



Financing Sustainable Development: As an alternative for the "Aid and Trade" agenda!

One of the main expectations of the new set of SDGs is that it will be the foundation for a real paradigm shift towards global sustainable development and social justice. That we will move beyond the old “development” paradigm, focused on material wealth and economic growth, towards the focus on well being, staying within the planetary boundaries and justice. This all means also a transition in “financing development”, into an agenda based on solidarity, equal sharing of wealth, investing in sustainability and immediate phase out of unsustainable consumption and production. We need to move away from the “trade and aid” agenda towards actions that overcome the inequalities and to push for regional and fair economies.

Although the Communication contains many good intentions, not often they are made more concrete, and as we look at what the current policies of the EC are, we can only be left quite skeptical about this communication. The document also conveys a sense of complacency, as if the EU only needs to encourage others (in and outside Europe) to do the same or join the efforts. This ignores the fact that the lifestyle of Europe depends on using more than its fair share of natural resources, the gap between rich and poor is growing, the economy is still debt based, agriculture far from sustainable, and so on.

With those ideas in mind the EEB would like to give the following remarks on the Communication:

“Global Partnership for Poverty Eradication and Sustainable Development after 2015”ⁱ

The Communication does hardly show leadership in this discussion, reiterating the same approach as for the last 30 years, with a main focus on Aid and Trade. It fails to propose any real paradigm shift in the development-concept, but rather promotes Business as Usual, despite all good ideas and initiatives proposed by civil society and progressive think tanks around the world.

Policy Coherence for Sustainable Development

Means of Implementation does not always mean finding money for financing SD, but also putting the right policies in place to achieve SD and changing the policies that are causing unsustainable development. The current EU2020 strategy, with its fixation on increasing economic growth, is not compatible with most of the SDGs. A strict policy coherence check and SD impact assessments are crucial for the success of the implementation of the SDGs at European level.

Impact of external EU policies in developing countries: accumulating ecological debt

We do not see any acknowledgement of the EU's responsibility for its overall impact on developing countries of its own policies, where economic growth and unsustainable production and consumption are putting untenable pressure on the natural environment, the climate and the planet's resources. The EU needs to recognise its historical and current ecological debt, and take all measures to stop and compensate for this. Only then it will be possible for developing countries to achieve their own sustainable development, without the Global North's lifestyles taking away their resources or damaging their ecosystems and livelihoods. Climate change, also caused mainly by the Global North and more recently joined by the emerging economies, is



already putting a very negative burden on the food security and increasing conflicts in the South. Over-exploitation of natural resources is not only very damaging for the environment but also for the increase of social conflicts and criminalisation of environmental activists.

Redirecting existing investments and subsidies

Although we see it as very important to increase investments in sustainable development, we also think it is crucial to redirect the existing investments (divest) from unsustainable projects. There is a mention in the Communication of eliminating perverse subsidies, which is heavily hindering sustainable development both in and outside Europe, but for many years no real action is taken.

Ban Tax havens

Offshore tax havens provide an unprecedented tax shelter, enabling rich citizens and corporations to escape the national tax system. Wealthy tax evaders save themselves millions, while public services and infrastructure in their home countries should be financed with this money, in order to support the SDGs.

What happened with the financial transaction tax?

Civil society has long campaigned for the Financial Transactions Tax as an innovative mechanism to raise finance for development. Unfortunately this idea is not mentioned at all, though 11 EU member states are currently discussing the adoption of this tax by the end of the year.

Recommitting to 30 year old, never accomplished, aid targets

It is to be welcomed that the Communication proposes that the EU recommits to the 0.7% ODA target and binding timetable for Member States, but is vastly outweighed by the financial and material flows that are going the other way around (see point on ecological debt). Referring the international aid (ODA), it would be better to focus on the quality of those partnerships and their effectiveness.

The role of the private sector

States are the duty bearers for their commitment made in the context of the SDGs. Civil society and private sector can play a role, but States remain the responsible and accountable bodies. In this Communication, but also on international level, too much role is given to the private sector for the Mol. This is not a good tendency, as in our eyes, the private sector is just one of the players in the world with the main task to produce, in a sustainable way, products for the market.

Contact: Leida Rijnhout
 Director Global Policies and Sustainability
Leida.rijnhout@eeb.org

¹ http://europa.eu/rapid/press-release_IP-15-4141_en.htm