

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

- * 2.2.1 If yes, what is your registration number?

Europ097189196

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

European International Contractors e.V. (EIC)

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

EIC is representing the interests of internationally active European contractors towards the EU institutions, international organisations, international financing institutions and society at large and advocates fair international competition and balanced contract conditions, quality-based procurement and value-for-money, innovative project delivery schemes and sustainable construction methods. Furthermore, EIC aims to create new business opportunities for European contractors by promoting a closer collaboration between development and commercial financiers and by promoting Public-Private Partnerships internationally.

* 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

Berlin (Germany).

(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?

EIC observes that, despite the best intentions and efforts of donors, partner countries alike, many young people in developing countries leave their country in order to seek a better life elsewhere, in particular in the EU. EIC believes that it is highly important to implement development strategies presenting future work opportunities for young people in their own country.

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?

EIC believes that the construction sector presents a very good opportunity to create decent jobs for young people, both in the housing and in the infrastructure sector. This is why EIC recommends that the revised Europea Consensus put a higher emphasis (again) on the construction and infrastructure sectors and in particular transport infrastructure, as suggested by a recent EU study titled "Evaluation of EU support to the transport sector in Africa 2005-2013". This is necessary because, according to World Bank estimates, about 1 billion people world-wide live more than 2 km away from a nearest all-weather road. The ACP countries are highly affected by transport infrastructure shortages. For many African countries, particularly the lower-income countries, the existent constraints regarding infrastructure affect firm productivity by around 40 percent. EIC submits that an efficient transport Network is a "missing link" for enabling inclusive growth, decent employment and Wealth Creation in developing countries. It is an indispensable prerequisite for broad access to education, health services and political participation and a key ingredient for achieving the new Sustainable Development Goals. Transport infrastructure in particular provides the link between national economies and global markets and thus strengthens a country's ability to compete for both export markets and foreign direct Investment by removing physical bottlenecks for trade and reducing logistics costs.

(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?

EIC would suggest that the revised European Consensus supports the Action Programme of the "2030 Agenda" and the Paris Agreement on Climate Change. Specifically on infrastructure, the revised European Consensus should recognise the role of quality infrastructure development to enhance resilience and contribute to sustainable development efforts identified in the 2030 Agenda, the Paris Agreement and the Addis Ababa Action Agenda (AAAA). In this context, the revised Consensus could also endorse the "G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment" to address the global demand-supply gap and strive to align our own infrastructure investment with the Principles.

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?

EIC recommends that the EU orients the procurement of EU-financed development projects, being a crucial part of development policy, at the latest vision defined by the World Bank: “Procurement... supports clients to achieve value for money with integrity in delivering sustainable development.” The EU PRAG should be aligned to the Value-for-Money Principle and be made coherent with the EU Procurement Directive 2014/24, in particular Articles 67–69. This means that contracts financed by EU development funds should be awarded with a view to ensuring an objective comparison of the relative value of the tenders in order to determine, in conditions of effective competition, which tender is the most economically advantageous tender. It should be set out explicitly that the most economically advantageous tender should be assessed on the basis of the best price-quality ratio, which should always include a price or cost element. It should equally be clarified that such assessment of the most economically advantageous tender could also be carried out on the basis of either price or cost effectiveness only. It is furthermore appropriate to recall that contracting authorities are free to set adequate quality standards by using technical specifications or contract performance conditions. EIC proposes that in the case of construction and infrastructure works the works contracts financed with EU development funds respect the principle of “Value for Money” rather than the lowest price. The lowest price approach is generally suitable for the rather straight-forward procurements of short-term, low-level services or goods of a standard specification, such as some stationery or linen. In the services sector, this approach may be useful for the procurement of clearly-specified services or works which have sufficient mandatory aspects that would allow a simple choice on the basis of the lowest cost. Having said so, the “lowest-price” system sometimes is subject to misuse, as it provides bidders with the opportunity of submitting an aggressive bid with a very low price and the wish to renegotiate any unreasonable risks incurred later. In the experience of EIC, if one of the bidders uses an aggressive approach seeking re-negotiation later, a reasonably and carefully priced bid may not appear to be competitive. Against this background, the EU should consider in the case of civil engineering works the introduction of quality aspects into the tender procedure and to broaden the scope of the award criteria from price only to technical and environmental elements, i.e. the “Most Economically Advantageous Tender” (MEAT). The above-mentioned EU Procurement Directive, for instance, supports the MEAT approach (i.e. the bid which embodies the most beneficial combination of technical performance, cost-effectiveness, flexibility, environmental impact, investment in the local community, social responsibility, etc.) because it avoids price “dumping” followed by uncertainty on final completion, price and quality of the Works. Instead MEAT encourages competition among the contractors on a higher level as they are encouraged to provide in their tenders both technical and environmental innovations to the benefit of the employer and the project.

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

More sustainability in procurement would encourage the use of state-of-the-art technologies and the dissemination of best practices. The proven benefits associated with Sustainable Procurement are not limited to environmental impact, but can include everything from social and health to economic and political benefits. By means of prequalification, the Contracting Authority could provide for a “level playing field” for bidders that are willing to comply with the EU’s policy goals on environmental and social sustainability. This is why we would be in favour of enlarging the prequalification procedure described in the PRAG with sustainability criteria, e.g. certification for Environmental Management (ISO 14001 or internationally recognised equivalent), for Health & Safety (OHSAS 18001 or internationally recognised equivalent), respect for the ILO Core Labour Standards and promotion of local content, e.g. by providing training schools and engineering education. The Instruction to the Bidders could include a reasonable requirement that each bidder shall include in its offer a binding declaration to what extent the bidder commits itself to employ local personnel for the execution of the contract. The above-mentioned declaration should be taken into consideration also during the evaluation of the different offers for the award of the contract. The respective tender documents could fix the minimum thresholds for local content.

Specifically in the construction sector, the sustainability and inclusiveness could be enhanced by more holistic contract models, such as Design-Build and Operate, for instance in the context of national or trans-national highways as well as for certain water or energy facilities. Applying this innovative approach within EU-financed contracts to the entire life-cycle of infrastructure facilities would facilitate an effective co-operation between experienced European companies and their local partners (contractors, subcontractors, suppliers, workforce). Connecting the operation and maintenance phase – which is often neglected – with the design-build phase would guarantee maximum local content because such a contractual framework is conducive to the formation of long-term partnerships between European and third countries’ companies and would allow, in particular during the operation & maintenance phase, a significant know-how transfer to local SMEs. The DBO model also overcomes a frequently found problem, not only in developing countries, namely that maintenance is frequently the first target for spending cuts under tightening public budgets, even if delaying preventive maintenance results in much higher eventual Overall costs over the project’s life-cycle. It thus leads to more accountability and transparency, as it ensures that adequate funding is available for both the handing-over period and – potentially through EU Budget Support – also for operation & maintenance so that the infrastructure asset, once constructed or rehabilitated, will be properly maintained over the facility’s life-cycle. Last but not least, EU and Member States could easily prescribe in the tender conditions of such long-term contracts the obligatory implementation of the core labour standards for the entire duration of the project.

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?

EIC observes that, in terms of economic infrastructure, the EU currently focuses on energy (SDG No.7) and therefore we would urge to also act more decisively on SDGs Nos. 6 (Clean Water and Sanitation), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities).

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)?

EIC would concur with the view expressed in the current "European Consensus on Development" that the EC has competitive advantages in the area of promoting a sustainable transport sectoral approach. The current approach is based on the principles of partner country ownership and prioritisation through poverty reduction or equivalent strategies, meeting partner countries' needs, ensuring transport safety, affordability, efficiency and minimising negative effects on the environment. It applies a strategy for delivering transport that is economically, financially, environmentally and institutionally sustainable. Thus the Community responds within the budgets available to the growing demand, particularly from African countries, for the increase of donor funding to infrastructure, including economic infrastructure in support of efforts to eradicate poverty. The Community provides support at various levels. The point of departure is the national level with the major bulk of the assistance being channelled through partner countries' strategies, securing an optimal balance between investment and maintenance. At regional and continental level the Community has launched a Partnership for Infrastructure, which will work together with regional economic communities, and other major partners, including the private sector. EIC fully supports the findings of a recent strategic evaluation of EU support to the transport sector in Africa (2005 - 2013), in particular the first three recommendations:

Recommendation 1: Review the 11th EDF strategy of disengagement from the transport sector.

The current situation as regards transport sector support under EDF-11 is confusing. Criteria for disengagement or continuing transport sector support have not been consistently applied. Support is withheld from some countries whilst continuing in other countries with analogous developmental situations.

The changed transport sector support strategy came as a surprise to many sector partners and is opposed by most countries where support has ceased. Lack of communication has been cited by various partners. Unilateral centralised decision making has set aside principles of coordination, division of labour and responding to expressed needs, and appears to distance the EU from some of its 'added values'.

Recommendation 2: Consideration should be given as to whether the EU should, and if so, under what circumstances re-enter the transport sector at national levels specifically to support 'backlog' or 'emergency' maintenance.

Maintenance neglect of road networks in Africa is resulting in premature deterioration, loss of capital value, increased whole life costs, higher vehicle operating costs, longer journey times and reduced (or even denied) accessibility. Such decay negatively affects economic and social activities, regional integration and stability. Should such neglect continue to be unchecked, wider development activities and objectives are threatened.

Recommendation 3: Promote 'blending' of financial instruments as the preferred modality for EU support to financially viable capital investments in transport infrastructure.

There is evidence that the blending modality can deliver added value in terms of mobilising additional funds for financially viable transport sector projects. At the same time the amount of grant funding needed for such projects will be reduced and can be used for transport projects which are economically but not financially viable (even not with interest rate subsidies), or in other sectors. However, it should be noted that projects funded on the basis of blending will be confronted with the same sector level deficiencies as the traditional grant-funded projects (institutional weaknesses, insufficient maintenance, etc.). Moreover, the financial viability of transport sector projects is influenced by government commitments as regards implementation of costs recovery mechanisms, road maintenance and sector management. Non-fulfilment of those commitments will negatively affect the financial viability of the project financed through blending of financial instruments. The challenge is thus ensuring that the assumptions as regards fulfilment of the Government commitments are robust, risks (of failure of such assumptions) are identified and mitigation or avoidance measures are put in place.

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?

Given that global poverty cannot be eradicated by Official Development Assistance (ODA) alone, EIC would argue that a modern and effective European Consensus on Development is aligned first and foremost with the political objective of “Wealth Creation” rather than “Poverty Reduction”. A revised European Consensus on Development should, therefore, be geared towards attaining inclusive economic growth in partner countries as the basis for fighting inequality and improving social outcomes. This in turn requires Partner countries to look beyond the trading of natural resources and instead to build up an adequate infrastructure stock as well as productive industrial capacities, which are a prerequisite for sustainable development. European international contractors have a global track record in road maintenance and would be prepared to share their expertise and knowledge on road construction and maintenance with third countries partners in the context of a transparent and predictable contractual framework. In addition, European professional associations could support the institutional know-how transfer in the area of vocational training for African managers, engineers and workers.

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?

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?

As mentioned above under 3.1, EIC feels that one of the major roots for migration is that there are insufficient decent work opportunities in certain countries. Against that background, EIC recalls that the construction sector offers huge employment opportunities in all countries and that European construction companies active in development countries co-operate with local contractors and suppliers and transferring technical know-how. Hence, the revised European Consensus should focus on how to maximise the Integration of the local labour force, in particular in construction. Enhancing local contracting capacity in the construction industry is a key measure to educate and integrate a higher share of the local workforce – including those which are unskilled or are working in the informal sector – into the national division of labour. Yet, to date donor-financed infrastructure projects in Developing Countries, regrettably also those funded by the EU or its Member States, are all too often implemented without sufficient know-how transfer to local companies and/or workers. Labour-intensive implementation concepts in the infrastructure sector, whilst creating short-term employment for the local population, are not conducive in developing a large number of local SMEs nor are they a tool for systematic know-how transfer. Given that European contractors are not “exporting” their workforce abroad (but limit the presence of their “expats” on construction sites in Third Countries to a maximum of 10% of the entire workforce), the European construction industry is prepared to enter into a dialogue with the EU and ACP countries to identify means to institutionalise the transfer know-how to the local construction industry, e.g. in the context of EU-financed infrastructure life-cycle projects or by adding certain local content requirements in conventional infrastructure tenders. In addition, European professional construction associations could support such know-how transfer for African managers, engineers and workers through their vocational training centres. With regard to optimising EU aid for healthcare, EIC would like to clarify that, whilst access to clean water and adequate sewerage systems directly relate to improving health systems, transport infrastructure projects can also make it easier for the poorer part of the population (frequently in remote parts of the country) to access education and health services.

(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.

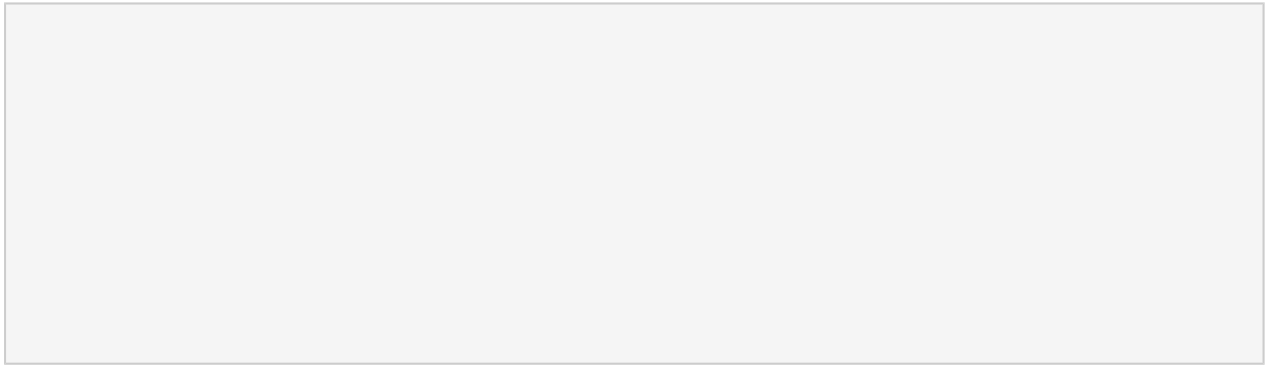
5.1 How can EU policies, and EU development policy in particular, help to mobilise and maximise the impact of the increasing variety of sustainable development finance, including in particular from the private sector?

EIC suggests strengthening in the revised Consensus the complementary roles of development and trade finance and to create synergies between the two sources of finance and emphasise the catalyst role of development financing for triggering private investment from private investors, capital markets and the insurance sector.

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

The EU could maximise the impact of its ODA by developing effective risk mitigation instruments with the aim to form a strategic alliance between (European) donor agencies and commercial lenders/investors. It is particularly important that in the future guarantees provided by official donors are recognised as ODA. Currently, the ODA Definition does not generally include development guarantees and such guarantees are only accepted as ODA if a claim occurs which leads to an actual cash flow from the guarantor to the beneficiary of the guarantee (i.e. the claims payment). Evidently, this practice discourages bilateral donors to provide such guarantees. It is a fundamental hurdle to establish strategic partnerships with the private financial sector and explains the limited cooperation between bilateral donors and commercial banks. In EIC's view, an explicit recognition of (development) guarantees within the ODA definition is important to bridge the gap between the investment needs of developing countries and the scarce development finance resources that are available. Through (development) guarantees limited ODA resources can be leveraged substantially and ODA donors would – despite the current crisis in Europe and subsequent Budget constraints of many EU governments – be able to maintain or even increase their current ODA performance without substantial budget implications. Development guarantees can play a critical role in defining more precisely the complementary role of development finance versus commercial finance, including ECA guarantees.

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



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

The EU should promote Public-Private Partnerships in middle income countries and help to make potential PPP projects "bankable". Set against the impressive growth rates in many ACP countries' economies in recent years and the corresponding level of potential demand for investment, low demand for infrastructure is unlikely to be the reason for the relatively low levels of PPP activity. If the growth of some infrastructure sectors, such as mobile telephony, across the African continent is a guide, the ability and willingness of citizens to pay for Quality infrastructure may not be the constraint. In other words, the work required is likely to be related to the factors relating to the supply side of PPP, including the obstacles to mobilising private sector resources. To address this bottleneck, EIC suggests that the European Commission and Member States remove their internal legislative and administrative barriers to substantially support Infrastructure PPPs in ACP Countries, beyond Technical Assistance, through a combination of grant financing, equity capital, soft loans and also guarantees. In the capital-intensive infrastructure sector, pooling EU development aid funds for the infrastructure sector could be instrumental to attract additional foreign and local private investment within the framework of Infrastructure PPPs. A more active role of the EU and Member States in funding Infrastructure PPPs in Developing Countries could be complemented by the European Investment Bank (EIB) as well as by European export credit agencies, in particular with a view to protect private investors against political risk in Developing Countries as well as against certain prohibitive financial and economic risks. Through the support of Infrastructure PPPs in ACP and developing Countries the EU would attain its objective to combine, track and report the diversity of aid flows and to increase the impact, accountability and visibility of European development aid. We would like to recall that the PPP Approach offers substantial advantages over the conventional procurement process, such as up-front and full cost transparency and security in terms of capital investment for construction and operation & maintenance costs as well as a rigid and transparent performance measurement during all project phases. Whilst there is no universal approach to implement PPP schemes, it is today beyond debate that, if structured correctly for the right service and in the right competitive environment, the PPP concept does deliver globally Value for Money due to efficiency gains and enables governments to control their balance sheet.

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?

As mentioned under paragraph 3.2, EIC suggests that the EU PRAG is aligned with the EU Procurement Directive 2014/24, in particular Articles 67-69 : Contracts financed by EU development funds should be awarded with a view to ensuring an objective comparison of the relative value of the tenders in order to determine, in conditions of effective competition, which tender is the most economically advantageous tender. It should be set out explicitly that the most economically advantageous tender should be assessed on the basis of the best price-quality ratio, which should always include a price or cost element. It should equally be clarified that such assessment of the most economically advantageous tender could also be carried out on the basis of either price or cost effectiveness only.

(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?

Representatives of the private sector should be consulted in the drafting of a revised European Consensus on Development and should also be integrated in to the implementation process.

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

As mentioned above in paragraph 5.1, EIC supports the idea of acknowledging of the complementary roles of development and trade finance and a commitment to create synergies between the two sources of finance. In this context, EIC welcomes the EU's Agenda for Change in Development Policy which intends to leverage private sector activity and resources for delivering public goods and under which the EU has vowed to further develop blending mechanisms to boost financial resources for development. In the "Agenda for Change of EU Development Policy" the EU has recognised the need to "develop new ways of engaging with the private sector with a view to... catalyse public-private partnerships and private Investment... The EU should only invest in infrastructure, where the private sector cannot do so on commercial terms" Evidently, not many infrastructure projects in developing Countries can be structured as PPP or concession and this is particularly true for the transport sector. Unless donors are prepared to provide a comparably high level of subsidies, there are certain constraints for public-private partnerships in the infrastructure sector in most developing countries. Therefore, EIC has elaborated a specific proposal for typical public transport infrastructure sector projects, which are "non-commercially viable". EIC's proposal titled "Blending 2.0" builds upon the existing EU-Africa ITF instrument ("Blending 1.0") and proposes to catalyse for public infrastructure projects in Africa additional sources of finance beyond the development finance community ("Blending 2.0"). EIC's innovative "ITF Blending 2.0" concept consists of (1) EU grants to subsidise interest rates for (2) concessional development loans arranged by ITF Lead Financiers which are (3) syndicated amongst commercial banks to the extent that commercial bank finance can be guaranteed by comprehensive insurance cover from participating ECAs, for which ECAs will charge a premium to adequately cover the assumed risks. "Blending 2.0" would catalyse additional private sector finance for typical so-called "commercially non-viable" public sector infrastructure projects that do not generate sufficient direct project income, but are critical for social and economic development of the country (e.g. transport, roads, bridges, railways, drinking water & sanitation, ports, regional airports, health and education). "Commercially viable" infrastructure projects, by contrast, would be structured as Public-Private Partnerships or concessions.

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?

The rules and regulations of the OECD-DAC should be applied and enforced universally, i.e. also in the context of South-South cooperation so that reciprocal access to Tenders is ensured.

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

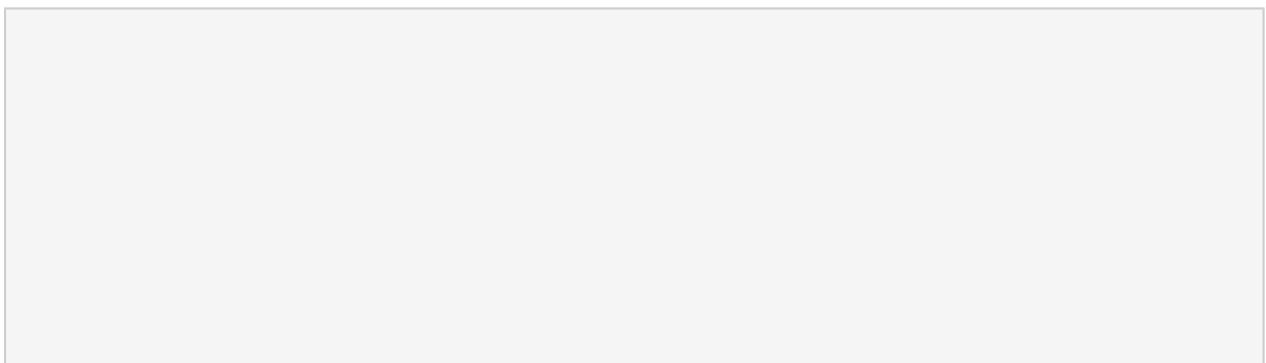
EIC takes the view that there is a strong correlation between meaningful improvements on human rights, democracy, rule of law (hereafter referred to as "Good Governance") and Foreign Direct Investment (FDI) which in turn is necessary to eventually release recipient countries from aid dependency. Therefore, EIC suggests the EU and Member States that, when deciding on the multi-annual national programmes, they should also take into consideration a partner government's progress with regard to Good Governance reforms. For instance, part of the EU's development aid could be closely linked to successful reform programmes.

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?

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

As mentioned in paragraph, 6.4, EIC takes the view that there is a strong correlation between meaningful improvements on human rights, democracy, rule of law (hereafter referred to as "Good Governance") and Foreign Direct Investment (FDI) which in turn is necessary to eventually release recipient countries from aid dependency. When it comes to defining the criteria for Good Governance, EIC would like to recommend resorting to universally accepted indicators including also private sector related aspects, such as the benchmarks of the World Bank Group. The World Bank Group offers two sets of comprehensive indicators on Good Governance, namely the "Worldwide Governance Indicators" (WGI) and the "Doing Business Project". The "Worldwide Governance Indicators" Project reports aggregate and individual governance indicators for 213 economies for six dimensions of governance, namely Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. The WGI draws on data from 31 different sources that provide information on various aspects of governance and the aggregate indicators combine the views of a large number of expert survey respondents in industrial and developing countries. The "Doing Business Project" published by the International Finance Corporation (IFC) provides objective measures of Business regulations and their enforcement across 183 economies and looks at measures and regulations applying to domestic small and medium-size companies, such as starting or closing a business and ease of doing business, dealing with construction permits and registering property, getting credit and protecting investors, paying taxes, trading across borders and enforcing contracts. By gathering and analysing comprehensive quantitative data to compare business Regulation environments across economies and over time, the database offers measurable benchmarks for reform.

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?



(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?

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?

Accountability is ensured by periodic reviews on the programmes and projects funded with EU development funds and by transparently discussing the results of such reviews with all stakeholders, including the private sector. Such a broad forum of stakeholders should be institutionalised on the EU level.

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

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