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The SDGs and the European Semester

This briefing paper explores how the United Nations' Sustainable Development Goals (SDGs) have been incorporated in the various steps of the European Semester process so far.

It then gives SOLIDAR's recommendations on structurally transforming this process to truly become a tool for Sustainable Development.





Introduction

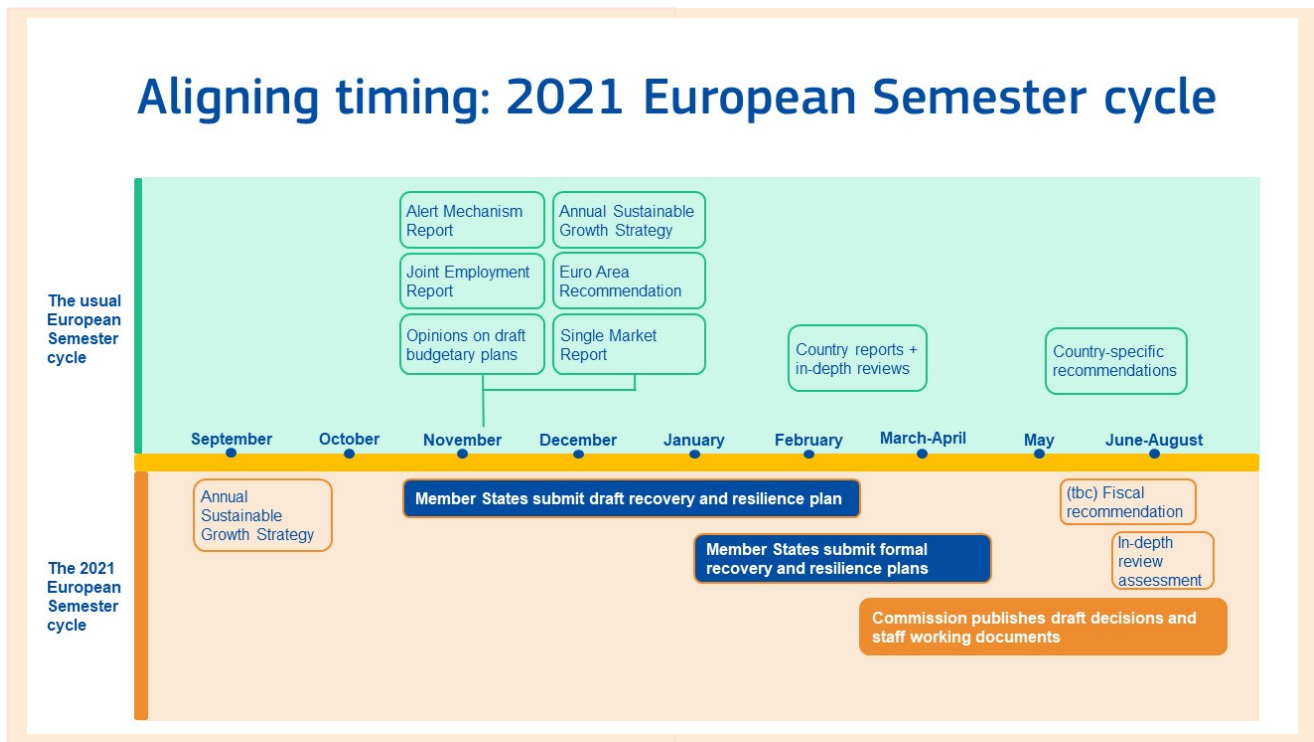
In 2016, the European Commission first explicitly expressed the intention to mainstream the Sustainable Development Goals (SDGs) of the United Nation's 2030 Agenda into European policies.¹ However, the tools to implement and monitor this remained rather vague. Then in 2019, Commission president Von der Leyen committed in her Political Guidelines² to integrating the SDGs into the European Semester, the tool through which Member States coordinate their domestic socioeconomic policies. The intention behind this was "to put people, their health and the planet at the centre stage of economic policy", to build an economy that works for the people.³

In this briefing paper we explore how the integration of the SDGs in the European Semester process has happened thus far. This will then be followed by SOLIDAR's stance on this issue and a number of recommendations going forward.

How have the SDGs been integrated in the European Semester so far?

The 2020 European Semester cycle (running from autumn 2019 until summer 2020), was the first in which the SDGs were integrated into the Semester process. However, by the time the process reached the phase of recommendations in May 2020, Europe was already in the midst of the Covid-19 pandemic and this also affected the Semester process. According to SDG Watch Europe, the attention for Sustainable Development has waned since the onset of Covid-19 and overarching responsibility for the SDGs in the Commission is missing.⁴

This section will set out how the European Commission has intended to integrate the SDGs in the European Semester process and also set out how this has worked in practice, especially in the light of Covid-19 and the subsequent changes to the Semester timeline to integrate the Recovery and Resilience plans.



Source: European Commission, 2020⁵



Annual Sustainable Growth Strategy

The European Commission explains that the Sustainable Development Goals have been integrated into each step of the European Semester Process. In the Autumn package for the 2020 cycle, the title of the Annual Growth Survey was changed to Annual Sustainable Growth Strategy (ASGS), which sets out the European Commission's priorities for the coming year. With the SDGs said to be at the heart of the EU's policy making, the ASGS for 2020 focussed on four main priorities: environmental sustainability, productivity gains, fairness and macro-economic stability. However, overall a strong focus on labour market activation and macroeconomic goals remained.

To be in line with the Recovery and Resilience Facility, the ASGS for 2021 was launched early - in September 2020 - and according to the Commission contains what they call a 'broader narrative'.⁶ Although the four priorities are still there, the importance of 'fairness' and social wellbeing overall has become much smaller compared to economic priorities and even the green and digital transition. The 2021 ASGS is also said to be guided by the SDGs, however it lacks a true and clear commitment to progressing towards these goals. The 2021 ASGS introduces seven European 'flagship areas' on which Member States are supposed to base their Recovery and Resilience Plans. These mainly encourage Member States to invest in the green and digital transition, but neglect the socioeconomic impact of the pandemic.

Country Reports

The monitoring of the progress made towards the SDGs was added to the Country Reports for 2020, most notably with the addition of an annex of Eurostat SDG indicators for each Member State. However, this list of indicators has been criticised for being incomplete and not covering all aspects of sustainability equally.⁷ This annex exists alongside the Social Scoreboard, that has received similar criticism for not covering all aspects of the European Pillar of Social Rights and a lack of disaggregated data.⁸ As the 2020 Country reports were published in February, their analysis did not include the impact of Covid-19 on European economies and societies. For 2021 an assessment of each country's Recovery and Resilience Plan will replace the Country Reports.

National Reform Plans

In their National Reform Plans, Member States are invited to take stock of their progress towards the SDGs and present their plans for the upcoming year. For 2021 Member States will submit their Recovery and Resilience Plans and National Reform Plans in a single integrated document.⁹ In these plans, a minimum of 37% of expenditure is to be allocated to climate and a minimum of 20% to digital skills and transition. However, as the Social Platform points out, there is no such earmarking for combatting the social effects of the Covid-19 pandemic.¹⁰



Country Specific Recommendations

The Country Specific Recommendations advise member states on how to achieve the goals set out by the ASGS. More specifically, they are intended to emphasise policies that will contribute to progress on the SDGs. However, it is to be noted that in the 2020 cycle, due to the ongoing pandemic, recommendations have largely focussed on the health care system and Member State's resilience to recover from the accompanying recession.

For 2021 the European Commission will only give advice on the budgetary situation of the Member States and there will be no recommendations for structural reforms for countries that have submitted RRP's.

SOLIDAR's position

The European Semester is the EU's most powerful tool to steer Member States' national policies. SOLIDAR therefore welcomes any efforts to better align this process with the principles of the UN Sustainable Development Goals and expects and demands from the Member States to commit to a Just Transition. The first steps that have been taken are somewhat promising, but we agree with many of our partners, that it is not ambitious enough to be the game changer that we need.¹¹

With the disruption of Covid-19 and the subsequent decision to integrate the Recovery and Resilience Plans with the Semester cycle, we see Sustainable Development being pushed to the background. Whereas the European Commission expresses a commitment to ensuring a greener and more digital recovery, no such ambition is found for building a more social Europe, which is exemplified by a lack of earmarking for Social investments. With the enormous impact Covid-19 has had on social realities in all European Member States, this is incomprehensible.

SOLIDAR insists that the European Semester must continue to be developed as a tool that supports progress on all 17 SDGs, regarding both the European Pillar of Social Rights and the European Green Deal as important part of accomplishing this. The Country Reports should provide a useful contribution in the monitoring of the progress made towards these goals. However, the indicators used must be reviewed, with the involvement of civil society, to accurately reflect on all sustainability challenges and to promote the structural change needed.



Concrete proposals on how to do this, for example with composite indicators, have already been made.¹² In addition, more overarching monitoring is needed, also between different DGs, in order to truly mainstream SDGs in all European policy areas.

Finally, the role of the SDGs to pave way for a sustainable future also goes beyond these regulatory processes, representing the possibility for a paradigm shift in the way we organise our economies and societies. The ongoing pandemic underlines the importance of the need for this change, to place the health and wellbeing of our societies at the heart of public policy and debate. The SDGs are the most concrete and globally accepted expression of this and the European Semester has the potential to be a forceful tool for their realisation in the EU.

Further reading

- **European Commission (2020).** Changes to the 2021 European Semester cycle: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/european-semester-2021-exceptional-cycle_en
- **SDG Watch Europe (2020).** Time to Reach for the Moon – The EU needs to step up and lead the transformation to sustainability – Civil Society SDG Monitoring Report: <https://www.sdgwatcheurope.org/documents/2020/09/time-to-reach-for-the-moon.pdf>
- **Social Platform (2020).** Socialising the European Semester – Analysis of the 2020 and 2021 cycle and recommendation for the future: <https://www.socialplatform.org/wp-content/uploads/2020/11/Social-Platform-2020-Semester-process-analysis-final-1.pdf>





Endnotes

- 1 - European Commission (2016). Next steps for a sustainable European future - European action for sustainability: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0739&from=EN>
- 2 - Von der Leyen, U. (2019). A Union that strives for more – My agenda for Europe: https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf
- 3 - European Commission (2020). The European Semester and the United Nations Sustainable Development Goals: https://ec.europa.eu/info/sites/info/files/semester_sdgs.pdf
- 4 - SDG Watch Europe (2020). Time to Reach for the Moon – The EU needs to step up and lead the transformation to sustainability – Civil Society SDG Monitoring Report: <https://www.sdgwatcheurope.org/documents/2020/09/time-to-reach-for-the-moon.pdf>
- 5 - European Commission (2020). Changes to the 2021 European Semester cycle: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/european-semester-2021-exceptional-cycle_en
- 6 - European Commission (2020). The European Semester and the United Nations Sustainable Development Goals: https://ec.europa.eu/info/sites/info/files/semester_sdgs_timeline.pdf
- 7 - SDG Watch Europe (2019). Who is paying the bill? (Negative) impacts of EU policies and practices in the world: <https://www.sdgwatcheurope.org/who-is-paying-the-bill>
- 8 - Social Platform (2020). Socialising the European Semester – Analysis of the 2020 and 2021 cycles and recommendations for the future: <https://www.socialplatform.org/wp-content/uploads/2020/11/SocialPlatform-2020-Semester-process-analysis-final-1.pdf>
- 9 - European Commission (2020). Changes to the 2021 European Semester cycle: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/european-semester-2021-exceptional-cycle_en
- 10 - Social Platform (2020). Socialising the European Semester – Analysis of the 2020 and 2021 cycles and recommendations for the future: <https://www.socialplatform.org/wp-content/uploads/2020/11/SocialPlatform-2020-Semester-process-analysis-final-1.pdf>
- 11 - See for example: Social Platform (2020). Socialising the European Semester – Analysis of the 2020 and 2021 cycles and recommendations for the future: <https://www.socialplatform.org/wp-content/uploads/2020/11/SocialPlatform-2020-Semester-process-analysis-final-1.pdf> and SDG Watch Europe (2020). Time to Reach for the Moon – The EU needs to step up and lead the transformation to sustainability – Civil Society SDG Monitoring Report: <https://www.sdgwatcheurope.org/documents/2020/09/time-to-reach-for-the-moon.pdf>
- 12 - See SDG Watch Europe (2020). Time to Reach for the Moon – The EU needs to step up and lead the transformation to sustainability – Civil Society SDG Monitoring Report: <https://www.sdgwatcheurope.org/documents/2020/09/time-to-reach-for-the-moon.pdf>

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SOLIDAR is a European network of membership based Civil Society Organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors; social affairs, lifelong learning and international cooperation.



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