament in the **resolution of 24 November 2022 on the future European Financial Architecture for Development**, quoting also the new Global Gateway strategy, expresses its concern that ***the key features of the Policy Coherence for Sustainable Development (PCSD) principle are systematically missing from regulatory initiatives of the EU***; stresses that more efforts are needed to fully comply with PCSD principles, in order to achieve aid effectiveness objectives.

As was already underlined in previous resolutions such as the resolution on the implementation and delivery of the Sustainable Development Goals (SDGs), **the Parliament stress the importance of measuring the EU's contribution to the SDGs in a precise and comprehensive manner, given that this is an essential condition for achieving policy coherence for sustainable development.**



C.2 EU action in the multilateral context

In the framework of Priority number 5 of its program 2019-2024 entitled “A stronger Europe in the world”, the Commission have adopted in February 2021 two strategic Communications.



The first one is a joint Communication of the Commission and the HR/VP on **strengthening the EU's contribution to rules-based multilateralism.**

The Communication declare the EU principles for multilateralism promoting global agendas such as the UN 2030 Agenda and the Paris Agreement, and its commitment to play an **active role for the reform of the multilateral system institutions**, with an **inclusive involvement of government, civil society, the private sector, academia and other stakeholders.**

Under the **Building back better from the pandemic** chapter, the Commission mention a proposal for ***a Global Recovery Initiative linking investment and debt relief to the 2030 Agenda*** to secure a truly transformative, post-COVID-19 path.



The second one Communication, is related to a **trade Policy Review - An Open, Sustainable and Assertive Trade Policy**. It includes a draft proposal for reforming WTO rules in line with **SDGs**. For decent work and gender equality issues, the Commission ask a more active cooperation between the **WTO** and the **International Labour Organisation**.



Establish mandatory rules for a sustainable and responsible value chains in trade policies:

- February 2022, **Proposal for a Directive on due diligence.**
- September 2022, **Proposal for a regulation on prohibiting products made with forced labour on the Union market.**



Both initiatives are also part of the framework strategy adopted in the **Communication on decent work worldwide - for a global just transition and a sustainable recovery** adopted in February 2022. In the premises, the Commission underline: ***the EU supports the universal concept of decent work as developed by the ILO and as reflected in the UN Sustainable Development Goals, consisting of the four inseparable and mutually reinforcing objectives of***

- ***productive employment,***
- ***standards and rights at work,***
- ***social protection***
- ***social dialogue.***

Gender equality and non-discrimination are cross-cutting issues in these objectives.



The EU Council in the conclusion of 22 June 2021 - **A comprehensive approach to accelerate the implementation of the UN 2030 Agenda for sustainable development** – Building back better from the COVID-19 crisis - reaffirm its commitment for the UN 2030 Agenda. The Council relaunch the Commission's proposal for a **Global Recovery Initiative linking investment and debt relief to the SDGs worldwide**, and recall the ongoing work on multilateral actions on debt and sustainable financing adopted within the G20.

Underlining that trade is a central instrument for the implementation of the UN 2030 Agenda, highlights the **central role that rules within WTO can play for trade agreements conducive to social and environmentally sustainable development goals.**



One year after, on 23 June 2022, the European Parliament in its resolution on the implementation and delivery of the Sustainable Development Goals (SDGs). insists that **renewed global political engagement and intensified multilateral cooperation will be necessary in order for the EU and its partners to make meaningful progress in the coming eight years.**

The Parliament launch its alarm for **public indebtedness in the developing countries**, and that the **current crisis has exacerbated pre-existing debt vulnerabilities**, and calls for the **creation of a multilateral debt handling mechanism, under UN auspices**, to address the debt crisis in developing countries and the financing requirements of the 2030 Agenda.



It is necessary to point out that

- despite these statements by the EU institutions on the need for structural solutions to tackle the indebtedness of developing countries, **there is still a lack of structured policy proposals appropriate to the challenges;**
- at COP 27 of UNFCCC in Sharm-El Sheik, is reaffirmed the **inability to ensure from developed countries the transfer of USD 100 billion per year by 2020** for climate action in developing countries, as was agreed in 2009. The transfer quantified is at USD 83,3 at 2020.
- scientist of UNEP and IPCC have already relaunch the estimate that the **needs for developing countries are of USD 160-340 billion per year until 2030 - for adaptation to climate change only.** As the IPCC explain, activities mobilized for adaptation and resilience are often **non-marketable** and their funding will continue to come from the public sector;
- the inability to invest in adaptation and resilience creates a tragic destructive spiral, affecting environmental, social and economic resources and assets, especially in the poorest countries, with repercussions on the environmental, social and economic stability of the entire planet.



- The IPCC highlights the **strong link between climate actions and all SDGs**: *climate shocks can cause social unrest, and migration pressures, especially when starting inequality is high and social transfers are low. Additionally, climate policies are more politically difficult to implement, when the setting is one of high inequality but much less politically costly where incomes are more evenly distributed with stronger social safety nets.*
- A **redrawn social compact incorporating climate that would adopt redistributive taxes** and lower carbon consumption, and strengthen state capacity to deliver safety nets, health, education with accelerated climate and environmental sustainability within and across countries is increasingly recognised as important.
- The **code-red warning on Goal 13** of the last UN monitoring report on SDGs, draws the figure from the IPCC report that - by 2030, an **estimated 700 million people will be at risk of displacement by drought alone.**



- It is possible to **adapt to climate change through decent work creation**, to save the possibilities in the next future to preserve chances of decent work and decent livelihood.
- Consequently **it's urgent - now more than ever - , that EU strongly pushes for a new multilateral agreement to establish a finance tool for climate action**. The finance tool must be decent work-centred, and localised where it is most needed. A job centred approach is the only way to tackle *the crisis of biblical proportions that is the climate chaos*, as stated by the UN Secretary-General Antonio Guterres at the conclusion of COP27 .
- As envisaged in the **UN Financing for Sustainable Development report** to build a more sustainable, inclusive and resilient global economy that works for all, ***we must reform the international financial architecture with rules that are inclusive, effective and fair.***



D. - Final recommendations

A final chapter should develop key recommendations for the EU to respond to multiple crises in line with the SDG8 and the 2030 Agenda, and provide a more structured and effective role for social dialogue in it. Moreover, the conclusions should summarize the key asks of the trade union movement to uphold the role of the EU as an SDG Champion in the multilateral context.



In the external action, the EU must adopt:

- A **decent work centred approach in all investment**. The **Global Gateway program and its alignment with the UN's 2030 Agenda, have to be demonstrated in ex-ante and ex-post assessments for any project**, with appropriate science-based indicators and monitoring tools. Transparency, due diligence procedures must be found in the *sine qua non conditionalities* for launching any project funded by EU state and non-state actors. Choices have to be discussed with a meaningful participation of a broad range of stakeholders, both in partner countries and in Europe.



Define a priority list for investment

- A **priority list for investment** defined according to the joint programming process with each partner country and region and with **local communities involvement**, maximising decent work creation in a framework of long lasting economic and social benefits at local level.



Partnership coordination SDGs consistent

- A stronger **partnership coordination in line with SDGs**, establishing a forum between the Global Gateway and other EU initiative for external action and development aid initiatives (also at Member States level), and with other international cooperation for development initiative such as the American Build Back Better and the British Clean and Green, to **avoid harmful competitions**;



- An active role in all international fora (such as G7, G20, COPs of UNFCCC - UNCBD - UNCCD, HLPF, UN Summit of the Future, Social summit etc.) for the **reform of international financial architecture**. The EU must support financial rules that are inclusive, effective and fair, giving concreteness to the UN 2030 Agenda principle of leaving no one-behind. To **align financial flows with SDGs and Paris agreement** commitment to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, **tackling inequalities must be adopted as the cornerstone of the reform**



Thank you for your attention!

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