17 PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Introduction

Due to the unique nature of SDG17, this chapter reflects the **Addis Ababa Action Agenda** (AAAA, 2015) and the **EU Report on Investing in Sustainable Development (ISDR)**, which documents how the EU, its Member States and European development financial institutions are implementing the agenda to support partner countries through financial and non-financial means of implementation to progress towards the SDGs. It includes where appropriate within each section information on how these challenges are addressed within the EU.

To achieve the SDGs and the Paris Agreement objectives, the EU promotes its international partnerships in support of neighbouring countries, developing countries and emerging economies, notably in making the necessary investment. The EU and its Member States, acting in a 'Team Europe' approach, have been at the forefront of supporting partner countries through a range of financial and non-financial means of implementation to help meet the SDGs, notably in terms of supporting domestic resource mobilisation, innovative financing mechanisms for sustainable finance and initiatives ensuring debt sustainability.

Since 2020, the EU and its Member States stepped up their commitment to working better together to ensure coordination and consistency and to better contribute to the implementation of the 2030 Agenda by initiating action at national, regional/multi-country or global level with a 'Team Europe' approach. A concrete manifestation of this new approach consists in the Team Europe Initiatives (TEIs), which are developed based on joint analysis to identify critical priorities that are limiting development and where a coordinated and consistent effort by Team Europe would ensure a transformative impact.

Further, reinforcing this Team Europe approach, the European Financial Architecture for Development (EFAD) was also improved (in response to the June 2021 Council Conclusions), with the aim of broadening its impact, efficiency, and visibility, with a view to deliver a sustainable recovery contributing to the SDGs and the Paris Agreement. This includes involving European, national, public and private actors and leveraging the entire European financial development sector, encouraging the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) to work together more effectively and efficiently, and to strengthen their cooperation with the European development finance institutions in a Team Europe approach.

Importantly, the EU's Global Gateway strategy, launched in 2021, aims to deliver on the twin green and digital transitions through sustainable infrastructure investment in support of the SDGs around the world to strengthen notably digital, transport, health, climate and energy, and education/research. Operating under the Global Gateway framework and focusing on its priorities, there are currently over 160 TEIs endorsed all over the world, including through dedicated regional investment packages such as the Global Gateway Africa-Europe Investment Package.

Sustainable finance

The EU has shown strong leadership in promoting sustainable finance within the EU as well as globally and in partner countries, with the objective of channelling private investment towards sustainable economic activities, businesses and projects. The financial sector in the EU and beyond needs to play its role in achieving the Paris agreement objectives.

2030 targets and trends at EU level

Target and policy reference	Trends
The EU is collectively committed to provide 0.7 % of Gross National Income (GNI) as official development assistance (ODA) within the timeframe of the 2030 Agenda 2017 European Consensus on Development	The EU and its Member States' collective ODA as a share of GNI stood at 0.59 % in 2022 (based on preliminary OECD data).
The EU undertakes to meet collectively the target of 0.15 – 0.20 % of ODA/GNI to the least developed countries (LDCs) in the short term, and to reach 0.20 % of ODA/GNI to LDCs within the timeframe of the 2030 Agenda 2017 European Consensus on Development	The EU and its Member States' collective ODA to LDCs as a share of GNI stood at 0.11 % in 2021.
All European households to be covered by a gigabit network by 2030 Set in the 2030 Digital Compass	The uptake of high-speed internet coverage has improved considerably over a short-term period in the EU. While only 25.2 % of EU households enjoyed such connectivity in 2016, this share has risen considerably, reaching 70.2 % in 2021. If high-speed internet rollout continues at this pace, the EU will reach 100 % coverage well ahead of 2030. Connectivity has also improved in rural areas. Between 2016 and 2021, the share of rural households with a fixed high-speed internet connection increased from 7.7 % to 37.1 % across the EU.

The transition to a sustainable economy is both challenging and indispensable, with massive payoffs in terms of green job and business opportunities. Domestically, the EU has taken major steps to build a sustainable finance ecosystem with the 2018 Sustainable Finance Action Plan followed by the 2021 Sustainable Finance Strategy. One of the building blocks of the strategy is the EU taxonomy establishing a list of environmentally sustainable economic activities and identifying six environmental objectives. A first part of the Taxonomy Regulation on sustainable activities for climate change adaptation and mitigation objectives entered into force in 2022, with additional action scheduled for 2023.

Another building block pertains to sustainability-related disclosure requirements through the Sustainable Finance Disclosure Regulation (SFDR) as well as the Corporate Sustainability Reporting Directive (CSRD). These apply to financial market participants and certain companies. A set of tools including the EU Climate Benchmark Regulation, applicable since 2020, and the EU Green Bond Standard, recently agreed by the European Parliament and the Council, is also part of this sustainable finance ecosystem.

Externally, low and middle-income countries face massive investment needs to finance their sustainable development, which increased with the COVID-19 pandemic despite a record high level of ODA and a quick recovery of Foreign Direct Investment and remittances levels (UN SDG Report 2022). Only 20 % of global financial assets are held in developing countries. On the positive side, a change of just 1.1 % in the allocation of the total financial assets could provide sufficient funds to fill the yawning SDG funding gap according to OECD.

In recognition of these challenges and opportunities, the EU and its Member States contribute to the acceleration of private financial flows to partner countries, which is critical to collectively deliver on global sustainability commitments. A high-level expert group (HLEG) has been formed in 2022 to advise the Commission on transformative and innovative action the EU can take to help scale up sustainable finance in low- and middle-income countries (LMICs). Its recommendations will inform a comprehensive Commission strategy.

The European Commission is also seeking to help LMICs develop markets for sustainability-related instruments such as green bonds. Green bonds are a useful tool to attract, at scale, private investors to sustainable investment such as green (infrastructure) projects, therefore enabling countries to meet Paris Agreement objectives and to achieve a lasting, sustainable recovery. To this end, a Team Europe Global Green Bond Initiative is expected to be launched in 2023, under the European Fund for Sustainable Development Plus (EFSD+).

The European Commission is also supporting, through the EUROCLIMA+ programme, the development of the Latin America and Caribbean Common Taxonomy Framework. This will help ensure regional and global interoperability, while allowing for local contextualisation. In South Africa, the European Commission and the National Treasury of South Africa compared the EU taxonomy and the South African green finance taxonomy, so that investors can more easily identify investment that could be considered green by both South Africa and the EU. This will help reduce their transaction and research costs and facilitate cross-border flows for the green and sustainable transition. Moving forward, in 2023, the European Commission will set up a Sustainable Finance Advisory Hub to help stakeholders in partner countries develop sustainable finance frameworks, including standards and the issuance of sustainability-related financial instruments. This will be in line with international good practice and building on the EU experience.

In addition, the EU and its Member States participate in many international sustainable finance initiatives and fora, with the purpose of exchanging best practices and increasing global consistency, cooperation and interoperability. These include the International Platform on Sustainable Finance (IPSF) and the G20 Sustainable Finance Working Group.

Measures taken by the EU and its Member States are mutually reinforcing and coordinated, to ensure that they complement each other and have impact in support of the SDGs. As well as acting together with the EU through joint programming and Team Europe Initiatives, EU Member States carry out their own projects in support of the 2030 Agenda, including SDG 17. Some initiatives implemented by Member States are presented in the various sections of this chapter for illustrative purposes.

For instance, the Netherlands catalysed private capital towards the SDGs using innovative finance, such as an SDG-Focused Emerging Market Credit Fund, in which pension funds invested without any use of blended finance, allowing capital to be raised to finance private sector projects in LMICs, together with IFIs and DFIs.

Domestic public resources

Over the last decade, worldwide government revenue as a share of GDP has remained stable (around 30 %) but regional data show a clear downward trend of public revenues in LDCs, even though these are the main sources of public investment and the provision of basic services to their citizens. Illicit capital flight and tax havens cost low-income countries USD 200 billion a year in lost corporate tax revenues.

At international level, a significant effort is being made by the EU and its Member States to reduce illicit financial flows and fight tax avoidance and evasion worldwide (addressed also under SDG 16), which disproportionately affects developing countries. Via its list of non-cooperative tax jurisdictions, the EU has engaged in enhanced bilateral dialogues on good tax governance with countries around the world, including developing countries.

As a result, dozens of developing countries have joined leading international forums such as the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and the Inclusive Framework against Base Erosion and Profit Shifting (BEPS IF), as well as becoming parties to the Convention on Mutual Administrative Assistance in Tax Matters. These reforms are beneficial for domestic resource mobilisation (DRM) directly and indirectly, as they provide for new tools to secure tax revenues and expand the tax base. The EU also helps the Global Forum and the BEPS IF to help developing countries implement DRM-relevant standards. In addition, in 2021, close to 140 countries around the world, including EU Member States and developing countries, agreed to a reform of the international tax framework and joined the G20/OECD statement to address the tax challenges arising from the digitalisation of economy. They did so by setting a minimum effective level of taxation (Pillar 2) and by re-allocating parts of the profits of the world's largest multinationals to market jurisdictions (Pillar 1). This agreement will help bring about a level playing field in international taxation and boost tax revenue collection, which is paramount for increasing public investment and improving the business environment.

In terms of domestic public resources, the EU and its Member States are committed to the EU's 'Collect More and Spend Better' strategy. They have substantially increased their support for domestic revenue mobilisation and public financial management, through global, regional, and country-level initiatives, and these have benefitted over 90 partner countries.

At country level, the EU and Member States support the improvement of tax policy and tax administration, public financial management and governance, and have more than doubled their support for technical cooperation in these areas since 2015. Budget support has been particularly significant in these efforts, not only by providing technical assistance, policy dialogue and incentives for reform, but also by integrating these aspects as eligibility criteria for the support, thus reinforcing the dialogue and incentives around these issues.

The EU and its Member States are the second-largest provider of budget support after multilateral organisations. In 2019, Commission payments for DRM amounted to EUR 98 million, of which 63 % was channelled through budget support indicators, and 37 % through projects. According to data from the IMF, African countries where the Commission introduced such DRM indicators saw increased ratios of tax revenue to GDP by 2 percentage points on average between 2015 and 2019.

By way of illustration, a **Team Europe Initiative supports domestic resource mobilisation** in Mexico, which faces high

levels of structural inequality across regions and population groups. Since a fairer and more efficient taxation system can help to address inequalities and promote social cohesion, the TEI seeks to improve the capacity and transparency of the Mexican tax administration across the federal and state levels.

In Cameroon, where 75 % of the wood purchased locally is of illegal origin, the EU has promoted fiscal reforms through a budget support programme, accompanied by strong policy dialogue, donor coordination and technical assistance. Analysis of the fiscal revenue in the timber sector revealed a financing gap of EUR 72 million in uncollected fees and undeclared revenue by local companies active in the timber sector. These results steered a national debate on increasing controls, creating the political space to introduce incentives for the private sector to operate legally (see **EU budget support trends and results 2021**).

Domestic and international private business and finance

With regards to domestic and international private business and finance, the EU and its Member States put a strong focus on private sector development as a cross-cutting means of building resilience and promoting the creation of decent jobs in LMICs. EU assistance to private sector development has grown by 65 % over the last decade, supporting investment and policies to improve the regulatory environment for private sector development, including access to capital. Importantly, the EFSD+ supports sustainable investment worldwide by leveraging private capital to complement direct external cooperation grants, including blending and guarantees to support micro, small & medium enterprises (MSMEs), notably in rural areas and for women entrepreneurs.

Furthermore, the EU and its Member States have taken important steps to support remittances as an important source of sustainable investment. Some progress has been made in reducing the costs associated with the transfer of remittances from the EU to partner countries, but globally current costs remain well above the 2030 target of 3 %. Progress in low-income and lower middle-income countries in increasing access to credit for MSMEs, or boosting Foreign Direct Investment flows, essential for sustainable investment, has also been uneven and slow. The pandemic has affected developing economies proportionately more in terms of its toll on human and physical capital, investment, and economic growth, than in higher income countries.

The EU is working on harnessing the development potential of the private sector through multi-stakeholder initiatives such as the EU-Africa business forum, which facilitate the identification of bottlenecks for private sector development and trade. Through Global Gateway, the EU mixes grants, soft loans and guarantees aimed at crowding in private sector investment and brings in new bodies such as the export credit agencies.

Additional funds will also be leveraged through EFSD+, which will make available EUR 40 billion in guarantee capacity, for a variety of sectors, in addition to several billion euro in blending grants. The European Commission will set up a Business Advisory Group on the Global Gateway. This group will ensure private sector involvement, be easily accessible and will serve to discuss the implementation of the Global Gateway strategy.

By way of illustration, the EU supported financial inclusion in 60 countries, assisting MSMEs and individuals to access financial products (such as credit, insurance, leasing). Blending operations were the most common instrument used by firms to access finance.

International development cooperation

The EU institutions [41]provided EUR 22 billion of official development assistance (ODA) [42] overall in 2022. Their ODA to least developed countries (LDCs) [43] amounted to EUR 3.6 billion in 2022 [44]. From a Team Europe perspective, the EU and its Member States are collectively by far the largest donor of ODA worldwide, providing 43 % of global ODA in 2022. Their collective ODA amounted to EUR 92.8 billion in that year, corresponding to 0.59 % of collective gross national income (GNI). They have collectively provided EUR 16.5 billion of ODA to LDCs in 2021, equivalent to 0.11 % of their collective GNI. Although some Member States already exceeded their individual targets, more effort is needed to meet the collective and individual targets and to collectively provide 0.7 % of GNI as ODA and 0.2 % of GNI as ODA to the least developed countries (LDCs) by 2030.

ODA provided by the EU and its Member States' is made more effective by adopting joint programming processes, to achieve a better division of labour by collectively reducing fragmentation and sharing the coordinating workload at sector or policy area level. The approach supports joint implementation such as Team Europe Initiatives. Support delivered as Team Europe in response to the COVID 19 pandemic amounted to EUR 47.7 billion of disbursements (of which EUR 24.9 billion came from the EU institutions) up to the end of 2021, to help partner countries cope with the pandemic and its socio-economic consequences.

A good example of putting in practice Team Europe and Global Gateway is through twinning and TAIEX. These peer-to-peer institution-building instruments bring in EU Member States public sector expertise in support of partner country reform processes, supporting the implementation of the SDGs. TAIEX and twinning are well established in the EU enlargement and neighbourhood countries.

Over 600 TAIEX events take place every year and over 100 twinning projects are ongoing. The implementation of TAIEX and twinning in INTPA countries started in 2020. Twinning projects are ongoing in Zambia, Kyrgyzstan, Namibia, Dominican Republic, Madagascar and Rwanda. With the lifting of COVID-19 travel restrictions, the number of TAIEX INTPA events increased strongly from mid-2022 onwards. 70 events in more than 30 countries have been implemented so far, covering all the SDGs.

Furthermore, the Global Gateway strategy, brings together a 360-degree package through a mix of grants, concessional loans and guarantees to de-risk private sector investment, as well as a number of operational tools such as technical assistance, policy and economic dialogue, trade and investment agreements and standardisation. The goal is to create better conditions for quality investment.

Complementing ODA, the EU and its Member States also used innovative financing mechanisms, such as leveraging private capital through blending or guarantees. This mobilised nearly EUR 10 billion of additional resources in 2020, close to 15 % of EU ODA in 2020. They have also developed a roadmap for a more inclusive and coordinated European Financing Architecture for Development (see EFAD in the introduction).

Consistent with the overall decision that at least 20 % of the EU budget is spent on climate finance in 2020 and a commitment to reach 30 % by 2027, the EU budget includes an additional EUR 4 billion for climate finance for partner countries until 2027, such as the substantially increased funding for supporting biodiversity and disaster risk reduction. The EU has been helping and encouraging major economies and partner countries to successfully execute their climate change mitigation and adaptation policies. Many cooperation mechanisms have been put in place by the Commission in this respect, in an effort to accelerate the decarbonisation of partner countries. For instance, the Commission, with Member States, as part of the D4D Hub Team Europe Initiative, is developing measures to ease the green and digital twin transitions in partner countries.

Gender equality (SDG 5) is a core value of the EU and a universally recognised human right enshrined in international conventions. To track gender equality, all development cooperation projects are scored according to the three-point system of the OECD/DAC, under which an action scoring 0 ("gender not targeted") must be justified. The political commitment that 85 % of all development cooperation programmes must be gender responsive is reiterated in the Gender Equality Action Plan III for 2021-25.

(41) Includes the European Commission and European Investment Bank (EIB).
(42) This is measured on a grant equivalent basis in line with OECD methodology. For 2022, figures are based on preliminary ODA data.
(43) This is composed of bilateral net ODA to Least Developed Countries (LDCs), imputed multilateral ODA to LDCs and regional ODA known to benefit LDCs, in line with OECD methodology.
(44) Preliminary data.

International trade as an engine for development

Facilitating trade and financial integration play an important role in driving growth and supporting sustainable development. The EU is at the forefront of the global efforts to reform the WTO, to reassert its relevance and effectiveness in ensuring that trade remains open and fair. Sustainability and the advancement of the SDGs are also at the core of the **EU's trade policy review** for the coming years.

Progress on trade globally is poor, with the share of least developed countries (LDCs) in global merchandise export sticking to around 1 %. Whilst the EU has become the main export market for LDCs, their share in EU imports remained at about 2 % from 2010 to 2020, while the target of doubling the share of LDCs' exports worldwide by 2020, from its value of 1 % in 2011, has not been met.

Within the EU, the customs union contributes to the implementation of the SDGs, through facilitation of trade and supporting enforcement of key policy measures in international trade in goods and supply chains. In 2022, the Commission began preparations for a comprehensive customs union reform package, which would continue to strengthen the contribution of customs in a range of areas, such as the facilitation of legitimate trade (contributing to SDG 8), the detection and prevention of imports or exports which contravene relevant EU rules on such on waste, chemicals, or safe and sustainable product design (contributing to SDG 12), or the protection of territorial ecosystems (e.g. from imports which are products of deforestation) and protection of biodiversity (through helping detect traffic contravening CITES) (contributing to SDG 15).

The EU and its Member States are jointly the world's largest donors of aid for trade, representing 40 % in 2020 (**Aid for trade annual progress report 2022**), which is seen as a key tool for supporting developing countries' sustainable integration into the world economy. The collective commitments of the EU and its Member States amounted to EUR 22.9 billion in 2020 (an increase of 22 % from 2019). The European Commission accounts for 38 % of this share and the Member States for 62 %. EU's aid-for-trade is relatively more directed towards Africa than other regions, and 13 % to LDCs. The EU has committed itself to increasing this share in the coming years, in line with the SDGs. Key areas of action have related to women's economic empowerment, environment and biodiversity protection, and digitalisation.

As regards international trade as an engine for development, the EU has fully implemented the Bali package which contains advances in the Doha Development Agenda agreed at the 9th WTO Ministerial Conference. The Bali package includes the Agreement on Trade Facilitation, which is designed to lower global trade barriers while implementing special and differential treatment for developing and least developed countries.

The EU's trade bloc offers an extensive network of free-trade agreements and arrangements, with unilateral preferences for developing countries, as well as autonomous trade and development policy tools with the objective of supporting the implementation of the SDGs. By way of illustration, the EU negotiated several economic partnership agreements with 14 countries in Sub-Saharan Africa and 4 free trade arrangements with countries in Northern Africa. Exports to the EU27 from the LDC countries covered by EPAs has increased on average by 8 % between 2010 and 2021, and by 13 % in the last year. This increase in exports has been accompanied by an increase in the share of manufactured products over total exports for Comoros and Mozambique.

In 2021, the EU supported the implementation of the African Continental Free Trade Area (AfCFTA) Agreement, notably through the African Trade Observatory and the Harmonised System for the classification of products. These efforts are further supported through a dedicated Team Europe Initiative as part of the Global Gateway Africa-Europe Investment Package, as well as through the launch of a High-Level Dialogue on Trade and Economic Integration.

All modern EU trade agreements include Trade and Sustainable Development (TSD) chapters with a broad set of commitments

based on international labour and environmental standards. The EU regularly engages with TSD partner countries by means of dialogues on labour rights and environment-related commitments, as well as related cooperation projects. For instance, in Vietnam, the EU continued to engage closely with the authorities (a) to support the implementation of the country's new Labour Code, in force since 1 January 2021 (which allows the creation of worker representative organisations), and (b) to advance Vietnam's labour commitments on the ratification and effective implementation of the ILO fundamental conventions. On 22 June 2022, the Commission adopted a new Trade and Sustainable Development strategy promoting a priority-based engagement with partner countries, enhanced participation and support for civil society, as well as a stronger focus on implementing and enforcing TSD commitments. This included the possibility to suspend trade preferences in serious instances of non-compliance with the ILO fundamental principles and rights at work, or in cases of failure to comply with obligations that materially defeat the object and purpose of the Paris Agreement on Climate Change.

The EU's Generalised Scheme of Preferences (GSP) grants unilateral trade preferences reducing or eliminating import tariffs on goods exported from developing countries to the EU market. The objective is to increase trading opportunities, reduce poverty and create jobs based on international values and principles relating to sustainable development. The EU's GSP covers 67 beneficiary countries, of which 46 are LDCs benefiting from the Everything-But-Arms (EBA) arrangement. The 2018 GSP Mid-Term Evaluation showed that the EU's GSP is helping eradicate poverty (by expanding exports from countries most in need) and promote sustainable development and respect for human rights in beneficiary countries. For example, in 2021 over EUR 22 billion worth of imports into the EU from LDCs used EBA preferences (66 % of all goods imported from LDCs). On 22 September 2021, the Commission proposed a new GSP regulation introducing targeted improvements that aim to better respond to the evolving needs of developing countries and reinforce the scheme's social and environmental impact.

Debt and debt sustainability

While rising public debt levels were already a cause for concern at the end of last decade, the consequences of the COVID-19 pandemic and the Russian war have triggered a massive increase in debt accumulation and have exacerbated the risk of debt crises. This highlights the need for more progress in ensuring debt sustainability, which will require efforts from the entire global community.

The EU recognises the importance of responsible lending and borrowing practices and has supported efforts within existing initiatives such as those promoted by the G20, the Paris Club, the international financial institutions and the UN. Some EU Member States have enacted laws to stop vulture funds from undermining efforts to restructure debt. In broad terms, the measures aim to protect partner countries from having their assets seized by creditors who bought the debt when the debtor was in or near default. In addition, since the IMF endorsed their use in 2014, collective action clauses have been included in almost all new sovereign bonds.

More generally, the EU and its Member States have been leading efforts to manage debt and debt sustainability for vulnerable low-income countries and provided substantial liquidity support to them through the G20-Paris Club Debt Service Suspension Initiative (DSSI), to help manage the socio-economic impact of the COVID-19 pandemic. They have also supported the adoption and implementation of the G20-Paris Club Common Framework for Debt Treatment beyond the DSSI, which ensures a coordinated multilateral approach for countries in debt distress.

Further, they provided financial and technical support to World Bank and IMF facilities set up to address debt crises (notably the Catastrophe Containment and Relief Trust) and to build debt management capacity (through the Debt Management Facility – which aims to help develop medium-term debt management strategies, increase transparency and enable countries to manage more complex debt portfolios). The EU and its Member States are similarly exploring the possibility of using debt-for-SDG swaps that could link debt relief and investment in exchange for firm commitments to the SDGs, in view of a green, digital, fair and resilient recovery.

In the framework of its bilateral cooperation, the EU is implementing budget support programmes offering grants under 230 contracts with 95 countries and territories. On average, the budget support accounts for about 40 % of national cooperation with partner countries. Macroeconomic stability and debt sustainability are an integral part of the conditions, analysis and policy dialogue for the programmes, which include building capacity to improve debt management and transparency. If the risk of debt distress increases, mitigating measures can be designed, together with the national authorities, to address the situation. EU budget support has also enabled access to debt relief for LDCs in fragile situations.

Addressing systemic issues, including enhancing policy coherence for sustainable development

The pandemic has again illustrated the value and strength of multilateralism, the need for international cooperation between countries in addressing systemic issues, and for countries to assess their policies' impact on all three dimensions of sustainable development (economic, social, and environmental) and take measures to enhance policy coherence for sustainable development.

The EU and its Member States have done this in their national policies as well as at the EU level. The European Commission's system of better regulation contributes effectively to ensuring policy coherence for sustainable development, It seeks to address interlinkages, synergies and trade-offs between the three dimensions of sustainable development by identifying and assessing the contribution made to the relevant SDGs in all impact assessments legislative proposals and evaluations.

Externally, and as an important contribution to the broader commitment to policy coherence for sustainable development, the EU pursues the principle of policy coherence for development (PCD), derived from the EU Treaties and enshrined in the 2017 European Consensus on Development. It seeks to enhance the positive effects and minimise the negative impacts of EU policies on partner countries, promote synergies between EU policies and so increase development effectiveness.

The Commission has integrated the concept of PCD in its overall work to implement the 2030 Agenda. It is specifically followed up through the process of the European Commission's annual planning of new legislative and non-legislative initiatives as well as through the political adoption process for each initiative. These processes allow for timely information-sharing and internal dialogues to ensure, by dint of all relevant departments being properly involved, that the external impacts of these new initiatives are taken into account. The different EU Commissioners in charge of external relations are also aligned and coordinated with a view to having the external dimension and impact of EU internal policies on non-EU countries taken more into account.

Member States are responsible for ensuring that their national policies observe PCD and are aligned at EU level through their own coordination mechanism. Although the relation with the broader concept of policy coherence for sustainable development (PCSD) that emerged with the adoption of the 2030 Agenda may have caused some confusion with the concept of PCD derived from the EU Treaty, Member States generally show strong political commitment to PCD, with 19 of them codifying such commitment in a national development strategy or related guidelines, policies, action plans and legal frameworks, and 7 Member States adhering to a "whole of government approach" and strong non-governmental stakeholder consultations in the process of PCD coordination. However, progress remains to be made in incorporating into policymaking the practice of carrying out advance evaluations of policy impacts on partner countries, as well as in periodic reporting on PCD.

By way of illustration of actions undertaken within Member States, Italy has defined a National Action Plan (NAP) for policy coherence for sustainable development, which became operational in July 2020, including by pursuing a 'nexus' approach needs to be implemented as one of the pillars of the 2030 Agenda. This NAP provides coherence tools aiming at strengthening the system of institutional relations, vertical and horizontal, as well as multi-actor participation, and it has the objective of strengthening in Italy the fundamental role that governance plays for sustainable development.

In 2022, Malta launched a funding instrument to support initiatives for sustainable development carried out by non-governmental and not-for-profit organisations. The Sustainable Development Fund for voluntary organisations implemented by the Ministry for Environment, Energy and Enterprise allocates EUR 50,000 to projects that have the potential to cover activities and initiatives in line with the SDGs.

Germany has established a mandatory impact assessment for laws to ensure policy coherence for sustainable development. The joint rules of procedure for the German Federal Ministries require every draft law or ordinance to undergo a sustainable development regulatory impact assessment before being put to a vote. Ministries are responsible for performing the assessment procedure, assisted by the eNAP electronic tool (launched in 2018).

The Basque Country region in Spain is working with local authorities and socio-economic stakeholders to implement the SDGs. It created the Multi-stakeholder Forum for Social Transition and the 2030 Agenda to establish an inter-institutional SDG governance and facilitate public, private and social collaboration and participation, and prepared five voluntary subnational reviews. The city of Bilbao hosts the Local Coalition 2030, which promotes activities at local and regional level, including engagement with stakeholders and private sector, to localise the implementation of the SDGs.

The EU and its Member States have also supported partner countries in their own efforts to put in place institutional mechanisms to increase policy coherence for sustainable development.

At international level, the EU and its Member States have been the largest contributor to the multilateral system and the largest provider of core contributions to multilateral organisations for the entire period under review. The 2021 Joint Communication on strengthening the EU's contribution to rules-based multilateralism highlights the importance the EU places on close partnerships with multilateral organisations, including to help implement the SDGs.

Science, technology, innovation, digitalisation and capacity building

Information and communication technologies (ICT) underpin global efforts to accelerate human progress, bridge the digital divide and develop knowledge societies. ICT have continued to expand significantly, but less than 30 % of the population have access to the internet in the poorest regions of the world.

The broad thrust of EU action to develop science, technology and innovation within the EU – to support the implementation of the SDGs – is illustrated in the chapter on SDG9. In addition, the EU is the world's second largest provider of ODA for science, technology and innovation to partner countries, reaching almost EUR 1 billion in 2019.

Regarding digitalisation, in early 2021, the Commission published its Communication '2030 Digital Compass: the European way for the Digital Decade', committing to building strong international digital partnerships. This is complemented by the global Team Europe Initiative Digital 4 Development (D4D) Hub (which is contributing to the rollout of the Global Gateway strategy) – a strategic multi-stakeholder platform that fosters digital cooperation between the EU, its Members States and global partners, thereby contributing to the Global Gateway Priorities.

D4D saw its first operational regional component start working in 2021 with the African Union, through the African Union European Union (AU EU) D4D Hub Project. Additionally, a core outcome of the work by African partner countries and the AU is the emergence of regionally harmonised data economies, bringing the benefits of data use closer to citizens and businesses through the newly launched TEI Data Governance in Africa.

The D4D Hub has also launched its cooperation in Latin America and the Caribbean, as well as in Asia Pacific and Central Asia. EU commitments for digital transformation in the LDCs grew extensively, contributing to the 2020 commitment to provide widespread internet access in the LDCs. Tackling the digital divide is crucial, and global digital partnerships are one of five priority areas for the EU's external cooperation. The EU launched several new initiatives in 2020 to promote digitalisation in partner countries.

The EU engaged with international partners on regulatory and ethical matters to promote the responsible development of trustworthy artificial intelligence (AI) at global level. The initiative prepares the ground for global coalition-building on human-centric AI, in accordance with universally recognised values. In 2021, the project supported reinforced policy dialogue with partners, such as Japan, Canada and Australia, with the aim of facilitating knowledge exchanges and regulatory convergence.

Space technologies are used as innovative support for meeting the SDGs. The EU applies space technologies to better understand and protect wildlife, forests and **biodiversity**. For example:

- the Copernicus Climate Change Service (C3S) provides tailored information products to worldwide users on key indicators such as temperature, sea ice and CO_2 levels;
- the Copernicus Atmosphere Monitoring Service (CAMS) uses near-real-time observations of the location and intensity of active wildfires, to estimate pollutant emissions that may impact biodiversity in the affected areas;
- and a digital platform shows real-life testimonies from scientists and users across the world about innovative ways to contribute to the achievement of a given SDG.

In 2018, it was found that about 40 % of the 169 indicators underpinning the 17 SDGs are reliant on the use of space-based science and technology.

Capacity-building is central to boosting innovation in partner countries and the EU and its Member States increased their funding for scholarships for students from developing countries by 45 % between 2014 and 2019; they now account for almost 90 % of donors' total ODA spending on scholarships.

By way of illustration, the European Commission supports the Partnership for Research and Innovation in the Mediterranean Area, a multilateral funding programme involving EU Member States, Horizon Europe associated countries and Mediterranean partner countries, on an equal footing of co-ownership, co-management, and co-funding. Through Horizon Europe – the EU's main research & innovation programme – the EU continued to mobilise Indian participation in global research partnerships, with projects aimed at strengthening global climate systems (SDG 13), renewable energy systems (SDG 7), crop disease management and agri-systems (SDG 2) and vaccine research (SDG 3).

Another example under Horizon Europe is the EU's SDG-driven innovation ecosystems project, which aims to provide capacity-building activities to help partner countries set up an SDG-related innovation environment across the private sector (investors, start-ups, SMEs) public sector (governments, EU agencies, development banks), academia (research, knowledge, R&D) and non-profit sector (NGOS, philanthropy, social enterprises) in Italy, France Portugal, Member States in Central/Eastern Europe and Israel.

Data monitoring and follow-up

There is broad international consensus on the importance of data monitoring and follow-up on SDG indicators, so that the SDGs and their targets can become a management tool to help countries in designing better policies and action, reinforced by adequate resources and effective implementation strategies. National statistical services are an important part of the SDG framework but they remain weak and underfunded. In partner countries, only 4 out of 46 (8 %) countries reported having fully funded national statistical plans in 2020. Global ODA support for data and statistics has remained stagnant in recent years, with only 0.3 % of total ODA dedicated to this area.

The EU and its Member States are supporting and pushing for improved follow-up and monitoring of the SDG commitments in multiple ways. They disbursed EUR 110 million in 2018-20 to over 50 partner countries for statistical capacity building. EU institutions are among the largest providers of funding for data and statistics, strengthening partner country capacities to produce and disseminate statistics, including for effective SDG monitoring, and thereby increasing accountability. Support focuses in particular on statistics for key economic and social variables.

The European Commission's statistical office, Eurostat, is supporting the quality, reliability and harmonisation of official statistics in Africa at national, regional and continental levels including with management of PAS (Pan-African Statistics) programs (currently PAS II). Eurostat continues to support the development and use of statistical tools (such as Snapshot, assessing national statistical systems), through the 'Guide to statistics in European Commission development cooperation', tools to support compilation of national accounts (ERETES), trade statistics and the assessment of national statistical systems

(Eurotrace) as well as fostering international standards for the exchange of statistical information (SDMX). Workshops, bilateral targeted assistance, methodologies, guidelines, peer reviews and support for the production of continental trade statistics are provided, to tackle the specific statistical needs of partner countries.

The disruption of established lifestyles by recent crises has also reignited the debate on what kind of economic growth is desirable and what actually matters for human wellbeing in a world of finite resources. To support policies aimed at improving the wellbeing of all people and the planet, for both current and future generations, discussions and work on "beyond GDP" are ongoing in the Commission. Furthermore, the "Beyond Growth 2023 Conference — Pathways towards Sustainable Prosperity in the EU", organised by the European Parliament in May 2023, contributes to the objective of shifting the discourse towards future-oriented economic policymaking and the benefits of indicators that go beyond GDP for a European economy that is healthy in a broad sense, in line with the European Green Deal objectives and the SDGs.

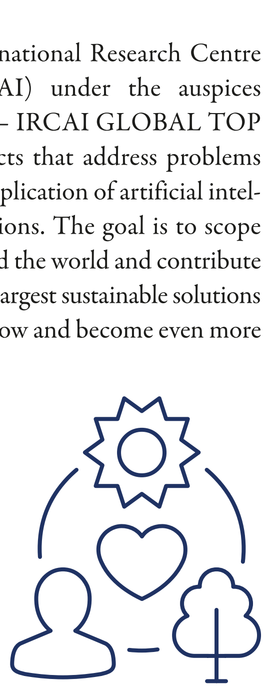
The EU also works to increase the accessibility and transparency of statistics on its international partnerships. This includes the EU Aid Explorer, which provides additional transparency on EU and Member States' spending.

The EU also played a key role in developing the statistical tool 'Total Official Support for Sustainable Development' (TOSSD). TOSSD aims to measure all resources for the SDGs, beyond the flows captured in ODA, including non-concessional flows, resources mobilised from the private sector, support from emerging donors, etc. The measure has been developed and is being fine-tuned by a task force of statisticians and development policy makers from recipient and provider countries (including six EU Member States) and international organisations. TOSSD is now recognised as a data source for SDG indicator 17.3.1 and has been adopted by the UN Statistical Commission. Ensuring that even more development providers report using the TOSSD methodology will further improve the success of this tool and its relevance.

The Organisation for Economic Co-operation and Development (OECD) and the European Commission are collaborating on a project to advance the analysis and evaluation of the extent to which city-to-city partnerships are contributing to the achievement of the SDGs. As part of this joint initiative, the OECD is developing a monitoring and evaluation framework for city-to-city partnership to localise the SDGs, including a self-assessment framework to assess how these partnerships are consistent with the ten G20 Rome High-Level Principles on city-to-city partnerships for localising the SDGs, and a set of indicators to assess their progress towards the SDGs. The list of indicators considered in the framework proposes a specific focus on SDG 11 and in particular SDG 17, for which most existing SDG indicator frameworks have gaps in terms of indicators and data coverage.

Several Member States support the development of statistical capacities in partner countries. For example Portugal is supporting this in the Portuguese-speaking community, especially the PALOP countries and Timor-Leste, as is Denmark in Morocco, Ghana and Vietnam.

Slovenia has established the International Research Centre on Artificial Intelligence (IRCAI) under the auspices of UNESCO. One of its projects – IRCAI GLOBAL TOP 100 – releases a list of 100 projects that address problems related to the 17 SDGs, with the application of artificial intelligence across all geographical regions. The goal is to scope and showcase solutions from around the world and contribute to the SDGs by creating the world's largest sustainable solutions platform, helping these solutions grow and become even more effective and efficient.



Looking ahead

As outlined above, progress on SDG 17 has been negatively affected since 2020 as a consequence of the consecutive global crises, with rising debt burdens. However, acting in a Team Europe approach, the EU will continue its efforts in leading the way to pursue the various complementary targets of SDG 17. The purpose of ensuring the provision of sustainable and value-based support is at the centre of the EU commitment to implement SDG 17 through its international partnerships. This approach is pursued through the actions undertaken under the NDICI — Global Europe, for the 2021-27 multiannual financial framework, and the continued EU effort to explore innovative solutions, and is notably reflected in the Global Gateway strategy and its dedicated regional investment plans..

As regards sustainable finance, the EU is committed to continue implementing the strategy for financing the transition to a sustainable economy. The EU will also be developing a comprehensive strategy to scale up sustainable finance in low- and middle-income countries, with the support of a high-level expert group (HLEG). The EU will continue to (i) support efforts to scale up green bonds in our partner countries, as they are a key tool for mobilising private investors to make sustainable investments and (ii) help support our partner countries build a conducive environment for sustainable finance.

The EU and its Member States will continue working towards their collective and individual commitments on ODA in the timeframe of the 2030 Agenda, to collectively provide 0.7 % of GNI as ODA and 0.2 % of GNI as ODA to the least developed countries (LDCs) by 2030.

To combat international tax evasion and avoidance, the EU recently confirmed its support for the Inclusive Framework on BEPS (tax base erosion and profit shifting), to help developing countries (also through technical assistance) implement international tax standards, with a focus on the two-pillar solution. The EU and its Member States will maintain their support for the Global Forum on Transparency and Exchange of Information for Tax Purposes and continue working with partner countries in their efforts to implement tax good governance standards. These efforts will be supported through the rollout of major partnership initiatives, including the Team Europe Initiative on Fighting Illicit Financial Flows (IFFs) in Africa, both on tax and non-tax related IFFs, building on ongoing cooperation with the African Union Commission on combatting IFFs.

In the field of trade, the EU will continue its efforts to support financial integration as an engine for development. The EU ensures sustainability by including commitments in trade agreements to respect international labour and environmental conventions. The EU's Generalised Scheme of Preferences is widely recognised as the world's most generous regime of unilateral trade preferences for developing countries and the EU continues working to reinforce the scheme's contribution to sustainable development.

Another aspect is rising public debt levels, which were a cause for concern at the end of the last decade but have been further triggered by the COVID-19 pandemic, exacerbating the risk of debt crises for low and middle- income countries. Unsustainable debt puts countries on a difficult path and can be a clear obstacle to sustainable development. To counteract this trend, the EU supports for instance the OECD Debt Transparency Initiative, which aims to set up a database and reporting system to record private lenders.

Furthermore, innovation, research and capacity building for monitoring and support for data and statistics is key. Tackling the digital divide is crucial, and global digital partnerships are a main priority area for the EU's external partnerships. Investing in digitalisation infrastructure will be a priority of Global Gateway deployment. The EU will keep improving SDG monitoring and supporting partner countries with data and statistics. As described in various SDG chapters, the EU provides capabilities for partner countries to use satellite and remote sensing monitoring, notably through the Copernicus programme.

The EU will also continue to make further efforts to develop measurements of progress on sustainable development that go "beyond GDP". These ongoing efforts contribute to the commitments made to this end in the European Pillar of Social Rights and the 8th Environmental Action Programme and to delivering on SDG target 17.19.

Finally, strengthening policy coherence for sustainable development is a central part of the EU's approach to governance, for implementing the SDGs. This includes ensuring that all EU policies contribute to the achievement of SDGs in partner countries (traditionally described as 'policy coherence for development'). The European Commission will therefore use its system of Better Regulation, recently reinforced in relation to SDG integration, to better consider the external implications of internal policies and their significant impact on countries outside the EU.