

UN 2030 Agenda for Sustainable Development - Public Consultation on revising the European Consensus on Development

Fields marked with * are mandatory.

(1) Introduction

The year 2015 was a strategic milestone for global governance, poverty eradication and sustainable development. It marked the target date of the UN Millennium Development Goals and a point to reflect on the progress made to date and the challenges ahead in addressing their unfinished business. 2015 also saw a series of landmark international summits and conferences over the course of the year (the [Sendai Framework for Disaster Risk Reduction 2015-2030](#), the [Addis Ababa Action Agenda](#), the [2030 Agenda for Sustainable Development](#) and the COP 21 [Paris Agreement](#) under the UN Framework Convention on Climate Change) which have collectively re-cast the way the international community, including the EU, will work to achieve sustainable development and poverty eradication for many years.

Importantly, and in contrast to the Millennium Development Goals, the 2030 Agenda, including its seventeen Sustainable Development Goals, is a universal Agenda which applies to all countries. It reflects many core European values and interests and provides an international framework for tackling global challenges such as climate change. The EU response to the 2030 Agenda is moving ahead in a range of ways:

- Firstly, as part of EU efforts to implement the 2030 Agenda, the [Commission Work Programme for 2016](#) announces an initiative on the next steps for a sustainable European future which will explain how the EU contributes to reaching the Sustainable Development Goals and map out the internal and external aspects of EU policies contributing to the implementation of the Sustainable Development Goals.
- Secondly, the High Representative will present the [EU Global Strategy on Foreign and Security Policy](#) that is expected to steer the different EU external policies contributing to the global vision of a more stable, prosperous and secure world. It should set out the strategic direction for the full range of EU external action, and as such will help guide EU implementation of the 2030 Agenda in external action.
- Thirdly, the EU will review its development cooperation policy. Existing leading policy documents (including the [2005 European Consensus on Development](#) and the [2011 Agenda for Change](#)) are currently framed around the Millennium Development Goals and need to adapt to incorporate the 2030 Agenda. Given its direct relevance to the EU's overall relations with developing countries, this review will be carried out in full consistency with the ongoing work on the future of the partnership between the EU and the members of the African, Caribbean and Pacific Group of States, under a post-[Cotonou](#) framework.

Views from this consultation will be used to inform the way forward on the initiatives above and in particular the revision of the European Consensus on Development and other external aspects of 2030 Agenda implementation. The consultation seeks your views on **how development policy, in the context of EU external action as foreseen by the Lisbon Treaty**, should respond to the range of landmark 2015 summits and conferences, and also to the rapid changes happening in the world.

Replies can include views which could apply only to the EU institutions and also to both the EU and its Member States – it would be helpful to clarify this in your response. This open public consultation will run for 12 weeks from 30 May 2016 to 21 August 2016. A brief summary and analysis of all consultation contributions will be published by November 2016 and all individual contributions will also be made available on the consultation website (unless respondents ask for their contributions not to be published).

(2) Information on respondents

- * 2.1 Received contributions may be published on the Commission's website, with the identity of the contributor. Please state your preference with regard to the publication of your contribution.

Please note that regardless of the option chosen, your contribution may be subject to a request for access to documents under [Regulation 1049/2001](#) on public access to European Parliament, Council and Commission documents. In such cases, the request will be assessed against the conditions set out in the Regulation and in accordance with applicable [data protection rules](#).

- I do not agree that my contribution will be published at all
- My contribution may be published but should be kept anonymous; I declare that none of it is subject to copyright restrictions that prevent publication
- My contribution may be published under the name indicated; I declare that none of it is subject to copyright restrictions that prevent publication

- * 2.2 Are you registered in the EU's Transparency Register?

Please note: Organisations, networks, platforms or self-employed individuals engaged in activities aimed at influencing the EU decision making process are expected to register in the transparency Register. During the analysis of replies to a consultation, contributions from respondents who choose not to register will be treated as individual contributions (unless the contributors are recognised as representative stakeholders through Treaty provisions, European Social Dialogue, Art. 154-155 TFEU).

- Yes
- No

- * 2.3 Name (entity or individual in their personal capacity)

United Nations Industrial Development Organization - UNIDO

- 2.5 What type of stakeholder are you?

- Government institution / Public administration
- University / Academic organisation
- Civil society (including Non-Governmental Organisation, specialised policy organisation, think tank)
- International organisation
- Private sector or private company
- Citizen/private individual
- Other

2.6 Please specify

UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.

The mission of the United Nations Industrial Development Organization (UNIDO), as described in the Lima Declaration adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in developing countries and economies in transition.

The relevance of ISID as an integrated approach to all three pillars of sustainable development is recognized by the recently adopted 2030 Agenda for Sustainable Development and the related Sustainable Development Goals (SDGs), which will frame United Nations and country efforts towards sustainable development in the next fifteen years. UNIDO's mandate is fully recognized in SDG-9, which calls to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". The relevance of ISID, however, applies in greater or lesser extent to all SDGs.

Accordingly, the Organization's programmatic focus is structured in three thematic priorities, each of which represents different aspects of ISID:

- Creating shared prosperity
- Advancing economic competitiveness
- Safeguarding the environment

* 2.7 What is your place of residence (if you are answering as a private individual) or where are the headquarters of your organisation situated (if you are answering on behalf of an organisation)?

- In one of the 28 EU Member States
- Other

2.8 Please specify

Austria; Belgium

(3) Context: why a change is needed

The EU and its Member States are determined to implement the 2030 Agenda through internal and external actions as well as contribute to the successful implementation of the Paris Agreement on Climate Change, given the strong interlinkages. In this context, our policies, should take into account changing global conditions and trends, to ensure that they remain fit-for-purpose across the time-horizon to 2030.

The global landscape has changed significantly compared to the time of adoption of the Millennium Development Goals. While much has been achieved, with more than one billion people having been lifted out of extreme poverty since 1990, great challenges remain and new ones are emerging. At global level, more than 800 million people still live on less than USD 1.25 a day. The world is witnessing multiple conflicts and security tensions, complex humanitarian and global health crises, deteriorations of human rights, environmental degradation, resource scarcity, urbanisation and migration. Migration flows across the world will continue to have important impacts, and present both a risk and an opportunity. The EU needs to address global security challenges, including tackling the root causes of conflict and instability and countering violent extremism. Climate change can continue to amplify problems and can severely undermine progress. Important changes include demographic trends, a new distribution of wealth and power between and within countries, the continuing globalisation of economies and value chains, an evolving geography of poverty and a proliferation of actors working on development. Projections also suggest important challenges are ahead (for example, continuing unprecedented urbanisation, and other demographic challenges including ageing societies for some and the potential for a demographic dividend for others). Continued attention will be given to a democratic, stable and prosperous neighbourhood. A revision to EU development policy should take into account these trends (including anticipating those that will remain central in future) whilst retaining a core focus on eradicating poverty and finishing the job started by the Millennium Development Goals.

Finally, the EU Consensus needs also to adapt to the Lisbon Treaty, which provides for all external action policies to work within the frameworks and pursue the principles of objectives of Article 21 of the Treaty on European Union. In particular, coherence between the different parts of EU external action and between external and internal policies is crucial.

The EU will need to address these new global challenges, many of which require coordinated policy action at the national, regional and global levels. The 2030 Agenda provides a framework which can guide us in doing so.

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

Key messages:

- There are many key global trends that can be observed simultaneously and are interrelated. The 2030 Agenda is meant to address them in a holistic and universal way.
- Persisting inequality and poverty coupled with climate change and demographic changes and connected implications like migration and radicalization might be singled out.
- The key question will be how to provide meaningful perspectives with jobs and productive activities with a decent income to the “bottom billion”.

The above mentioned trends and their associated targets, all frame the 2030 Agenda with the vision and ambition to both achieve a balance among the three dimensions of sustainable development – environmental, social and economic – and integrate them into a universal and visionary framework for global cooperation and action. The integrated approach of the 2030 Agenda intrinsically recognizes the interrelated nature of all goals and targets, their trade-offs and synergies. Therefore it would be incongruous to stress that one single global trend has more importance than another as we believe they are all linked. One of the UN reviews of the MDGs stated that some of the issues, even if interlinked, were dealt with separately. The ambition of the SDGs can only be reached by working in a connected way.

If one needs to highlight key underlying trends that need to be tackled, these are poverty and structural violence stemming from inequality and climate change and the destruction of the planet based on anthropogenic activities. Taking on inequality, for example, would have considerable results not only for the poorest, but for the whole population. A research by IMF has shown that an increase of the income share of the poorest 20% of the population can increase growth by as much as 0.38 percentage points over five years. On the other hand, raising the income share of the richest 20%, actually lowers the GDP growth in the medium term (IMF 2015). The average per capita manufacturing value added (MVA) of industrialized countries is 10 times higher than that of developing countries and 90 times higher than the average of LDCs. These countries comprise the “bottom billion” who suffer a range of persistent socioeconomic problems, including high levels of extreme poverty, low levels of education and health facilities, poor infrastructure and limited economic opportunities. (UNIDO 2014) That’s the gap between prosperity and poverty and the growing inequality among nations is the particular concern of UNIDO, which was created 50 years ago with the mission of promoting and accelerating industrialization in developing countries.

By 2050 Africa’s population is expected to increase by more than one billion. When population increase is coupled with persisting inequality and high poverty rates and exacerbated by trends like with climate change can be a trigger for recent trends like migration, terrorism radicalization and conflict for scarce resources. Especially young people with limited perspectives and opportunities will be prone to take risks to emigrate or search for security in radical ideologies.

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

Key messages:

- Inclusive and sustainable industrialization can make a critical contribution providing jobs and incomes at large scale and tackling the root causes of migration by increasing local resilience.
- Historically, this potential for explosive growth and large scale job generation has been distinctive to manufacturing.
- The EU could invest in creating shared prosperity, advancing economic competitiveness and safeguarding the environment at a larger scale

Considering that not one single trend alone will shape the future, it will be important that the response will be considered holistically and in an integrated manner. This is in line with the indivisibility of the SDGs and in line with EU development policies and commitments. Nevertheless, in order to mitigate the above mentioned tendencies, inclusive and sustainable industrialization (SDG 9) can make a critical contribution providing jobs and incomes at large scale and tackling the root causes of migration by increasing local resilience and fostering human development. UNIDO research shows that when MVA per capita increases by 1% annually, the poverty head count decreases by almost 2%. With an increase of MVA per capita of 1% the number of deaths related to armed conflicts falls by 4.5%. Moreover how industrial development is intrinsically correlated with social improvements such as poverty reduction, health, gender equality, education, and food security (UNIDO 2013) and therefore also connects strangely with the other SDGs. Looking at sustainability, it will be critical to transform industrial and energy systems, 75% of GHG emissions, if we want to effectively combat climate change and decrease the burden of disease from pollution which falls to 94% on the poor (see 4.1).

Looking at history, industrialization has been fundamental to economic development. Only in circumstances such as extraordinary abundance of land or resources have countries succeeded in developing without industrializing. Not only is industrialization the normal route to development but as a result of the globalization of industry the pace of development can be explosive. This potential for explosive growth is distinctive to manufacturing as, instead of running up against shortages of land or resources that inevitably constrain the growth of agriculture or the extractive industries, it benefits from economies of scale: unit costs of production fall. It can be a key strategy to for the bottom billion to break out of poverty and for middle income countries to move up. (UNIDO 2009, Paul Collier lead author)

In line with the EU's communications "A Decent Life for All: From Vision to Collective Action" and "A Global Partnership for Poverty Eradication and Sustainable Development after 2015" and keeping in mind a good balance between of economic, environmental and social issues, the EU in its future development policy therefore might wish to take into consideration some of the following key aspects:

Creating shared prosperity: Advance poverty eradication and promote social inclusiveness, build productive capacities in an inclusive manner, and

provide increased opportunities for all women and men as well as across social groups, also through partnerships with all relevant stakeholders, both public and private actors, involved in the industrialization process;

Advancing economic competitiveness: Advance rapid economic and industrial growth, foster entrepreneurship, build trade capacities in industries, and ensure that all countries can benefit from international trade and technological progress, also through the application of modern industrial policies and compliance with global sustainability standards and norms;

Safeguarding the environment: Advance environmentally sustainable growth, continue to build institutional capacities for greening industries through cleaner production technologies and resource efficiency methodologies, create green industries, including in fields of waste management and recycling, support energy transitions, and continue to implement the various multilateral environmental agreements.

(4) Priorities for our future action: what we need to do

Implementation of the 2030 Agenda will require sustained EU efforts to promote a more just world, including a strong focus on the need to address gender equality and women's empowerment. Peace, inclusiveness, equality and good governance including democracy, accountability, rule of law, human rights and non-discrimination will need particular emphasis. The 2030 Agenda also requires recognition of the close interconnectedness between poverty, social issues, economic transformation, climate change and environmental issues.

To achieve poverty eradication, EU development policy will need to take into account key demographic and environmental trends, including challenges related to climate change, and concentrate effort on least developed countries and fragile states. The EU will also need to strengthen our approach to fragility and conflict, fostering resilience and security (as an increasing proportion of the world's poor are expected to live in fragile and conflict affected states) and to protect global public goods and to maintain our resource base as the prerequisite for sustainable growth. Peace and security, including security sector reform, will have to be addressed also through our development policy, as will the risks and opportunities related to migration flows. Tackling social and economic inequalities (both within and between countries) is a crucial element of the 2030 Agenda as is addressing environmental degradation and climate change. Job creation will be an important challenge in which the private sector has to play an active role. Finishing the job of the Millennium Development Goals requires identifying and reaching those people throughout the world who are still not benefitting from progress to ensure that no one is left behind.

To achieve lasting results, EU development policy will need to foster transformation and promote inclusive and sustainable growth. Drivers of inclusive sustainable growth, such as human development, renewable energy, sustainable agriculture and fisheries, and healthy and resilient oceans should be an important part of our efforts to implement the new Agenda as will efforts aimed at tackling hunger and under-nutrition. Implementation of the 2030 Agenda will require a multi-dimensional, integrated approach to human development. Implementation will also require us to address vectors of change, such as sustainable urban development and relevant use of information and communication technology. Our development policy will have to engage and identify new ways of partnering with the business in order to achieve sustainable and inclusive growth, industrialisation and innovation. Implementation of the 2030 Agenda will also require cooperation with partner countries and regions on science, technology and innovation. In all aspects of our external action, the EU will need to ensure that our approaches, including development cooperation, are conducive to achieving the 2030 Agenda's Sustainable Development Goals and that the EU intensifies efforts to promote pursue coherence between our policies and our internal and external action.

4.1 How can the EU better address the links between achieving the Sustainable Development Goals, the Paris Agreement on climate change and addressing other global sustainable development challenges?

Key messages:

- Industry and energy-related emissions make up 75% of GHG emissions. Therefore the transformation of our industrial and energy systems via SDG9 and SDG7 need to be a top priority in climate change mitigation.
- On the adaptation side, nexus approaches with mitigation and developmental co-benefits should be multiplied.

The Paris agreement and the SDGs are interlinked and climate change is specifically anchored as SDG 13. There are some cross-cutting challenges that, if tackled, can help achieve both the SDGs as well as the Paris Agreement. The SDG agenda offers many opportunities to advance climate change mitigation and adaptation. In terms of resources, a huge opportunity would be to match funds from the Global Environmental Fund (GEF), the Green Climate Fund (GCF) with funds from donors (including the EU) and the private sector and DFIs for highest climate impact.

On the mitigation side, industry and energy-related emissions make up 75% of GHG emissions according to the latest IPCC report (IPCC 2015). Therefore the transformation of our industrial and energy system need to be a top priority in climate change mitigation. SDG 9 on sustainable industrialization, can be a good entry point to transform industries towards a low and zero carbon direction through Technology transfer can play a critical role to change key sectors such as industries, transport, and buildings. Sustainable and inclusive industrialization also has important social co-benefits such as poverty reduction, human development, increased gender equality, education, as well as health). SDG7, on access to affordable, reliable and modern energy services. Assuring energy efficiency and renewable energy for all, will be a strong contribution to achieving the Paris Agreement. Research shows that industrial energy efficiency could save 30% of today's industrial energy consumption whilst keeping competitive rate of returns and high profitability for companies (UNIDO 2011). A positive side effect of this transformation will be the reduced burden of disease from pollution which largely falls on the poor. Indeed, statistical evidence shows that pollution is the leading cause of death in low- and middle-income countries. Exposure to polluted soil, water and air (both indoor and outdoor) resulted in 8.4 million deaths in 2012 in these countries. This means that roughly one in seven deaths in the world is pollution-related. In addition, 94% of the burden of disease from pollution falls on poor countries (Landrigan and Fuller 2014).

On the adaptation side, integrated nexus approaches that produce climate change mitigation as well as developmental co-benefits can be a powerful way forward. As with the SDGs as a whole, adaptation to climate change needs to be addressed holistically with considering all environmental and socio-economic benefits. One element is climate resilient industrial development, which involves continued efforts to mitigate climate change while at the same time preparing industry to adapt to its impacts.

4.2 How should the EU strengthen the balanced integration of the economic, social and environmental dimensions of sustainable development in its internal and external policies, and in particular in its development policy?

Key messages:

- The SDGs should guide both EU internal as well as external policies and provide the opportunity for a more balanced approach than under the MDGs, monitored with a good tracking framework.
- Strengthen the economic and environmental dimensions under the SDGs by looking at the real economy and new models in line with planetary boundaries.
- Ensure that future economic structures, production patterns, (re) industrialization efforts and investments and are both inclusive and sustainable will be critical.

As other regions, the EU should align with the SDGs both internally as well as externally. Internally, many elements (policies and regulations) are already in place, but maybe need to be regrouped or complemented. To some extent former SD strategies could serve as a basis, however would need to be complemented and have a much stronger political backing and institutional anchorage. In consultation with key international organizations responsible for tracking the SDGs, Eurostat could work on a comprehensive tracking framework. Externally more work needs to be done to shift from and an MDG to an SDG approach and find a good balance between all three dimensions of SD. Global tracking and statistics will be critical to ensure balanced progress and financial assistance to all three dimensions and no SDG is left out or behind.

The MDGs were focused mainly on the social aspects of development and indeed analysis of the funding streams shows that most of the funding went to this dimension of sustainable development. In line with the SDGs, a better balance between all the three dimensions of SD is therefore needed. This also means to look beyond classical development assistance and incorporating other dimensions linked to the real economy like investments and trade. It also means looking at new models such as circular economy business or social enterprises that incorporate sustainability and inclusiveness in their DNA. According to research the social enterprises already accounts for more than 5% of GDP in countries such as the UK or Germany and are very viable while concentrating on the poor communities e.g. 38% of all social enterprises work in the most deprived 20% of communities in the UK, compared to 12% of traditional SMEs (British Council, 2015).

(Re)industrialization is a top priority for governments around the world. In Europe the EU has adopted its "Industrial renaissance" putting forward to increase the contribution of industry to GDP to 20% by 2020 and stressing the importance of industry for other jobs, innovation and other sectors. Equally governments in other regions and countries have their plans to (re) industrialize. (Re)industrialization is happening and will happen in Africa and around the world in the next decades. Ideally, it might become more inclusive and sustainable if the EU take the leadership and invest in inclusive and sustainable economic growth and (re)industrialization, both within and outside its borders.

4.3 What are the main changes you would like to see in the EU's development policy framework?

Key messages:

- The increasing move towards drivers of development and more alignment with the SDGs is welcome
- Due to its potential for job/wealth creation and sustainability, inclusive and sustainable industrial development should be part of future EU policies
- Better coordination between humanitarian and development efforts (LRRD)

The European Consensus for Development laid down important principles for the EU's work in development cooperation which continue to be relevant. Some adaptations however might be useful on the cross-cutting level e.g. consultation mechanisms should also include the private sector or organizations working with the private sector. Thematically the Consensus should ideally align with the SDGs and address all of the SDGs. The Agenda for Change (AfC) made an important step forward in EU development policy by starting to address the drivers of development and focusing on some key areas of intervention. The AfC was complemented by various Communications, like the one on engaging the "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries" which acknowledges the importance of private sector in development.

However, while engaging the (international and European) private sector can make an important contribution, the main focus and vehicle for poverty reduction should be local private sector development and productive capacity building. In this regard, the role of inclusive and sustainable industrial development, while strongly demanded by developing countries and critical for their development, has been largely overlooked by the EU development policies and is not explicitly mentioned in its new Global Strategy, even though the EU has adopted a Communication of the "European Industrial Renaissance" and recognized "Industrialization" as one of the main priorities of the Africa-EU Declaration and Roadmap of 2014. This goes counter a large body of evidence starting with the fact that 1% increase in Manufacturing Value Added (MVA) translates into a 2% decrease in the poverty headcount and 4.5% decrease in deaths related to armed conflicts as well as more education, health, gender equality, life expectancy and less child labor. At the same time, MVA of industrialized countries is 10 times higher than that of developing countries and 90 times higher than the average of LDCs (UNIDO 2014). Indeed, the recent Asian experience has demonstrated that industrialization is the most efficient path for accelerated and large scale human development. Given the large scale of the migration trends, it will be essential that the EU focuses its efforts on the most promising strategy in terms of impact, scale and long term perspective. Due to its job and wealth creation potential, industrial development can also make a critical contribution to tackling the roots causes of migration. It is therefore advised to have it included in future development policies.

With the majority of poor people concentrated in fragile contexts and stuck in protracted crises, effective responses to crises become more important.

Protracted and chronic crises are currently overstressing the humanitarian relief system, while at the same time civil wars, violence, climate change effects and escalating disaster risks call for greater prevention and mitigation efforts. This requires a coordinated approach involving both the development and humanitarian actors and new delivery mechanisms such as investment compacts in protracted crises.

4.4 In which areas highlighted above would you expect to see greater consistency between development policy and other areas of the EU external action in the implementation of the 2030 Agenda?

Key messages:

- More emphasis could be put on strengthening of local producers and suppliers in Third countries and facilitating market access
- A wider economic diplomacy that takes into account development and sustainability aspects could contribute to more policy coherence.

The EU's trade and agricultural policies and negotiations have not always been fully consistent with development objectives and processes like the Economic Partnership Agreements illustrate the difficulty of combining development and other considerations such as trade. In this regard, the completion of the Doha development round would still be a major achievement. However, global business linkages and value chains, provided producers at the beginning of the chain are compensated in a fair manner, offer a strong opportunities for win-win situations. A stronger emphasis should however be put on strengthening of local producers and suppliers and facilitating market access through support for local industrial upgrading and quality infrastructure. While high-income countries add over US\$200 of value by processing one ton of agricultural products, developing countries add less than US\$50. The EU would need to invest much more in value addition for local and sustainable products through a sound and safe agribusiness to increase incomes and create jobs.

Economic diplomacy traditionally focused on the policies and instruments established by countries to support their businesses abroad essentially through trade negotiations and investment promotion. In a wider vision its economic diplomacy, the EU will have to consider the particular situation of its partner countries and their role in implementing policies. Clear examples are sustainable development and climate change and migration. The 2030 development agenda and the Paris agreement on climate provide roadmaps to ensure that human progress can be reached while preserving the environment and the climate. These frameworks will help businesses innovate and transform our economies. To limit global warming the EU cannot act alone and should ensure that its partner countries will also implement those agreements. In this context, through its economic diplomacy, the EU and its Member States should support in priority low carbon low emission businesses, products,

services and investments not only in the single market but worldwide. EU Economic Diplomacy could play a role in supporting partnership frameworks that would support the implementation of SDGs and climate objectives while mobilizing European technology providers, centers of excellence and investors to help partner countries benefit from the green transition. Some banks have already decided to stop financing coal related projects and the green finance sector is expanding. With the growing migration crisis, the EU's long term interest might be to invest massively in the economic development of host countries and countries of origin in order to create job opportunities for youth and women rather than managing long term political instability and the flows of migrants at its borders. With massive public and private investments, the EU could support the economic transformation in developing countries while opening immense opportunities for EU businesses in all sectors. Through industrial cooperation, this transformation would support the emergence of local economies, enterprises and consumers. The history of Asia in the last twenty years can provide an illustration on the huge impact of economic transformation on human well-being, political stability and peace.

4.5 In which areas does the EU have greatest value-added as a development partner (e.g. which aspects of its development policy, dialogue or implementation arrangements or in which category of countries)?

Key messages:

- When adapted to the local regional context, regional economic integration as a distinctive feature of EU development policy is an area the EU provides added value.
- Industrial cooperation could be an area and modality to combine development policy with win-win cooperation models beyond ODA.

Regional economic integration remains a domain in which the EU has invested heavily based on its own successful regional integration model and experience. When adapted to the local regional context and circumstances, this is an area where the EU can certainly continue to add value, even the more as it is one of the only donors in this field. To fully reap the benefits of regional integration, the EU would need to do more to make those regional markets work through trade facilitation and capacity building and through investing in the real economy and productive capacities.

Through economic diplomacy in a wider sense that is not based on pure self-interest, but rather seeking for win-win arrangements the EU could provide value added as development and commercial partner that combines many external dimensions and instruments available to the EU. A globalized world offers many possibilities for economic collaboration through business linkages, industrial cooperation and value chains. Through industrial cooperation, for example, the EU could support local economies, enterprises and consumers in developing countries. Considering that not a single country in the world has ever reached a high stage of economic and social development without an advanced industrial sector, economic diplomacy could have a significant impact if used to promote inclusive and sustainable industrialization.

4.6 How can the EU refine its development policy to better address inequalities – including gender inequality – in the context of the implementation of the 2030 Agenda?

Key messages:

- Supporting inclusive and sustainable industrialization, especially in LDCs, will contribute to more equality and equal trade patterns between states and larger middle classes within states.
- Women economic empowerment through facilitating job creation at large scale and women entrepreneurship can make an important contribution to reduce gender inequality.

Inequalities between nations and within them can be the root conflict or large scale migration and need to be addressed. One way of addressing inequalities is to foster higher levels of industrialization and Manufacturing value added (MVA) in developing countries and especially LDCs. This is in line with target 9.2 to significantly raise industry's share of employment and GDP and double the share of industry in GDP in LDCs. This would allow LDCs to build up economic resilience, break into global markets and break out of traditional patterns of trade that mainly rely on export of raw materials and unprocessed agricultural products. While high-income countries add over US\$200 of value by processing one ton of agricultural products, developing countries add less than US\$50. Furthermore, while 98% of agricultural production in high-income countries undergoes industrial processing, in developing countries, barely 30% is processed. Yet, agro-processing industries in developing countries generate 40-60% of manufacturing value added and agro-industrial products account for as much as half of their total exports (UNIDO 2013). Studies also show that investment and industrial policies help generate jobs, particularly the manufacturing sector tends to create higher paid and more stable jobs, benefitting especially lower income countries. Moreover, this sector has the ability to positively influence other industries (spill-over effects) through knowledge and technological spillover, thus multiplying the positive effects. (IFC 2012)

Addressing gender inequality and empowering women is a key contribution to achieving the SDGs. While this empowerment needs to take place in all dimensions of life, women economic empowerment can be a critical contribution. For this reason, facilitating job creation at large scale and women entrepreneurship needs to be an important element. Economic empowerment of women can be reached by closing the gender gap, which measures the discrepancies between women and men in terms of health, education, political and economic participation between women and men, has only been narrowed by 3% in the last 10 years, with the economic participation and opportunity gap at approximately 40% (World Economic Forum 2016). In order to promote the participation of women in the economy, it is important to give concrete data on the economic advantages of reaching equality. For example, if women were to participate in the economy at the same level as men, the global GDP would increase of \$28 trillion (McKinsey 2016)

4.7 How can the EU development policy make a stronger contribution to the security of people? How can EU development policy contribute to addressing the root causes of conflict and fragility and contribute to security and resilience in all the countries where we work?

Key messages:

- The increased focus on tackling the root causes of crises in holistic manner is welcome and should include local productive capacity building, investments and trade.
- The rehabilitation of essential industries to provide essential products and services and to bring people back to work with the right skills needs to be an essential part of LRRD.

Human security is a complex issue, but there is no security without development and vice versa. As for migration, the increased focus on tackling the root causes of conflicts is very welcome. It means investing more in the drivers of development without creating aid dependence. More holistic and preventive approaches to crises through e.g. “compacts” that go beyond the short-term stabilization and include dimensions of local productive capacity building, investments, large scale industrial development, technology transfer and trade can make an important contribution. Peace building based on reconciliation and the restoration of law and order is another crucial factor, a goal that can best be pursued in tandem with the endeavours to improve living standards and economic opportunities. A key effective strategy for long-term stability and security is socio-economic prosperity. For this reason particular attention should be given to approaches that include the local private sector and (agro) industries, which provide around 90% of the jobs in the developing countries. The impact of armed conflict and natural disasters in many parts of the world is a major concern of national government and international policy-makers. In an environment of turmoil and deprivation, the rapid deterioration of human security in general and a marked increase in the vulnerability of the weakest population groups are inevitable. The social and economic fabric of communities and families is damaged and productive capabilities are diminished. Frequently, these pressures lead to the dislocation of large numbers of people. The fate of recovery efforts in post-crisis situations is largely determined by the degree of success in making the transition from the initial stage of emergency aid to rehabilitation and reconstruction and ultimately to development. Even though conflicts do not end abruptly, the transition from a humanitarian crisis towards development, so linking relief, recovery and development (LRRD) needs to become smoother. The rehabilitation of essential industries and companies to provide essential products and services and bring people back to work should be an essential part of this strategy. For individuals quick and large scale skill development e.g. through vocational training and re-skilling will be important to help people, and especially women and youth, to be absorbed in the productive system. For examples this is the case for UNIDO’s vocational trainings in refugee camps in Turkey where Syrian refugees are trained in collaboration with the local textile industry or in Cote d’Ivoire or Sudan where ex-combatants and IDPs are trained with skills required on the labor market.

4.8 How can a revised Consensus on Development better harness the opportunities presented by migration, minimise the negative aspects of irregular migration on the implementation of the 2030 Agenda and better address the root causes of irregular migration and forced displacement?

Key messages:

- Large scale job creation through economic and industrial development is a critical element to tackle the root causes of migration.
- In protracted crises and transition countries productive activities for refugees/ returnees and host communities through holistic compacts could be envisaged.
- In host countries, a constructive discourse, social inclusion /integration programmes and migrant entrepreneurship can support the agenda. Recently the migration issue has become a top issue of the EU agenda. Apart from the human tragic, it has confronted EU citizens with the reality beyond its borders and allowed to re-think traditional means of addressing the issue. Through the EU Agenda for Migration the EU has laid out a plan to address the issue in various ways. However, the EU should do more in addressing this complex issue in a holistic way while safeguarding human rights in each element of its policy. Like with climate change, addressing the phenomenon at its roots can be very effective. The increased focus on tackling the root causes of migration in countries of origin can be very powerful, if implemented effectively. In order to have a strong impact in this area, decent job and income creation at a large scale in countries of origin will be a crucial pillar. This can only be achieved by investing heavily in partner countries' real economies, by strengthening the resilience of people through increased engagement in activities that add value to their production. Developing skills that match the requirements of the labor market through massive vocational training as well as other types of training is another important pre-condition for people to stay and lead a productive life.

In protracted crises and countries of transition, more holistic ways of dealing with crises through "compacts" that go beyond the short-term perspective and include dimensions of local productive capacity building, work permits for refugees, investments and trade can be an important contribution. The new migration partnerships and upcoming European External investment Plan can provide the opportunity to build economic resilience and strengthen productive at large scale e.g. through special economic zones, industrial parks or agro-poles. It is important to allow migrants to improve their own livelihoods by being able to support themselves, while at the same time build inclusive models where all parties like refugees/returnees and host communities benefit from actions. In the field entrepreneurship programmes and vocational trainings have had a positive impact in terms of income increase, integration in the work force and reduction of gender inequality. These training programmes can also be developed in partnership with the local private sector to offer employment opportunities immediately. The EU can work together with UNIDO and host countries to identify the sectors the industrial sectors that have labor shortages and skill gaps. In countries of destination, a more constructive discourse, social inclusion /integration programmes and migrant entrepreneurship supports capacity building can support the agenda.

(5) Means of implementation: how do we get there?

The principle of universality underpinning the 2030 Agenda will require a differentiated approach to engagement with countries at all levels of development. Official Development Assistance will continue to play an important role in the overall financing mix for those countries most in need (particularly the Least Developed Countries). The EU and its Member States should continue to progress towards achieving their commitments. However, in all countries our development cooperation will need to take account of other sources of finance, including by leveraging other (non-Official Development Assistance) sources of finance for poverty eradication and sustainable development. The delivery of the 2030 Agenda means that our work helping countries raise their own resources (domestic resource mobilisation), the provision of aid for trade, blending* and partnering with the private sector should be priority areas of focus. The Addis Ababa Action Agenda, an integral part of the 2030 Agenda, provides a framework for our efforts, including for our work supporting the right enabling policy environment for sustainable development in our partner countries. The implementation of the 2030 Agenda and the Paris Agreement on climate change under the United Nations Framework Convention on Climate Change should be closely coordinated given the strong interlinkages. Engagement with middle income countries, notably the emerging economies, will be important to the implementation of the 2030 Agenda, considering the role they can play in promoting global public goods, what they can achieve within their respective countries on poverty eradication and sustainable development, and the example they can set within their regions as well as their role in regional processes. Here differentiated partnerships can play an important role (examples include different forms of political, economic, and financial investment as well as cooperation in science, technology and innovation). Specific attention and focus should also be given to Least Developed Countries, as acknowledged by the Addis Ababa Action Agenda.

The EU's implementation of the 2030 Agenda provides an opportunity for enhancing consistency between the different areas of the EU's external action and between these and other EU policies (as outlined in the Lisbon Treaty and in [EU's Comprehensive Approach to external conflict and crises](#)). The EU will continue to pursue [Policy Coherence for Development](#) as a key contribution to the collective effort towards broader policy coherence for sustainable development. In our external action, the EU needs to consider how we can use all policies, tools, instruments at our disposal coherently in line with the integrated nature of the 2030 Agenda.

* Combining EU grants with loans or with equity from other public and private financiers with a view to leveraging additional resources.

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

Key messages:

- Transforming our economic and industrial system by aligning the

financial flows and investments with sustainable development can make a key contribution.

- Investments need to become quality investments with high development impact that link with the local economy to create local jobs and value added in a sustainable way.
- The business case to mobilize private sector investments for sustainability and inclusiveness exists in many areas e.g. for resource efficiency or industrial energy efficiency.

The Addis Ababa Action Agenda identified innovative means to help eradicate poverty and address financing constraints e.g. blending, private-public partnerships (PPPs), domestic resources mobilization, and sustainable industrialization. Domestic resource mobilization needs to build all and above on domestic wealth creation that can be taxed and then (re)distributed. As recognized in Art. 15 of the AAAA and due to its explosive growth and job creation potential, inclusive and sustainable industrialization can play a critical role in this process and broaden the taxable basis through increased revenue of local companies and income of people.

Transforming the real economy and industry and driving investments into a more inclusive and sustainable direction can play a critical role to maximize impact. Access to finance remains a critical bottleneck for many producers and SMEs in developing countries. The EU can have a valuable impact by establishing financing models and public-private partnerships that lower investment-specific risks (de-risk), create confidence in local economies, and incentivize additional investments and access to finance where development needs are greatest. Models such as the African Agriculture Fund (AAF-TAF) exist where specialized agencies such as UNIDO function as advisors for funds (or funds of funds) to make investments more development oriented through technical assistance by channeling capital to labor-intensive activities, supporting smallholders and SMEs and leading to inclusive job creation and promoting innovative and environmentally sustainable approaches.

That way investments can become quality investments that link with the local economy and maximize developmental impact. The EU could work more closely with the UN and (European) Development Finance Institutions to more financial flows of resources with a stronger impact on the ground. UNIDO recently signed agreements with the Worldbank and European Investment Bank (EIB) and is starting to build concrete projects that combine technical assistance with large scale investments for substantial development impact.

Clearly the business case for investing in sustainability and inclusiveness exists. Recent studies suggest that performing circular economy business models and optimizing resource productivity could generate potential savings of around US\$3-4.5 trillion until 2030 (McKinsey 2012, Accenture 2015). By turning sustainability initiatives into drivers of measurable value, some CEOs are outperforming their peers and forging a path for others to follow. (Accenture 2013) Often there is a clear business case for switching to lower emission technologies, with payback periods ranging largely from 0.5-1.5 years (e.g. UNIDO MED-TEST), leveraging financial investment. Industrial energy efficiency is a low hanging fruit with solid return on investment

potential across all regions of the globe (UNIDO Industrial development report 2011). In terms of inclusiveness, recent reports show that CSR pays off and that those companies reporting under the UN Global Compact outperform the market (CSR Wire 2009 and Governance and Accountability Institute 2013). Moreover, recent research indicates that social enterprises can out-perform mainstream businesses. For example in the UK in 2013, 38% of social enterprises surveyed saw an increase in their turnover compared to 29% of SMEs surveyed. More than half of social enterprises (56%) developed a new product or service, compared with 43% of SMEs. Two-thirds (63%) of social enterprises expect their turnover to increase in the next two to three years, almost double the number of SMEs (37%). (Guardian 2013 based on Social Enterprise UK) This sustainability and inclusiveness potential should be exploited through strong partnerships and effective mechanisms.

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

Key messages:

- The EU should try to keep its ODA commitments critical for development, but in a more balanced way
- The ODA of the future could play a more catalytic role with a long-term multiplier and leverage effect by investing more in drivers for development

Official Development Assistance (ODA) remains the most important resource of development for the LDCs, with around US\$130 billion per year and hence the EU should try to live up to its renewed commitment to ODA. Under the MDGs a lot of efforts and funds were targeted at the social dimension of development. While the EU should continue to provide assistance to save lives and support critical social protection, the EU might wish to keep a better balance between the social, economic and environmental dimensions of development, invest in all SDGs and look for more integrated approaches under the 2030 Agenda.

Furthermore EU ODA could be used more strategically as a catalyzer to attract additional financing and investments in partner countries. In order to do so the EU would need to continue the trend to invest more in the real drivers for development and to utilize ODA to make a change in the real economy and a difference in the life of people. As explained under 5.1 the business case exists for sustainability and inclusiveness and the EU should continue to invest in those areas with high return and potential to leverage investment such as sustainable energy for productive use, cleaner production, agribusiness, industrial development, trade capacity and facilitation, regional economic integration, women economic development, social business and entrepreneurship etc. Finally nexus projects that combine all three dimensions of sustainable development could become of higher interest to the EU. Institutionalization and sustainability of the results as well as at a larger scale will be critical components of more strategic ODA in the future.

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

Key messages:

- A conducive business/ investment climate and public-private dialogue can leverage domestic and foreign investment.
- Through its explosive job and growth potential industrialization can play a critical role in creating more revenues for partner countries
- Industrial policies and compacts could be a powerful tools to support economic prosperity in partner countries

The private sector which provides some 90% to of jobs in developing countries (IFC 2013) and especially SMEs provide the backbone for a large majority of economies in developing countries. It therefore also provides a critical source for domestic resource mobilization through taxes (on company revenue and income).

However the private sector needs a stable and predictable environment to operate and to be motivated to invest further. Attracting and retaining substantial private domestic and foreign “quality” investment that links with the local economy and stimulates local economic development and value addition will be critical. A good private-public dialogue which in several countries is absent can further stimulate feedback cycles, accountability and investments. EU Delegations in Partner countries can play a pivotal role in engaging the domestic and the European private sector in these dialogues.

The EU could support targeted measures at macro, meso and micro level. The explosive growth and job creation potential is distinctive to manufacturing (UNIDO 2009, Paul Collier lead author) and hence industrialization can play a critical role in creating a wider tax basis and hence more revenues for partner countries. Industrial policies can provide an excellent entry point for the EU to support wealth creation as well as a move towards circular economy and inclusive approaches in partner countries. After the 2008/09 financial crisis the pertinence of industrial policies are acknowledged by mainstream economists and political leaders (Stiglitz et al. 2013) and has become a priority in national, regional and global agendas. The dynamic nature of industrialization necessitates sustained and continuous actions at policy level to adapt industrial policy to changing market dynamics and circumstances.

Industrial compacts could be a powerful tool to support economic development and prosperity in partner countries. The EU framework partnership and compacts at country level can be linked with UNIDO Programmes for Country Partnership (PCPs) that aim to streamline industrial strategies into government policies and activities. Special Economic Zones and (eco) industrial parks can boost domestic and EU investments, sustain growth and address local needs through integrated approaches: business environment, infrastructure, investments, trade, skills, energy and technology (ex. pilot countries: Ethiopia, Senegal). SMEs can be structured into clusters in connection with industrial parks and integrate in global value chains. UNIDO Industrial country programmes can be utilized for integrated programming at country level.

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

Key messages:

- While MIC have developed significantly, they still host 70% of the world's poor and face difficulties in moving up the global value chain
- In MICs the EU should focus on approaches that support targeted poverty reduction via structural transformation, circular economy and innovation
- EU can do more to foster regional economic integration and embrace new partnerships such as South-South and triangular cooperation

Middle Income Countries (MICs) will play an important role to achieve the SDGs. Over past decades, MICs made a significant contribution to global development through higher growth rates, accompanied by progress in their social spheres. They are a fast growing group of countries, both in terms of population and key economic and human development indicators, with a share of more than 30% of global manufactured value added (MVA). However, there are great differences among and within MICs, best illustrated by the fact that they host more than 70% of the world's poorest people. Some MICs also fall into the "middle income trap". Meaning a country gets stuck at an income associated with given resources and advantages, and cannot go higher. State capacities for structural transformation, productivity enhancement, poverty reduction, inclusive economic development and environmentally sustainable paths of economic development are still a significant constraints in MICs. Some MICs have accumulated their wealth based on natural resources and raw materials, which might not be sustainable due to the volatility of prices, physical limits of exploitation, risk of "Dutch disease", etc.

Elements of addressing this situation can include: 1) Institutionalization of national drive for productivity and innovation to generate internal value instead of relying on windfall revenues or capital inflows 2) Strategy to deal with new problems caused by fast growth, such as income and asset gaps, environmental damage, rural-urban migration, congestion and cultural change 3) Improved macroeconomic management must be improved to reduce shocks associated with freer flows of goods, capital and information. Of these three, the first is primary and the other two are necessary but supplementary conditions for a continued march toward high income. (Kenichi Ohno 2014).

In line with the differentiated needs of MICs, the EU could support structural transformation through further economic diversification, increased sophistication of production, increased trade in value-added goods, establishing a national innovation system, increased business linkages and moving towards more sustainability and circular economy models to drive forward poverty reduction and sustainable development in MICs. Peru as an upper MIC recently became one of UNIDO's Programmes for Country Partnerships (PCP) to demonstrate how inclusive and sustainable industrial development and new partnerships can work for MICs. As usual this PCP is based on strong country ownership, aligned with its national development plan and forger

partnerships with IOs, DFIs, the private sector, and local communities.

In addition, the regional level can be a good one to address the needs of MICs. Thus the EU should continue to support for regional (economic) integration partnering with the Regional Economic Communities (RECs) to foster intra-regional and inter-regional cooperation and learning. Global EU instruments such as GPGCs, Partnership Instrument or new European External Investment Plans should be kept eligible for and assist MICs. In addition, new dynamics need to be taken into account. According to some estimates, South-South cooperation already accounts for about \$15 billion in development cooperation each year and could provide over \$50 billion by 2025 (Kharas et al. 2012). New forms of partnerships such as South-South or triangular cooperation (e.g. with BRICS) need to be taking into account by the EU and can be supported strategically based on the differentiated needs of the MICs concerned. There is scope to build stronger public-private and business dialogues or innovation partnerships that include foreign investors from the South at country and regional levels.

5.5 Given experience so far in taking into account the objectives of development cooperation in the implementation of EU policies which are likely to affect developing countries (e.g. [Policy Coherence for Development: 2015 EU Report](#)), how should the EU step up its efforts to achieve Policy Coherence for Development, as a key contribution to the collective effort towards policy coherence for sustainable development? How can we help ensure that policies in developing countries, and internationally contribute coherently to sustainable development priorities?

Key messages:

- Comprehensive economic diplomacy can represent an important contribution to the EU's PCD agenda.

Economic diplomacy as a comprehensive dialogue including development, trade, investments, industrial cooperation, research and innovation can help the EU in their PCD efforts and partner countries to upgrade their economies and offer jobs opportunities to their people. The coordination of EU instruments and Commission services and the blending of funding from various EU and international players can help accelerate and scale-up partner countries' socio-economic development and industrialization efforts. Apart from traditional development cooperation instruments, the EU's Partnership Instrument and the new Investment Plan for outside Europe represent useful instruments to drive economic diplomacy and sustainable development. Moreover industrial policies in partner countries can represent an important entry point for stepping up the EU's efforts to incentives more inclusiveness and sustainability.

(6) The actors: making it work together

An important feature of the new Agenda is that all governments, developed and developing, will need to work with a wide range of stakeholders (including the private sector, civil society and research institutions) to improve the transparency and inclusivity of decision-making, planning, service delivery, and monitoring and to ensure synergy and complementarity.

The EU must continue to work collaboratively with others and contribute to a coordinated approach. The Addis Ababa Action Agenda puts national plans for implementation (including associated financing and policy frameworks) at the centre. To maximise our impact, EU development policy should be based on a strategic and comprehensive strategy for each country, which also responds to the country-specific context.

Our partner countries' implementation of the 2030 Agenda will inform our overall engagement and our development cooperation dialogue with them and will help shape our support for their national efforts. The EU should also help partner countries put in place the necessary enabling policy frameworks to eradicate poverty, tackle sustainable development challenges and enhance their policy coherence.

There is a need for a renewed emphasis on the quality of development cooperation, including existing commitments on aid and development effectiveness made in Paris, Accra and Busan* and through work with the [Global Partnership for Effective Development Cooperation](#).

An updated EU development policy should also provide a shared vision that guides the action of the EU and Member States in development cooperation, putting forward proposals on how to further enhance coordination, complementarity and coherence between EU and Member States. Strengthening [Joint Programming](#) will be an important part of this. Improving the division of labour between the EU and its Member States in order to reduce aid fragmentation will also contribute to increased development effectiveness.

* See [Paris Declaration on Aid Effectiveness and the Accra Agenda for Action](#) and the [Busan Partnership for Effective Development Cooperation](#)

6.1 How should the EU strengthen its partnerships with civil society, foundations, the business community, parliaments and local authorities and academia to support the implementation of the 2030 Agenda (including the integral Addis Ababa Action Agenda) and the Paris Agreement on climate change?

Key messages:

- Engaging the private sector, with more emphasis on local private sector and industrial development, will be critical
- Use existing multilateral and multi-stakeholder initiatives /platforms such as SE4ALL, GIP, CTCN, 3ADI, PAGE etc.
- Support emerging innovative partnership models such as Programmes for Country Partnership (PCPs)

Innovative and broad partnerships and coalitions will be paramount for the

effective achievement of the SDGs. From UNIDO perspective, partnering with the private sector and business community can be a very powerful means to achieve development related objectives. The importance of the private sector, creating 90% of the jobs worldwide, has recently been acknowledged widely. However, a critical point is that today industrialized countries add up to 70% of value to their products while sub-Saharan African countries add only around 0.7%. This gap represents the difference between poverty and prosperity. That is why more emphasis needs to be put to on local private sector and industrial development. Manufacturing and local value addition are key for creation of jobs, income and wealth as well as skill development, especially for women and youth as well as tackling the root causes of migration. This means that even when talking about engaging the private sector, e.g. multinational companies or SMEs from the EU, win-win models need to be found that connect with local companies for economic development with high local content and value addition (more details about such models see 6.2).

Multilateral organizations such as the UN and UNIDO have a long standing experience in engaging with relevant stakeholders, stimulating policy change and catalyzing action. Over the last years the UN and UNIDO have successfully launched multi-stakeholder initiatives/platforms such as Sustainable Energy for All (SE4ALL) and the Green Industry Platform (GIP) or the Climate Technology Centre and Network (CTCN), the Accelerated Agribusiness and Agro-industry Development Initiative (3ADI), or Partnership for Action on Green Economy (PAGE), Strategic Approach to Chemical Management (SAICM), Global Alliance for Health and Pollution (GAHP) that include various UN agencies, governments, DFIs, private sector, civil society and academia. The roles of each stakeholder in the partnership are clearly defined, high impact opportunities identified and roadmaps for action defined. The EU is already supporting some of these global initiatives and should continue to do so in order to make best use of resources, create synergies, and use to the convening power and neutrality of multilateral channels.

Under the leadership and ownership of the host government, UNIDO recently launches its innovative Programme for Country Partnership (PCPs) that has been applauded by the UNSG Ban Ki Moon as a model for partnership. Aside from its technical cooperation activities, UNIDO's role is to bring the various actors together and coordinate partnership activities to support countries achieving higher levels of human development and economic growth.

Partnerships involve several stakeholders/actors as governments, development finance institutions (DFIs), UN agencies, multilateral and bilateral development agencies, civil society and the private sector, will have a much larger impact on the ground. The PCP is not a static template, but a custom-built partnership formula with each beneficiary country maintaining ownership of the complete process by defining its needs and required support, and finally ensuring the success of its delivery.

6.2 How can the EU promote private sector investment for sustainable development?

Key messages:

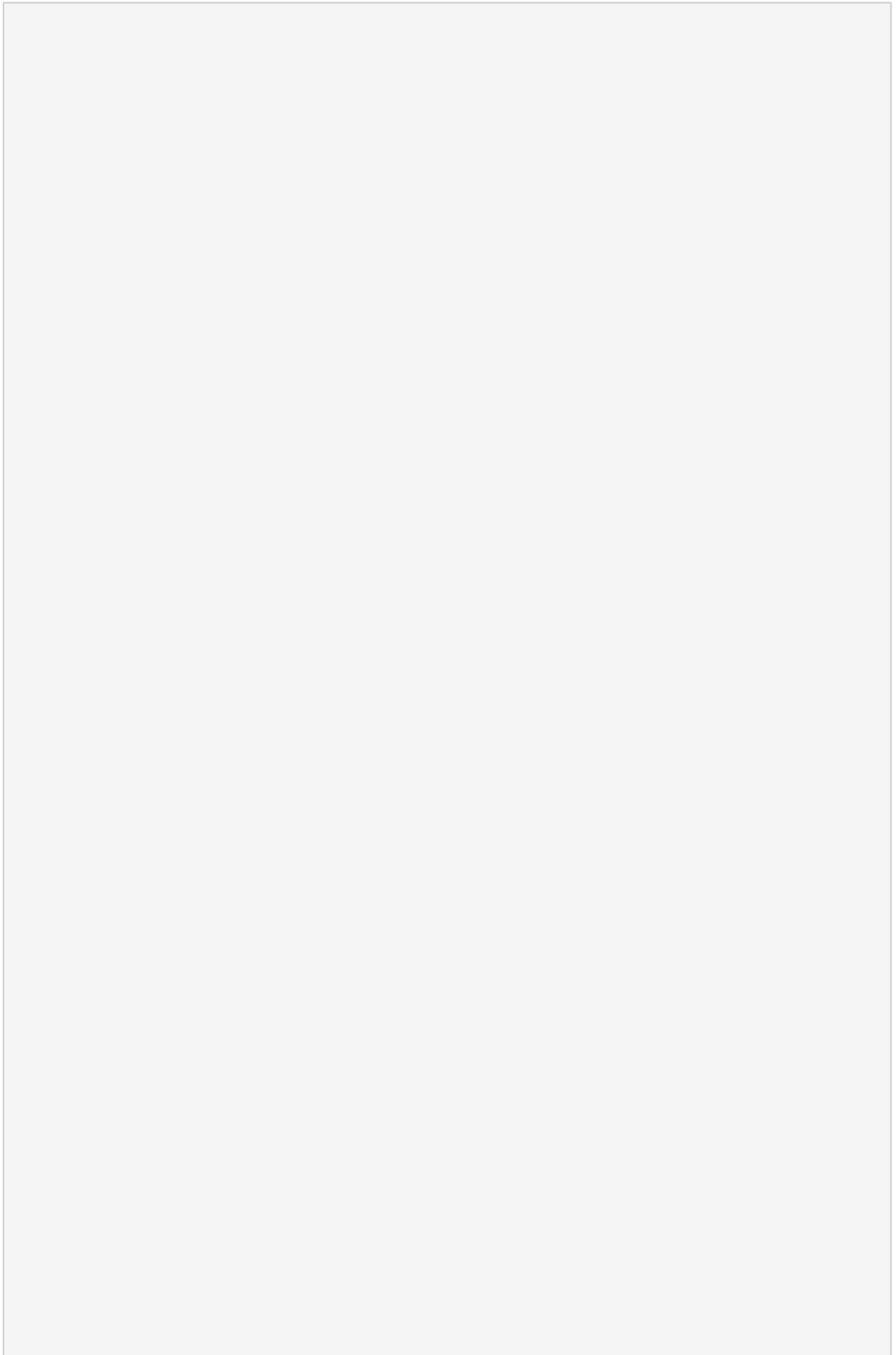
- Build the capacity for local private sector in Partner Countries to invest based on proven models such as industrial upgrading, technology transfer and environmental programmes
- Effective business partnerships and global value chains development can leverage substantial resources for sustainable development
- Advocating for policies and industrial cooperation that involve the private sector engagement in

Since ODA alone will not be enough to implement the 2030 Agenda, the role of the private sector as an investor for has increasingly come to the forefront. As described under 5.3 the business case for sustainability and inclusiveness exists. The EU should work with the Partner Countries to create clear and stable business and investment frameworks which to strengthen the capacity of local private sector and the willingness of the international private sector to invest.

On the one hand, access to finance remains a critical issue in developing countries, especially for SMEs and more needs to be done to overcome this hurdle. There is a critical match to be made between the needs of local private sector and the donor community to provide targeted blending facilities in this area. Cooperation with specialized organizations like UNIDO can help to select private sector partners that match certain criteria, generate bankable projects and bring private and public stakeholders towards a development goal. Nevertheless UNIDO experience shows that it is possible to attract substantial investment from local private sector through the right set-up of technical assistance programmes. Based on UNIDO experience, industrial upgrading, technology transfer and environmental programmes have proven to have a strong potential to leverage both public and domestic private sector investment (e.g. ratio 1:10).

On the other hand, engaging the international private sector and industry, can be an important way to leverage private sector finance. In this regard, it is important to set up due diligence processes, create awareness about the business case, foster a better understanding of development issues and establish a dialogue to create convergence and identify suitable investment opportunities. In partnership with facilitators, the private sector can then best act as for high quality investments. UNIDO business partnerships e.g. with Heineken on water stewardship, local sourcing and sustainable energy or with Metro on sustainable supplier development or Hewlett-Packard on youth entrepreneurship demonstrate that such partnerships can work towards public goods.

6.3 How can the EU strengthen relations on sustainable development with other countries, international financing institutions, multilateral development banks, emerging donors and the UN system?



Key messages:

- More structured coordination and regular dialogue with the UN system and its specialized agencies on specific issues are most welcome.
- Trilateral cooperation schemes between UN, EC and DFIs could be very effective to address capacity needs and incentive large scale investment
- Closer cooperation with emerging donors (e.g. BRICS)

Agenda 2030 is universal, and implementing the SDGs will require global cooperation on a scale and intensity that transcends traditional concepts of 'partnership'. The EU can play a key role in strengthening policy dialogue and develop joint programming more systematically at country, regional and global levels in the various areas of expertise of partnering institutions and organizations such as the UN. To strengthen relations on sustainable development, the EU could further aim to contribute to global initiatives such as SE4ALL, CTCN, GIP, PAGE, 3ADI, etc. in order to make best use of synergies, and participate in and contribute to multilateral actions. To strengthen synergies across areas, multi-year investment plans could be developed in cooperation with the IFIs and the UN as a foundation for sustainable development and addressing new challenges.

Working with development Finance Institutions (DFIs) can become a critical tool to bridge financing gaps and increase access to finance for SMEs in developing countries. UNIDO has recently scaled up its engagement with DFIs and signed agreement with the World Bank and the European Investment Bank (EIB). As a specialized agency working with the private sector since five decades UNIDO has a large experience in UNIDO working with financial institutions. This ranges from small scale interventions like the EU financed PADELU project where MSMEs could secure collaterals (around \$1 million) through business task forces to large scale operations such as UNIDO's Market Transformation Programme on Energy Efficiency in GHG-Intensive Industries in Russia (\$15 million grant) which could leverage more than \$135 million from the EBRD and the Russia Sustainable Energy Financing Facility (RUSEFF). Trilateral cooperation schemes where the EC invests in technical assistance and DFIs invest with soft loans could be very effective to address capacity needs and incentive large scale investment. A last word of caution in boosting blending: the EU should keep in mind a reasonable debt level of partner countries and absolutely avoid high levels of indebtedness. Parallel macro-economic support programmes and investment in local wealth creation and domestic resource mobilization could potentially mitigate this risk.

Engagement with emerging donors and closer coordination, e.g. through multilateral forums or at project level, can certainly be powerful. According to some estimates, South-South cooperation already accounts for about \$15 billion in development cooperation each year and could provide over \$50 billion by 2025 (Kharas et al. 2012). New forms of partnerships such as South-South or triangular cooperation (e.g. with BRICS, G20, G77) need to be taking into account by the EU and can be supported strategically based on converging interests and principles. There is scope to build stronger business or innovation partnerships at country and regional levels. UNIDO runs two South-South cooperation centres in China and India and has been convener of the Global South-South Expo.

6.4 How can the EU best support partner countries to develop comprehensive and inclusive national plans for the implementation of the 2030 Agenda?

Key messages:

- The EU should build upon existing successful partnerships and models that could be scaled-up and replicate elsewhere (e.g. UNIDO's PCP approach).
- EU support should be focused where the EU has a comparative advantage and valuable expertise as in the case of industrial policies, environmental protection and social inclusion.

Based on lessons learnt during the implementation of the MDGs, the UN has developed the "MAPS approach", a strategy which main goal is to enquire how the new 2030 agenda can fit within the existing national development plans, strategies and visions and how the new agenda can be mainstreamed into future plans; therefore the MAPS aim to support countries to Mainstream and Accelerate the SDG agenda within national strategies and plans to provide Policy Support when needed. The UN will also switch from the UN development Assistance Framework (UNDAF) towards UN Sustainable Development Frameworks (UNSDF) and support from the EU is most welcome.

The EU could therefore support the effective implementation of the Agenda 2030 by the partner countries by sharing an open dialogue and by making sure that national development policies are as much as possible aligned with the SDGs; the EU could also share with Partner Countries best practices and policies of the Agenda 2030's implementation at the EU level (e.g. EU policies on circular economy, environmental protection, industrial renaissance, etc) that could be replicable at country level. Moreover, the EU should lead and assist in the development and implementation of regional, national and subnational SDG plans and strategies, in close collaboration with UNIDO and other UN agencies.

6.5 What are the best ways to strengthen and improve coherence, complementarity and coordination between the EU and the Member States in their support to help partner countries achieve poverty eradication and sustainable development?

Key messages:

- More joint programming, better coordination, a harmonized economic diplomacy and closer collaboration at project level would be welcome
- Use UNIDO's EU/EU Member States' supported platforms and specialized networks such as RECP, GN-SEC, ITPOs, SPX, AfrIPANet, as means of implementation, coordination, knowledge and technology transfer

Joint programming between EU and its Member States could be reinforced and should align with priorities and nationally driven initiatives of partner countries/regions to streamline processes and avoid duplication. As donors the EU could coordinate more with its Member States to create awareness and interest in joining hands for funding parts of larger, eventually more integrate programmes/projects. The EU could also invite smaller EU donors to come on board on in larger projects to be more exposed and learn from the EU vast development cooperation experience. A harmonized EU economic diplomacy could also achieve more PCD and strengthen ties between the EU and its Member States and the EEAS.

Closer coordination with the UN and other development partners on the ground would be welcome and increase focus on poverty eradication and sustainable development. Specific platforms for donor engagement such as UNIDO's PCPs or initiatives such as SE4ALL, GIP, SAICM, 3ADI, GAHP (described under 6.2) could be used as effective platforms for better coordination. UNIDO's specialized global networks such as the Resource Efficient Cleaner Production (RECP) network, Subcontracting and Partnerships Exchanges (SPX), Global network of regional Sustainable Energy Centres (GN-SEC) Investment and Technology Promotion Offices (ITPOs), African Investment Promotion Network (AfrIPANet), Climate Technology Centre and Network (CTCN) are all supported by the EU and/or its Member States. They represent important means of implementation, coordination, knowledge and technology transfer that foster the EU's external and development policy objectives.

6.6 How can EU development cooperation be as effective as possible, and how can we work with all partners to achieve this?

Key messages:

- Build on existing best practice in assessing its effectiveness, the EU could simplify procedures and strengthen elements such as institutionalization, environmental sustainability and social inclusiveness (including gender)
- In future larger scale, multi-disciplinary and -stakeholder interventions with a strong multiplier/leveraging effect aimed at resilience and drivers for development should gain more attention

In line with the Paris, Accra and Busan conferences and declarations, the EU should continue to foster alignment with partner countries/regions' needs, strengthen Policy Coherence for development (PCD), decrease fragmentation and achieve good results while looking at best practice from other donors. Moreover, simplification and transparency of its processes and programming could be increased and allow for a certain flexibility able to respond to new circumstances. Environmental Impact Assessment (EIA), Social Impact Assessments (SIA), Human Rights Impact assessment (HRIA) gender and due diligence checks (e.g. when working directly with the private sector) could be important upfront tools. Enhanced and structured stakeholder dialogue could strengthen existing partnerships and forging new ones. Looking at the longer-term perspective (also in short-term or humanitarian interventions) and sustainability of results should play an important role. In this regard, the institutionalization of the (positive) change that happened through the intervention. This does not necessarily mean creating new institutions, but often rather means strengthening existing ones. Some players within the development arena might have less interest in doing so than others. Certainly the UN and UNIDO stands for strong support to local institutions and appropriation at various levels (municipal, provincial, national, regional, international and micro, meso, macro).

Apart from that and in future the scale, the multiplier/leverage effect, and multi-disciplinary and multi-stakeholder approaches should have increased attention when assessing the effectiveness of EU's development interventions. Reducing poverty, increasing income and skills, creating jobs and opportunities, decreasing GHG emissions, protecting critical eco-systems at large scale will be of importance. Not all interventions can or will be able to have a multiplier/leveraging effect, but most of them should as mechanisms and models exist to do so. In the "age of cooperation" interventions should look beyond silos towards more integrated, multi-disciplinary projects that include various implementing partners based on their respective strengths. Without neglecting the critical need to save lives and provide social protection in certain contexts, this should go hand in hand with increasing the focus on drivers for development and taking a more proactive, preventive approach. The objective should be at increasing resilience and opportunities and move towards teaching how to fish rather than handing out fishes. This would also better reflect the shifting landscape and new global dynamics as well as self-perception of developing countries.

6.7 What further progress could be made in EU Joint Programming, and how could this experience be linked with other EU joined-up actions in supporting countries' delivery of the 2030 Agenda?

Key message:

- More joint programming and coordination in line with national /regional priorities and more systematic consultation with the UN is most welcome

In line with Accra and Paris commitments, more joint programming and closer coordination between the EU and its Member States as well as other development players is most welcome. In line with national and regional development plans, other developing partners, in particular the UN through its UNDAF/UNSDFs should more closely and systematically associated. As a strategic partner, the UN and its specialized agencies have the possibility to support the EU throughout the full programming cycle. This can range from joint analysis of the country situation until a joint response in close cooperation with the partner country/region. Existing and innovative platforms for stakeholder engagement and donor coordination and such as UNIDO's PCPs and Country Programmes could be used more systematically by the EU as an entry point.

(7) Keeping track of progress

The EU will need to contribute to the global follow-up and review process for the 2030 Agenda. Keeping track of progress in a systematic and transparent way is essential for delivering the 2030 Agenda. The EU is actively contributing to the setting up of a Sustainable Development Goal monitoring system at global, regional and national level. Demonstrating results and impact from our efforts and the promotion of transparency will be important priorities for EU development policy, as part of a wider move to strengthen accountability, follow-up and review at all levels.

7.1 How can the EU strengthen its own use of evidence and analysis, including in the development field, to feed into its regular review on the Sustainable Development Goals to the UN?

Key messages:

- Statistical analyses and new data collecting methods will be essential for the Agenda 2030 successful implementation;
- UNIDO (as other UN Sister Agencies) can provide EU with clear evidence-based reports (e.g. for industrial statistics UNIDO is the only organization worldwide having this kind of legitimacy)

The set of global indicators proposed by the Inter-Agency and Expert Group on SDG indicators (IAEG-SDGs) is a robust framework intended for follow-up and review of progress at the global level towards achieving the 17 SDGs. The SDG indicators will require an unprecedented amount of data to be produced and analysed - and it is evident that this will pose a significant challenge for national statistical systems, in developing as well as developed countries. The EU thus, should fully take and advantage of the data elaborated by the UN Statistical commission and constantly monitor the progress made on sustainable development in an integrated way, by for instance linking them to some EU statistical tools such Eurostat, Eurobarometer or even cross check with the OECD statistical tools. The EU should work hand in hand with the UN on this framework and help refine it and improve it if need be over the years.

Some evidence-based guidance, such as the UNIDO's Industrial Development Report [1] or the report on How industrial development matters to the well-being of populations [2], should be considered, and the role of new technologies and ways of data collection should be further explored by engaging the private sector in providing service-related and client status data.

7.2 How can the EU help to ensure the accountability of all actors involved in implementation of the 2030 Agenda, including the private sector? How can the EU encourage a strong and robust approach to the Follow Up and Review of the 2030 Agenda from all actors?

Key messages:

- New innovative indicators highlighting the degree of accountability of the different actors should be considered as a priority.
- Capacity building for good governance should be enhanced at all levels, which will speed up the implementation process.

The EU's has a central role to play promoting accountability to affected populations, human rights and protection. In order to ensure accountability of all actors involved in the implementation, the EU should promote due diligence, support the capacity of national institutions and focus on results based management. Moreover, the EU should push for additional indicators at regional, national and subnational levels.

Countries have the primary responsibility for follow-up and review of progress made in the process of implementing the SDGs, which requires quality, accessible and timely data collection. In this regard, capacity building will be particularly important for all countries, especially small island developing states (SIDS), least developed countries (LDCs), landlocked developing countries (LLDCs). The EU needs to continue providing assistance towards good governance and transparency efforts at a State based level. This can be observed through the EU delegations in the Partner Countries.

7.3 How should EU development cooperation respond to the regular reviews on progress of the partner countries towards the 2030 Agenda goals?

Key messages:

- Closer cooperation with UN-STAT and agencies with mandates to monitor SDGs to fill data gaps in countries should be developed.
- Support innovative data mining like private sector radiographies or green indicators.
- The EU and its member States should use the HLPF to show leadership, coordinate and support a strong tracking monitoring process.

Various UN entities with a strong tracking capacity are responsible for tracking the SDGs e.g. UNIDO is responsible for tracking most of the indicators and targets under SDG 9 related to industry, including the one of access to finance. While global and aggregate statistics are usually available, support for effective data collection and captivity building for National Statistics Offices or other key entities is often needed. Therefore support for effective data mining and tools e.g. in the area of industrial statistics, competitiveness and private sector development are most welcome. UNIDO has also been piloting private sector and investment radiographies in 20 selected ACP countries based on extensive questionnaires that allow data manipulation at large scale (see Africa Investor's report 2011 and Investment Monitoring Platform). Together with OECD UNIDO has expanding to green indicators, by complementing its classical output based data with input based data to get to a resource efficiency relationship. Such innovative approaches could be supported through the EU to have interregional and global benchmarks critical for economic development.

The EU should participate actively with its member states in the UN High-Level Political Forum (HLPF) on Sustainable Development (starting July 2016) who oversees national and thematic reviews of the implementation of the 2030 Agenda. The Forum is expected to provide political leadership, guidance and recommendations on the Agenda's implementation and follow-up, addressing new and emerging issues. For instance; this year 21 countries - China, Egypt, Estonia, Finland, France, Georgia, Germany, Madagascar, Mexico, Montenegro, Morocco, Norway, Philippines, Republic of Korea, Samoa, Sierra Leone, Switzerland, Togo, Turkey, Uganda and Venezuela - will take part in the national reviews at the Forum on a voluntary basis. The EU can a show leadership, help to coordinate and support a strong tracking monitoring process.

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