



Towards a Sustainable Europe by 2030. Scenario 1+ (April 2019):

Enhanced and Transformational Partnerships
A leap forward for living well, within the limits of our planet

Summary.

'To make Europe the world leader in sustainable development', we support Commission scenario 1. However Scenario 1 needs to be enriched by governance innovations to scale up, accelerate, activate the 'transformational' potential of the Agenda 2030 as underlined by the European Parliament Committees report and draft resolution on the SDG's. This is the objective of Scenario 1+.

Scenario 1+

- ***Support specific proposals from Scenario 1 and 3***
- ***Differs from Scenario 1 as regards how specific SDG implementation targets are defined at EU level, an overarching EU SDG Strategy is implemented and concrete and time-bound deliverables for 2030 are fixed.***
- ***Proposes "enhanced and transformational partnerships" in an era of polyilateralism***
- ***Redistributes tasks at European level in relation to system leadership. In particular it presents a new role for the European Council, its President and its Members as well as the European Economic and Social Committee, Committee of Regions, EU Sustainability Multi-stakeholders Platform.***
- ***Offers a mix of top-down and bottom-up processes, which are complementary***
- ***Proposes innovative approaches in the field of finance, new economic model and risk mitigation in the public interest.***

The 3 mains proposals are :

- ***An Annual Agenda 2030 Enhanced Partnership Summit chaired by the President of the European Council. Its first meeting would take place before end 2019 (see page 4).***
- ***A European Youth Convention, to take place in July 2020, to fix the Action plan 2020-2030 and EU Treaties adaptation to be presented to the European Council and the European Parliament (page 6)***
- ***Enhanced and transformational partnerships inside and outside the EU as an Alliance Finance SDGs (page 7) and, i.a., enhanced partnerships related to the Mediterranean, Post-Cotonou, Oceans, China.***

Introduction

For a project such as that proposed by Europe Ambition 2030 *'to make Europe the world leader in sustainable development'*, the central question is this: is the most ambitious scenario proposed by the Commission able to *'transform Europe'*, to create the conditions for a leap forward ? This question arises especially in a context of ecological, democratic and psychological crisis of contemporary societies that crosses all Europe.

For some the collapse of *'our world'* is engaged. For others, thanks to the champions of an ecological transition, we are witnessing the *'transformation of our world'* and the start of a new civilization. *Ecological Civilization* " is one of the core concepts of Chinese politics today. It is indeed the challenge. In both scenario's, *'collapse'* or *'transformation'* the question of peace and prosperity is at the core. The challenge of the *'great transformation'*, the *'leap forward of humanity'* is to *'change structures, change society and at the same time change ourselves'* . It starts with a paradigm shift (from competition and winner-take-all to interdependence, collaboration as part of an orchestra and care in our common home)

As Naomi Klein stated¹, *«we know that the gap that separates us from our goals is so dizzying and that the time that is left is so short that small steps would not be enough. In the face of danger we have chosen to come together and make an evolutionary leap»*, inspired by Einstein's vision according to which *«we cannot solve our problems with the same thinking that we used when we had them created»*.

The *'transformation of our world'* has many aspects (technological, economical etc). It requires as well a mindset change :

- (i) recognising the importance of solidarity which is what made modern Europe,
- (ii) recognizing that our interdependences will lead to develop a new form of leadership that can make the best of these interdependences, organizing ourselves *as-one-brain, practicing 'system leadership'² and developing new multi-stakeholders partnerships.*

We support scenario 1 concrete measures, such as:

- The "sustainability first" principle is integrated into the Better Regulation Agendas of the EU and its Member States;
- A mechanism of reporting and monitoring of SDG progress at EU and Member State level is established and coordinated, for instance in the context of the European Semester ;
- The EU further strengthens its external action on sustainability and gears all external policy actions. towards the implementation of the SDGs.

However Scenario 1 needs to be enriched by governance innovations to scale up, accelerate, activate the *'transformational'* potential of the Agenda 2030 as underlined by the European Parliament Committees report and draft resolution on the SDG's³ .

¹ No Is Not Enough : Defeating the New Shock Politics. Naomi Klein. Ed Penguin May2018.

² <http://sdg.iisd.org/news/researchers-promote-systems-leadership-for-achieving-sdgs/>

³ A : whereas the 2030 Agenda has the potential to be transformative and sets out universal, ambitious, comprehensive, indivisible and interlinked goals, aimed at eradicating poverty, fighting discrimination and promoting prosperity, environmental responsibility, social inclusion and respect for human rights, and strengthening peace and security; whereas these goals require immediate action with a view to full and effective implementation;

This is why Scenario 1+ will differ from Scenario 1 as regards how specific SDG implementation targets are defined at EU level, an overarching EU SDG Strategy is implemented and concrete and time-bound deliverables for 2030 are fixed.

As each of the 17 SDGs represents complex systems such as climate, food, health and cities, and achieving change will require a departure from traditional top-down, hierarchical approaches, in favor of adaptive and collaborative approaches that engage with diverse stakeholders, Scenario 1+ , is presenting complementary innovations based on the concept of *polylaterality and "systems leadership"*,⁴ suited to harnessing broad-based efforts towards achieving the SDGs.

The European institutions cannot ignore the interconnected nature of the European Union with the globalised world. The EU is in constant interaction with its direct neighbourhood: Balkan states, Eastern Europe, North Africa and the Middle East. All of these regions are currently developing and are directly affecting the European Union in many ways. Ensuring the stable, prosperous and sustainable development of these regions are pre-conditions for a more sustainable Europe. The EU is also participating in the global flow of economic exchanges and trade therefore, the sustainability of these relations are also leaving a significant blueprint on the EU.

This is why Scenario 1+ incorporates proposed measures of scenario 3 :

- Continue mainstreaming the SDGs in EU external policies recognising different needs and interests of partners and the EU provides regular reporting and monitoring of progress at the UN level
- Promote peace and security via sustainable development
- Reinforce sustainable financing in the External Investment Plan
- Create future trade agreements by being mindful of sustainability considerations

Objectives of this Scenario 1+.

- EU Governance innovations for a Leap forward to move ahead *Towards Empowerment, Inclusion and Equality in the Region* (HLF agenda)
- Organize ourselves as one-single-brain in the digital era, shape super collective intelligence, empower women (a condition of success), collaborative, sharing, participatory methods
 - (i) An alliance of three revolutions (environmental, digital, financial) leading to method changes
 - (ii) Risk mitigation in the public interest based on the Planet Boundaries-risk analysis
 - (iii) Change finance by empowering its stakeholders
- Make use of the digital revolution to develop a 'bottom up process' and build accountability & trust '
- Scale up, from niche to mainstream market, support the champions
- Take a holistic approach and also look beyond the borders of the European Union

B. whereas the 2030 Agenda is based on the Union's core values of democracy and participation, social justice, solidarity and sustainability, respect for the rule of law and human rights, both within Europe and around the globe, and striving to achieve the SDGs therefore naturally follows the European Union's plans to create a better, healthier and more sustainable future for Europe

⁴ <http://sdg.iisd.org/news/researchers-promote-systems-leadership-for-achieving-sdgs/>

1. SDG 17. Polyilateralism. Multi-level ecosystem and governance, new allocation of tasks :

1.1. Annual Agenda 2030 Enhanced Partnership Summit.

Chair : The President of the European Council.

Members of the European Council, Heads of States and Prime Ministers willing to join

as well as Heads of States and Prime Ministers willing to join of the EEA, signatories to EU association agreements, EU candidate countries and, following its withdrawal, the United Kingdom⁵

The Presidents of :

The European Commission, the European Parliament, the Committee of Regions, the European Economic and Social Committee, the Central Bank, the European Investment Bank, the Financial Stability Board Task Force on Climate-related Financial Disclosures,

the High Commissioner for External Affairs, the Secretary-General of the Union of the Mediterranean, the Secretary-General of the African Union

And representatives of :

The Central Banks and Supervisors Network for Greening the Financial System (NGFS), the Alliance Finance SDGs (see annex), Finance Watch, the Multi-Stakeholder Platform on SDGs, SDGs Watch, IUCN (Biodiversity and Food), GIEC (Climate), International Panel on Social Progress (IPSP), International Resource Panel, CSR Europe (Business), The Club of Rome (prospective), Think 2030 (Science & Law think tanks), Europe Ambition 2030 (multi-stakeholder partnerships).

1.2. EU Strategy coordinators : the working party on the 2030 Agenda under the General Affairs Council, Commission, Committee of Regions, EESC, EIB

1.3. EU Sustainability Multi-stakeholders Platform as platform advising the Commission on policies and initiatives to be taken. *Current economic models are deeply inadequate in capturing the opportunities of a transformational shift or the grave dangers of climate inaction⁶.* The platform should debate a new social and ecological market economy and governance model addressing risks mitigation in the public interest, social costs of carbon, "accountability" of governments for "Governance for Sustainability". A process and initiative of this nature would inform and support a system of "integrated policy making and implementation" ("Policy Coherence for Sustainable Development").

1.4. EESC Sustainability Observatory and Committee of Regions as monitoring SDGs implementation at multi-levels around Europe

⁵ European Parliament Report PR\1174284EN.docx

§ 4 believes that, in the context of the debate on the future of Europe, consideration should be given to the development of a pan-European framework for the achievement of the SDGs between EU Member States, the EEA, signatories to EU association agreements, EU candidate countries and, following its withdrawal, the United Kingdom.

⁶ *Unlocking the inclusive growth story of the 21st century : accelerating climate action in urgent times.* Report of The Global Commission on the Economy and Climate. 2019.

1.5. Alliance Finance SDG's as coordinator of financial initiatives (see 2)

1.6. Blockchain for the common good platform for SDGs commitment monitoring. About two-third of SDGs are found to be strongly connected with blockchain applications⁷.

2. Launch innovative processes inside the EU.

2.1.A European Youth Convention July 2020 (German EU Presidency 2020).

European Youth Convention Mandate.

Fix an EU action plan 2020-2030

- **A new Social Contract.**
- **Response to the cry of the earth and of the poor.**
- **Zero poverty, zero hunger, reduced inequalities, all living well within the limits of our planet**

Objectives :

- **Fix an action plan to be submitted to the European Council and European Parliament in view of legal value by end 2020.**
- **Propose a revision of EU treaties (if so needed) and a Constitution to be submitted to a pan-European referendum (if so wished).**

After the release of the new Commission proposed strategy by first half 2020, a European Convention of Young representatives (below 30) of Parliaments, Municipal Councils, Business, Trade Unions, Business schools, Universities and Colleges, Civil society movements including climate platforms, scouts and guides, faiths, and delegates from outside the EU will be hosted in the European Parliament.

Broader consultations should be made available to the young citizens of the European Union from now on to shape and better design the European sustainable development strategy by taking into account the needs and visions of the future generations of the Union.

2.2.A Financial Mandate review.

The first domino is finance.

Institutional failures, and ideology built on bad economic theory creates a structural deficiency in the Anglo-Saxon financial model, the Washington consensus and the Brussels-Frankfurt consensus on ordo-liberalism at the service of shareholders as described by Prof. Carlo D'ippoliti at Sapienza University. As noted by Finance Watch, *'compared to 2008/2009, the international community's arsenal for dealing with another global financial crisis has been depleted (...) tools available to governments and central banks have been dramatically decimated and central banks room for manœuvre is limited'*⁸

⁷ Research paper from the Institute for Global Environmental Strategies (2018⁷)

⁸ Ten years after : back to business as usual. Finance Watch September 2018.

There is a need to go beyond the report *Financing a Sustainable European Economy* and its follow up focused on taxonomy. In particular a EU action plan should include issues as :

1. **EU Treaty.** 3 % deficit. Green investments must be removed from the calculation of the public debt and not included in the 3% maximum deficit allowed by the treaties. It is in line with the existing treaties. The Commission here has a key role to play
2. **European Central Bank.** ECB must be able to buy EIB green credits
3. **European Climate Bank**
4. **European ODA-supported/led development finance instruments :** review of how the current and proposed governance approaches distribute risk and reward, and affect rights and responsibilities of entities such as states, companies, vulnerable people and communities etc

In view of meeting the 2030 and 2050 objectives as well as managing risks appropriately the European Parliament would - in addition to aligning the EU Budget (MFF 2021-2027) on the SDGs - conduct by 2020 a review of the mandate and governance of the financial institutions in Europe as the European Central Bank, the EIB, the private banks and investments funds in support to the SDGs. All financial institutions, public and private, should be made accountable for their contribution to bring humanity in a safe operating space and care, secure inclusiveness. Focus on the 4 S⁹ :

- **Scale** : to stop the incorrect allocation of capital and to align the financial flows with the objectives of sustainable development, climate and biodiversity.
- **Speed**: Incentivize, Mainstream along the value chain, Mainstream disclosure,
- **Society**: social justice and inclusive economy delivery, impact investing, trust
- **Spatial**, territorial: reconnect with territories and other parts of the world

2.3. An Alliance Finance SDGs.

Globally, big banks have financed *fossil fuels* with \$1.9 trillion since the Paris Agreement was adopted (2016–2018), with financing on the rise¹⁰. The European financial sector is perfectly aware of the related collapse risks and their impact on the financial stability but is not intending to change the present financial model which would require to change financial business model and personal advantages. The European Financial sector would prefer China to do the job¹¹. Are we, as Europeans, really giving up as co-designer of the new civilization?

⁹ Nick Robins, Just Transition, Grantham Research Institute

¹⁰ https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL.pdf

¹¹ Interview of Gaël Giraud, Chief Economist of the French Development Bank. <https://youtu.be/2oFARgqGONA>

The Alliance Finance SDGs would be an « *enhanced partnership* » between existing platforms and initiatives, joining forces and acting « *as-one-brain* » to transform financial models and structures and present an action plan and '*creative ways*' to redesign the architecture of the financial system :

- Preparing to impact the financial market so that inclusive and sustainable finance niche markets become the mainstream market paradigm
- Addressing inclusive and sustainable finance for social inclusion, justice, hope and dignity
- Impact investing and disinvesting from unsustainable activities
- Having a monitoring, accountability and trust mechanism to trace and validate progress
- Supporting a bottom-up movement to engage with the Millennials (in particular business schools, Green Faith movements and youth movements) to make inclusive and sustainable finance mainstream market

2.4. A new governance scheme of the EU Common Agriculture Policy

And its budgets (proposed budget by COM 385 billion CAP + 10 billion Research/Innovation 2021-2027 earmarked for CAP), in terms of the contribution to food and nutrition security, reducing the Planetary Boundaries-risks relating to food and farming by 2030, i.e. in particular the risk reduction in the 4 high risk zones (CC, Land Use, Biodiversity and the N/P-cycles), determining the framework for action of which "reducing food waste" as an essentially non-tech-measure relating to all consumers and to actors in the supply chains, wellbeing, health and employment.

2.5. A EU Tax on data.

This 'data dividend', inspired by a proposal of the Governor of California, could be used to support the creation of decentralized 'data for good' projects with sufficient scale in support to the SDGs and risk mitigation in the public interest to make more of an impact than we've seen from less capitalized projects.

2.6. A human-embedded circular economy

Also known as the Circular Economy 2.0, inserting a Circular Human sphere in an economy of stocks and flows, linking two priorities for the implementation of Agenda 2030: a new social contract & safe operating space for humanity

2.7. An eco-system of multi-stakeholders partnerships

Multi-stakeholder partnership must be approached in *a new methodological way* in the era of decentralization at the time of digital age : (i) *act-as-one-brain* (ii) manage commitments records as *one value chain* with the concern of supporting the *weakest link* (iii) and a special dedication to *care so that no one should be left behind*

Such eco-system is needed to :

- Meet the targets in the planet boundaries : i.a. zero poverty, reduced inequalities, gender balance
- Meet the deadlines agenda 2030, carbon neutral 2050
- Care, no one left behind, just transition
- Mitigate shocks to come & secure resilience
- Change the software to build a new civilization (which is also a Chinese ambition).

2.7.1. EU funded multi-stakeholders partnerships

Funded by the Commission as Horizon 2020, Life+, the European Innovation Partnerships, the Covenant of Mayors together with the Financial industry with specific joint initiatives related to *inclusiveness and no one left behind* as :

- Inspired by “*The Drawdown Project*” : Carbon neutral, carbon removal, energy & poverty
- Sustainable food systems, including food and nutrition security and biodiversity with links to the ‘*EU Community Of Practice for Finance and Biodiversity Platform*’ and blockchains (DLT in supply chain)
- Others.

2.7.2. Other SDGs partnerships are developed and should be encouraged at the level of Countries, Regions, Communities. Especially those securing that ‘*no one is left behind*’ : the poor, the elderly, the handicapped, the migrant.

3. A focus on enhanced partnerships outside Europe

Scenario 1+ takes a holistic approach and looks beyond the borders of the European Union.

It is suggested to host a European seminar with the High Commissioner for External Affairs and the EESC to fix an action plan.

- With the Union for the Mediterranean and its **migration and employment** task force co-chaired by Italy and Turkey and the GFM Business Mechanism on migration
- With the African Union : **post Cotonou** shaped to meet the SDGs
- With Civil society organizations of the **Amazon** Basin and the Amazon Cooperation Treaty Organization (ACTO) member states : Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela.
- With China and UNEP : join the international Coalition on the **Greening the Belt and Road** Initiative launched by the Chinese Government and UN Environment
- With AOSIS, the (UN-)group of Small Island States, the European Space Agency and many others : **Oceans**.

Background.

1. Stop Predatory Delays.

While Planetary boundaries turn red and ecological and civilizational collapse threatens. the time has come to organize resistance and resilience. Indeed, we risk losing the race against time and experiencing a terrible setback in history if we do not change the method. The whole SD movement became defined as incremental reform around the neo-liberal model largely due to the historical coincidence with the collapse of communism in the late 1980s/early 1990s... only now are we realising that justice and security can't be delivered through market globalisation. At the end of 2018 the so-called ecological and solidarity transition seems to have stopped.

We are witnessing the battle between:

- the shareholder-focused Anglo-Saxon (neo-liberal) economic and financial model where markets are trusted over bureaucrats and elected officials and where a thermal-industrial model and financial system both ignore social and environmental externalities by encouraging greater inequality and ignoring long-term costs in favor of short-term profits; an economic and financial model generating automatically more inequalities, as Prof. Enrico Giovannini underlined recently.
- those who exploit the injustices of the old world to promote their vision of their 'new world' as a illiberal and promote the concept that 'the other' is an enemy, backing the building of walls or forbidding to cross a sea or a channel
- a new economic and financial model that the EU has an opportunity to lead that addresses the short-and long-term risks to bring public and private sectors together to systematically address the Sustainable Development Goals and scale-up innovative approaches of an inclusive and sustainable financial system.

There is a real sense of an economic model ending - notably in the UK . What is striking about the US Green New Deal is that it starts with leadership with government and citizenry rather than the WEF coalition of business and NGOs: we will win when public interest broadly drives strategic capital allocation and the market is left with micro-decisions... but this is unlikely to come from within the finance sector itself. This is where citizens need to be empowered to take control over their own money!

'Predatory delay' by some beneficiaries of the Anglo-Saxon economic and financial model, including inside the EU Institutions, are today putting the management of ecological planet boundaries - and the resilience of our societies - at risk. The planetary futurist Alex Steffen defines 'predatory delay' as *"the blocking or slowing of needed change, in order to make money off unsustainable, unjust systems in the meantime"* While the EP's resolution states that *"whereas these goals require immediate action with a view to full and effective implementation"*, the lack of urgency in the Reflection Paper is a major source of concern.

We are also facing Presidents and leaders of other Countries whom

- are against multilateralism in most of its forms, including the United Nations, World Trade Organisation and, indeed the European Union and have allies inside the EU.

- are undermining international consensus (Paris Climate Agreement, the UN Migration Pact).

2. No more business as usual !

In addition to the devastating impact of macroeconomic ideologies and models, what can explain the methodological failure of major United Nations plans such as the commitments made in 1992 in Rio and the retreat that affects many countries and actors?

- **Too slow.** The global agenda has been in place since the five UN conferences in the 90s. But as the climate COP process shows, the implementation is cumbersome, slow and subject to the vagaries of politics (USA, Brazil ...) which can reduce to nothing the efforts made.
- **Too complex.** Nexus and interdependence are the key words. Neither the administration nor the business and financial business models are adapted to what science highlights.
- **Too badly organized.** Organized civil society has remained far too declamatory, lobbying and not enough mobilized to put pressure on the first of the dominos: finance. The major institutions in civil society find themselves in front of their internal contradictions and the challenges of the era of social networks and individualism.
- **Links in the value chain are not sufficiently 'accountable for their actions'.** Hundreds of thousands of implementation initiatives, millions of commitments are shattered and fail because the weak links in the value chain do not respect their commitment, betray, desert without being rendered visibly responsible and accountable for their actions.

3. Enhanced and transformational partnerships

Enhanced and transformational partnerships between some political institutions and a large spectrum of committed partners (regions and cities, business and financiers, churches and trade unions, youth and gender movements, consumers and health groups and environmental networks). inside and outside the EU is indispensable for the '*great transformation*', the '*leap forward of humanity*' to which Naomi Klein refers, where we '*change structures, change society and at the same time change ourselves*' to paraphrase Edgard Morin.

These enhanced and transformational partnerships, a form of 'system leadership in a 'polylateralism' framework, the new era of multi-lateralism, for climate, biodiversity, food security and the transformation of the World through the SDGs are and will be cross borders. Network Europe here is a major asset. Europeans and the EU have the skills needed. Still lacks the will to be much more efficient (SDG 17). We will focus on how to act 'as-one-brain' and set up a 'transformative alliance'.

Besides changing current economic, financial and political models, we also have to encourage not only multi-stakeholder partnership for the realisation of the SDGs but we also have to invest significant efforts into educating individual citizens of the European Union and shaping their mentality and behaviour. It is necessary because working toward sustainability is not only an institutional obligation, it is also an individual one and this is the key to meaningfully upscale and accelerate actions. Institutions should accompany and back up this societal change and to meet the set targets."