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SDG Watch Europe Position Paper on reform of the European Semester to develop an EU-wide coordination mechanism for SDG monitoring & implementation

A reflection process is underway within the EU institutions concerning the future of the European Semester. SDG Watch Europe is calling for **Europe 2020 to be replaced with Agenda 2030** and for the Semester to be **transformed into a social and sustainable instrument** which will deliver on this.

SDG Watch Europe believes that the opportunity for a **fundamentally transformed Semester** to become a valuable coordination mechanism for SDG monitoring & implementation should be seized by the European Union and its Member States. A transformed Semester cycle should have **sustainable development at its core**, as opposed to economic growth (which is central to the current Semester). We believe that it makes **no sense to call for the EU's growth strategy to focus on the SDGs**, as this will not produce the “**systems change**” that is so clearly required. A transformed Semester cycle should be supported by various EU policies/laws to achieve the SDGs.

We believe that the reform process should focus on the following aspects of the Semester:

(i) Goals and Objectives:

Currently the EU Semester is the main annual coordination instrument of the EU’s macro-economic objectives involving the EU and its Member States, but also combining the thematic objectives of Europe 2020. The latter have not been adequately mainstreamed.

The EU Semester should **strengthen its social and environmental objectives**. The European Semester needs to be transformed so that it contributes **to monitoring and implementation** of the SDGs which should be transposed in a new **over-arching EU Sustainable Development Strategy**. This strategy should be a comprehensive one, designed to implement both the **internal and external commitments** made by the EU and its member states when they adopted Agenda 2030.

(ii) Process: Re-framing & re-focusing the policy drivers and annual objectives (*Annual Growth Survey & Progress Report*)

The document which launches the European Semester each year – the **Annual Growth Survey** – **should become the “Annual Sustainable Development Survey”**, with a balanced focus on social, economic environmental and governance progress. The survey sets out the main priorities for the year, and should highlight specific priorities as well as providing an overall survey. A reformed Annual Survey should focus on both European domestic and external action policies, and aim to **achieve greater policy coherence for sustainable development**.

The reformed AGS needs to be supported by a **full progress report on all policy areas**, delivering on the Agenda 2030, reflecting on trends relating to the indicators, and summarising the assessments in the country reports. It should **help to mobilise funding to priority areas of implementation** through the Multiannual Financial Framework.

iii. Integrating/mainstreaming the SDG Indicators

In the future the European Semester indicators should be aligned with the indicators that will be used for SDG reporting (please see SDG Watch Europe's [commentary](#) on Eurostat's recent report on the SDGs). The Agenda 2030 indicators should be **mainstreamed into the Joint Assessment Frame**, to be monitored through the **Annual Progress Survey**. An EU Sustainable Development Scoreboard should **give equal balance to the four dimensions of sustainable development**- social, economic, environment and governance. In addition to these four core dimensions of sustainable development, other areas of focus for the scoreboard could include culture.

A **cross-DG indicators taskforce** should be established by the European Commission, to work with member states to reflect on, and hone new indicators with the support of Eurostat. **A three-yearly review process** of the EU's Agenda 2030 indicators could be held, which would allow new indicators which had **sufficient support from multiple stakeholders** to be integrated into the SD Scoreboard and the Joint Assessment Frame.

iv. Refocusing Semester reporting and recommendation mechanisms on the wider Agenda 2030 goals

The National Reform Programmes should be replaced with **National Progress Reports on Sustainable Development**, with transparent guidance notes from the Commission on the priorities to be monitored and how, including the engagement of stakeholders and civil society. It should **help to channel EU funds to priority fields of SDG implementation**, with strengthening links to the future Multiannual Financial Framework. This should result in **a transparent, inclusive and predictable process of structured engagement with all stakeholders**, including civil society, being established.

The Country Reports should be reformed to **analyse progress on Agenda 2030 implementation**, and on the Country Specific Recommendations and annual priorities. Once published the EC should **openly consult with civil society** on how the issues identified should be translated into policy recommendations. The Country Reports should **disclose details of the consultation process** and the stakeholders consulted. Where recommendations are persistently ignored, partially or wholly **their implementation should be included in the ex-ante conditionality** for the next cycle of structural funds.

The Country Specific Recommendations should also be reformed with the same objectives

i. Quality engagement of stakeholders on equal terms, particularly civil society

- The Commission should develop **guidelines for structured dialogue** at national and EU level in consultation with all relevant stakeholders, particularly civil society and people with direct experience of poverty and exclusion.
- The European Semester Officers should be responsible for **effective EU engagement with all national stakeholders**, including civil society.
- **Funding to enable effective participation of civil society in structured dialogue processes** should be provided, on equal terms with the social partners

- The quality of engagement with stakeholders should be **monitored through the Progress Report** based on the development of agreed indicators on quality of engagement
- National Parliaments should be **actively involved in the monitoring process**
- There should be an **annual convention involving all stakeholders** to debate results and progress (perhaps in October/November each year in advance of the publication of the Annual SD Survey)

ii. **Impact Assessment**

An **ex -ante assessment of the potentially negative impact of economic policies** and to support pro-active policies should be automatically carried out, linked to ex-post assessment. A clear impact assessment process involving adequate consultation with stakeholders should be developed. The **Sustainability and Growth Pact should be adjusted** to provide an appropriate framework to allow member states to **invest in line with the 2030 Agenda for Sustainable Development.**”

iii. **Budget Guidelines**

The EU Commission should issue **budget guidelines for EU member states**, recognising the value of investment for sustainable development. The EC should also advise and monitor the extent to which **MS integrate and allocate the Country Specific Recommendations** into national policies and corresponding budgets.