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**COVER NOTE** 

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
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То:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
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	A Global Partnership for Poverty Eradication and Sustainable Development after 2015

Delegations will find attached document COM(2015) 44 final - Annex 1.

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ANNEX 1

# ANNEX

to the

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

### <u>ANNEX</u>

This annex lists a series of possible actions that could contribute to the effective implementation of the post-2015 agenda. It also presents proposals for actions which could be carried out specifically by the EU, provided that there is an agreement on the overall framework and its means of implementation.

#### 1) An enabling and conducive policy environment at all levels

#### Actions for all:

- Establish an enabling policy environment to achieve specific Sustainable Development Goals (SDGs) and targets through an integrated and coherent set of policy measures, based on the principles of human rights, good governance, rule of law, support for democratic institutions, inclusiveness, non-discrimination, and gender equality.
- Exchange experience of effective economic instruments, regulatory frameworks and enforcement, national policies and best sustainability practices (such as fiscal incentives, review of subsidies and procurement).
- All developed countries and emerging economies should commit to setting up systems to systematically assess the impact on developing countries of adopting new policies.
- Encourage public bodies to procure sustainably as much as possible, for example by using criteria to create and increase demand for sustainable products and services and encourage the exchange of best practices.
- Increase the coherence of policies at national and international level to ensure that they support the implementation of the post-2015 agenda.
- Support the development and strengthening of enabling policy and institutional environments in other countries, including those in fragile situations.
- Establish independent and efficient judicial systems.
- Strengthen international agreements and frameworks and their implementation (including ILO's fundamental conventions, multilateral environmental agreements, agreements on global public goods, the "10 Year Framework of Programmes for Sustainable Consumption and Production", the International Health Regulations and the UN framework for disaster risk reduction), to ensure better integration and coordination between them.
- Support the development of international sustainability standards.
- Work to ensure that multilateral institutions operate coherently and in complementarity with each other.

#### EU actions:

In addition:

- Promote increased international use of the Policy Coherence for Development approach.
- Ensure coherence between the post-2015 agenda and the Europe 2020 Strategy for growth and jobs, notably regarding climate change, renewables, oceans, waste and resource efficiency.
- Actively contribute to dialogues and assist partner countries in their efforts to strengthen their regulatory frameworks, judicial systems, economic instruments, social conditions, sustainable procurement, and other related policies and to implement and enforce legislation, including through international partnerships, exchange of knowledge and capacity building.
- Contribute to strengthening international agreements and their implementation, including agreements on global public goods, e.g. climate, biodiversity or oceans, to ensure better

integration and coordination between them (in particular the range of multilateral environmental agreements)

• Contribute to the development of international sustainability standards.

# 2) Develop capacity to deliver the agenda

### Actions for all:

- All international cooperation partners should support others in developing their capacity through learning initiatives and networks.
- Monitor and review specific results on capacity development and integrate them into policy dialogue where appropriate.

# EU actions:

In addition:

- Improve and mainstream support for capacity development, particularly for LDCs, in all sectors of cooperation, through a multi-stakeholder perspective.
- Facilitate peer-to-peer learning processes and networking through initiatives such as twinning and institutional development programmes.
- Improve its systems to support capacity development with particular regard to multistakeholders partnerships.
- Use processes such as the Europe 2020 review to share best practices and build knowledge and awareness across EU Member States in order to accelerate progress towards EU implementation of the SDGs.

# 3) Mobilisation and effective use of domestic public finance

- Commit to achieving optimal levels of government revenue (measured as tax to GDP ratio), including by:
  - strengthening the necessary institutions, including developing capacity in tax administrations and the judiciary;
  - promoting the development and use of public assessment tools or initiatives to improve revenue collection;
  - reforming national tax systems to broaden the tax base and ensure fair, just and sustainable tax policies;
  - o enacting national regulations to combat illicit financial flows;
  - enacting national regulations to implement the minimum standards of good governance in the tax area (transparency, exchange of information and fair tax competition), to tackle tax evasion, tax avoidance and aggressive tax planning and to avoid harmful tax competition;
  - participating in regional and international initiatives of tax cooperation, to ensure a level playing field in taxation for local and international companies;
  - setting up and implementing a global standard for the automatic exchange of tax information, paying specific attention to supporting LDCs;
  - o implementing recommendations on base erosion and profit shifting; and

- enhancing the voice of civil society for transparency and accountability.
- Have in place systems for the efficient, sustainable and transparent management of all state resources, including by:
  - strengthening the institutions with responsibility for budgetary planning and oversight, including independent national supreme audit institutions, parliaments and civil society;
  - promoting the development and use of public assessment tools or initiatives to improve the public finance management system and formulating and implementing credible, relevant, government-owned and led public finance reform programmes;
  - ensuring the long-term sustainability and transparency of government finances, including through implementing debt and treasury management strategies, carrying out sustainable and transparent management of natural resources revenue, and strengthening relevant institutions;
  - ensuring that all state resources are used coherently to achieve the agreed objectives, by incentivising sustainable investments and approaches and avoiding spending on environmentally harmful subsidies;
  - investing in environmental management and building ecosystem, climate and disaster resilience to reduce costs of clean ups and reconstruction.

In addition:

- Increase assistance for nationally driven efforts to implement public finance policy, administration reforms, and to promote a transparent, cooperative and fair international tax environment. This includes supporting capacity building: on public finance-related topics; for deeper analysis of the impacts of policy changes; and on international tax standard setting.
- Review implementation of the Accounting and Transparency Directives, including countryby-country reporting from multinational companies, no later than 2018.
- Pursue policies to fight base erosion and profit shifting, implement the automatic exchange of information, and improve accountability and financial inclusion.

#### 4) Mobilisation and effective use of international public finance

- All countries should provide their fair share to support poorer countries in reaching internationally agreed objectives:
  - i. The EU and all high-income countries should provide 0.7% of their GNI as Official Development Assistance (ODA).
  - ii. 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.
- iii. The timeline for achieving these targets should be decided as part of the overall commitment of the countries mentioned in i) and ii) above. The EU would be ready to go further, and make quicker progress, provided the above mentioned countries are also willing to take similarly ambitious commitments.

- iv. As part of that commitment, the EU and all high-income countries should deliver on the UN target of providing 0.15% of their GNI for development assistance to LDCs, while upper middle-income countries and emerging economies should also increase their assistance going to LDCs.
- All donors, including emerging donors, should increasingly deliver development assistance according to development effectiveness principles.

# <u>EU actions</u>:

In addition:

- The EU and its Member States are committed to improving the effectiveness of their development cooperation policies, in line with their commitments under the Global Partnership for Effective Development Cooperation (GPEDC) and to following the Busan aid and development effectiveness principles.
- The EU will implement the specific commitments agreed under the GPEDC, with a focus on: improving transparency; reducing donor fragmentation; strengthening delivery, accountability, measurement and demonstration of sustainable results; implementing the agreed approach in situations of conflict and fragility; and deepening public private engagement to increase development impact.
- The EU will work to support streamlining and reduce the fragmentation of the international aid architecture, including international finance for global environmental goods.
- The EU remains committed to fulfilling its obligations under international conventions including on climate change, biodiversity, oceans and other key global issues and calls on all countries to do the same. In this context, the EU has decided already for the period 2014-2020 to dedicate 20% of its budget to climate-related projects and policies.

# 5) Stimulate trade to eradicate poverty and promote sustainable development <u>Actions for all</u>:

- All developed countries and emerging economies need to provide, as the EU already does, duty-free and quota-free access to all products from all LDCs, except arms and ammunition.
- Implement the Bali package, including the Trade Facilitation Agreement and the elements that relate to LDCs:
  - Implementation of the World Trade Organisation guidelines on preferential rules of origin for LDCs.
  - Promoting the operationalisation of the previously agreed Services Waiver for LDCs.
  - Making progress to address cotton "ambitiously, expeditiously and specifically" within the agriculture negotiations.
- Increase aid for trade in support of beneficiary countries' development priorities, transparently and consistent with development effectiveness principles.
- Assess the sustainability impact of trade agreements and their impact on LDCs.
- Integrate the sustainable development dimension into trade policy, including through the systematic inclusion of sustainable development provisions in trade agreements, including on labour and environmental aspects.

- Promote multilateral and plurilateral initiatives, such as the negotiations to liberalise trade in environmental goods and services and facilitate trade and investment therein.
- Intensify work in international standard bodies (such as the International Standards Organisation, ISO) in relation to trade and sustainability.
- Renew collective efforts to promote intra-regional trade, notably in Africa, including trade facilitation measures.
- Strengthen international measures to combat illegal trade, such as the fight against illegal trade in wildlife, illegal logging and illegal, unreported and unregulated fishing.

In addition:

- Monitor and report on the application of the EU Generalised Scheme of Preferences.
- Continue the systematic inclusion of sustainable development provisions in all trade agreements, including on labour and environmental aspects, and pursue the effective implementation of these provisions.
- Work to further the negotiation of a plurilateral agreement on environmental products and services (the "Green Goods Agreement").
- Deliver on its commitment to maintain funding for trade facilitation, including contributing to an international trade facilitation facility.
- Improve access to Aid for Trade for LDCs.
- Review the EU Aid for Trade Strategy in the light of the outcomes of the post-2015 negotiations.
- Continue to promote innovative integrated multi-stakeholder partnerships to improve labour, health and safety conditions for workers.
- Continue to support regional trade integration efforts in all parts of the world, notably by providing trade-related technical assistance and capacity building, for instance for trade facilitation, to strengthen sanitary and phytosanitary systems, industrial standards and quality control systems, or to support participation in sustainability schemes and standards.

# 6) Drive transformative change through science, technology and innovation

- Increase bilateral, regional and multilateral cooperation on science, technology and innovation, and solutions-oriented research.
- Raise awareness of how to use Intellectual Property Rights to stimulate growth for government, business and researchers.
- Strengthen capacities in science, technology, innovation, research and digitisation in developing countries and promote worldwide and cross-sector mobility and open access to publications from publicly-funded research.
- Improve access to education and training in developing countries to support the development the skills needed for innovation, job creation and growth.
- At UN level, facilitate access to information on existing technology and promote coherence and coordination between technology-related mechanisms including any new technology mechanisms.

In addition:

- Promote open access to publications, and on a pilot basis data, resulting from research funded under Horizon 2020.
- Facilitate knowledge sharing and build research capacity including in developing countries.
- Support innovation and technology development in collaboration with low- and middleincome countries, in areas such as health and poverty-related diseases, sustainable agriculture and food security, and through community-level innovation.
- Support innovation and technology transfer capacities through higher education programmes.
- Work in a constructive and open manner with all other partners on the proposals to support science, technology, innovation, and capacity building for LDCs.
- Continue to contribute to relevant global initiatives like the Global Earth Observation System of Systems, the Intergovernmental Panel on Climate Change and the Global Alliance for Chronic Diseases, and further support relevant EU collaborations with non-EU partners, such as the European and Developing Countries Clinical Trials Partnership 2.
- Support training on the use of intellectual property rights for government, business and researchers, and technical assistance to government for relevant legislative projects.

# 7) Mobilising the domestic and international private sector

#### Actions for the private sector:

- Protect human rights including through addressing labour conditions, health and safety at work, access to social protection, voice, empowerment and gender-related issues.
- Adopt and promote sustainable and responsible investment models and progressively improve the sustainability and performance of products and services.
- Engage in emissions trading schemes and contribute to the mobilisation of financing for climate change adaptation and biodiversity conservation.
- Report comprehensively on social and environmental performance and work conditions and share best practices through international business networks.
- Develop reliable and comparable sustainability information, standards, schemes (such as fair trade schemes) and labels on products and services that can provide economic, environmental and social benefits.
- In the financial sector, use innovative methods to extend financial inclusion, including to micro-, small and medium-sized enterprises.
- Develop and implement corporate policies to enhance transparency, fight corruption, prevent bribery and tax evasion and develop systems to assess risks and mitigate potential adverse impacts when operating or investing in developing countries.

# Actions for all:

• Create a business environment conducive to private sector initiatives, with a predictable legal framework, stepping up support to micro-, small and medium-sized enterprises, promoting transitioning from informal to formal economy, promoting eco-entrepreneurship, empowering women as entrepreneurs and workers and deepening financial inclusion.

- Support the development and deepening of financial markets and the development of appropriate regulatory frameworks that ensure stability of financial systems and provide incentives for sustainable investments.
- Provide financial and regulatory incentives for responsible business practices and promote the scaling up of market-based solutions for sustainable development, for example through regulation and support for eco-design, longer product lifespan and increased recyclability.
- Facilitate private sector engagement, particularly in sustainable energy, sustainable agriculture, forestry and agribusiness, sustainable infrastructure, green infrastructure and green economy sectors.
- Promote innovative uses of public development financing in order to leverage enhanced resources to meet sustainable development objectives and support the development of the local private sector.
- Promote the use and diffusion of sustainability labelling.
- Continue to promote guidelines for sustainability reporting through dialogue with partner countries and companies.

In addition:

- Pursue innovative uses of EU development financing in order to leverage enhanced resources to meet development objectives and support the development of the local private sector in LDC economies.
- Promote the participation of businesses in the use and diffusion of sustainability schemes and labels both within the EU and around the world.
- Promote the integration of biodiversity considerations into business practice and the role of businesses in biodiversity conservation.
- Promote sustainability responsibility and reporting (including through corporate social responsibility guidelines) through dialogue with partner countries, companies and social partners.
- Continue to require large companies to disclose information on policies, risks and outcomes regarding environmental matters, social and employee-related issues, respect for human rights, anti-corruption and bribery, and diversity.
- Support the development of sustainable transport infrastructure, the implementation of international conventions and agreements on transport and trade facilitation; and the development of necessary productive capacity to improve transport competitiveness. The Resource Efficiency roadmap proposes a low-carbon, resource-efficient, secure and competitive transport system to be in place by 2050 that promotes a clean, modern and efficient transport network.
- Support regional cooperation efforts.

# 8) Harnessing the positive effects of migration

- Develop coherent and comprehensive policies for managing migration in all its aspects.
- Reduce the cost of remittances paid by migrants to less than 3% as well as reducing recruitment costs.

- Increase possibilities for cross-border skills and qualifications recognition and portability of earned benefits.
- Take action to reduce forced migration, including building resilience to external shocks, including conflict and climate change.
- Protect rights of migrant workers in compliance with the ILO's norms and standards and rights of displaced persons.
- Support migrant integration.

In addition:

• Improve the management of migration through operational cooperation with partner countries, e.g. through regional and bilateral dialogues under the EU external migration policy.

# 9) Monitoring, accountability and review

# Actions for all:

- Translate the post-2015 agenda into national action, taking into account national priorities, circumstances and capacity. The level of global ambition should encourage ambitious national target-setting.
- Set up a planning process for implementing the post-2015 agenda that is inclusive and transparent with updates on progress being publicly available to encourage broad public engagement in the post-2015 process.
- Raise awareness amongst citizens of the post-2015 agenda and actions being taken at national and international level.
- Commit to a multi-stakeholder review process; engage stakeholders fully in the monitoring process and set up systems for accountability at national level.
- Engage in monitoring, mutual accountability and review at global level that assesses progress towards the goals and targets on the basis of national reports, augmented by other reports for instance on specific goals or themes, such as natural capital accounting.
- Work together on identifying targets that are off-track globally, regionally, or for specific countries, and propose remedial action.
- Improve data availability, quality and analysis, e.g. by supporting data collection and monitoring efforts, strengthen real-time monitoring and gathering of disaggregated data, and encourage open data policies.

# <u>EU actions</u>:

In addition:

- Actively engage in setting up and implementing a strong and ambitious monitoring, accountability and review process at global level, share EU experience in this area and provide key contributions to the Global Sustainable Development report.
- Step up capacity building in the field of statistics and monitoring in partner countries. Contribute through EU research and innovation to close gaps in statistical and geospatial data availability worldwide and to formulate evidence-based policy advice.
- Continue to engage stakeholders in implementing and reviewing progress towards the SDGs, taking into account the needs of discriminated groups and people in vulnerable situations.