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UPS AND DOWNS on EU's path towards meeting Sustainable Development Goals

Keeping pace with the 2030 Agenda in relation to achieving the Sustainable Development Goals (SDGs) was not an easy task before the pandemic even for developed countries, and the EU was no exception. COVID-19 has made this path even more complicated thus putting pressure on those SDGs that have been the worst hit.

The available data enables an assessment of the impact of the pandemic on only certain areas (health, economy, labor market, energy). However, given the interconnected nature of the SDGs, it is possible to discern an approximate trend for the remaining SDGs. The 2021 edition of the monitoring report on progress towards the SDGs in the EU, which is summed up below, is more than eloquent in this respect.

Overview

The immediate and most negative consequences of the pandemic relate to health risks and increased mortality. Attempts to contain the spread of the coronavirus through lockdown measures had a negative effect on the EU's economy as companies were forced to at least partly halt their operations. This, in its turn, negatively affected less well-off groups as well as the labor market with young people being the worst hit.

On the other hand, the energy sector witnessed some positive trends such as less energy being consumed and lower gas emissions. However, the report's authors do not rule out that these may only be short-term improvements.

Poverty and social inclusion

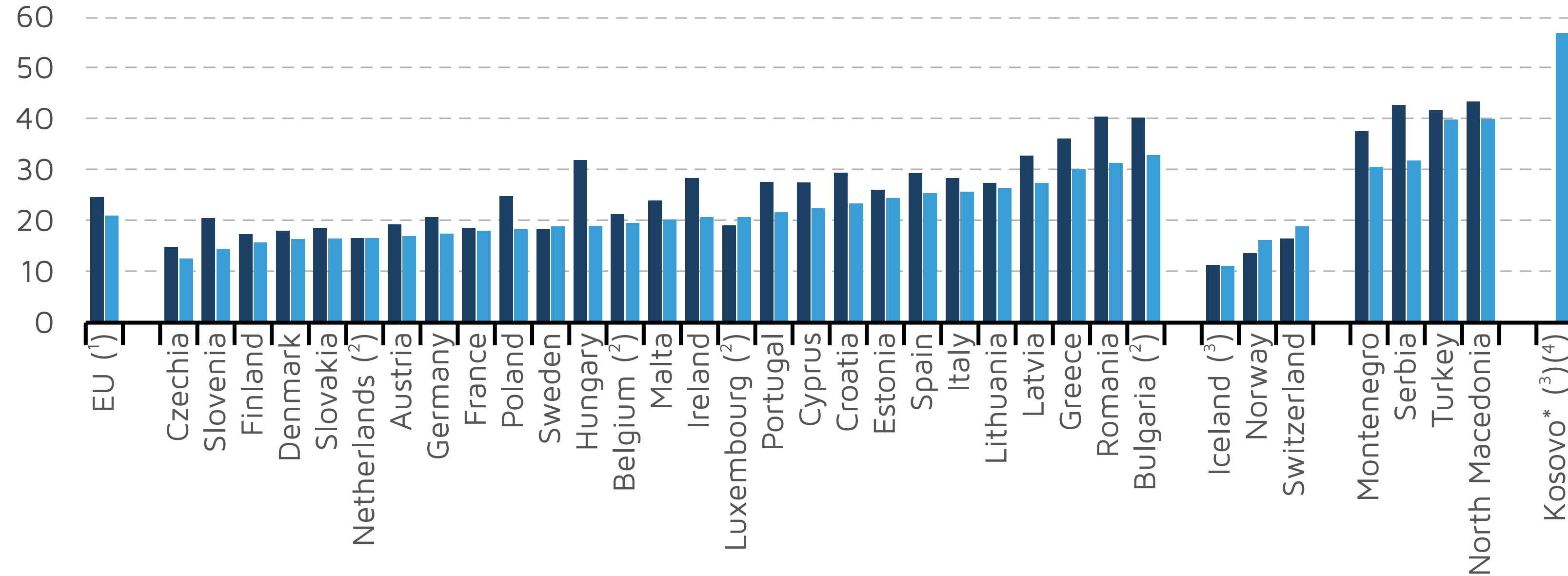
The 2021 report on Sustainable Development in the European Union reveals improvements in efforts to decrease poverty and social exclusion, known as SDG1. In 2019, 20.9% of the EU population was at risk of poverty or social exclusion which is an improvement of 3.9% compared to the situation in 2014. As the target for 2030 is to halve poverty in all its dimensions, this positive trend needs to accelerate in order to meet the goal set.

At the same time, poverty rates do vary within the EU, for example, while the Czech Republic reported a poverty rate of 12.5% in 2019, in Bulgaria this figure was 32.8%.

When analyzed by age groups, the indications reflect some worrying trends since 27.7% of young people aged 20 to 24 were the most affected category with 22.2% of children aged 0 to 17 also being more

affected than the overall EU population. The at-risk-of-poverty-or-social exclusion indicator, based on three sub-dimensions of poverty, has been declining in the EU since 2012 as shown in the graph below.

People at risk of poverty or social exclusion, by country, 2014 and 2019 (% of population)



(1) Estimated data.

(2) Break(s) in time series between the two years shown.

(3) 2018 data (instead of 2019).

(4) No data for 2014.

Source: Eurostat (online data code: sdg_01_10)

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Hunger vs. Food security

As regards SDG 2 which calls for an end to hunger, the achievement of food security and improved nutrition and the promotion of sustainable agriculture, the EU recorded developments in making agricultural production more sustainable. Organic farming has gained scope, having a 8.5% share of the total agricultural sector in 2019, up from 6.5% in 2014. “Despite this, the take-up of organic farming will need to accelerate significantly to achieve the 25% target by 2030” the report highlighted.

In this respect, Austria is the main driving force with more than 25% of its agricultural area having been farmed organically in 2019, followed by Estonia and Sweden with more than 20% each. The other member states practiced organic farming on areas covering less than 16% of the available agricultural land.

With regards to malnutrition, the report pointed out that over half of the EU population was overweight in 2017 (the latest available data) and every seventh person was obese, with those indicators not having changed a great deal over the last few years.

Analyzed by member states, 11 out of 22 EU countries for which data for 2014 and 2017 is available show a rise in obesity rates.

Healthy lives and wellbeing

The EU has made significant progress towards SDG 3, aiming to ensure healthy lives and promote wellbeing for everyone of all ages. For the period 2016-2019, the number of healthy life years at birth went up by 0.7 years for women - from 64.4 to 65.1 years, and by 0.6 years for men – from 63.6 to 64.2 years. In 2019, 68.6% of the population stated they were in a good or very good condition of health.

The report also noted that children born in the EU in 2019 were likely to have a life expectancy of 81.3 years of which 64.6 years would be in a healthy condition. Yet, the report’s authors also noted that “the COVID-19 pandemic will result in a further stagnation or possible decline in life expectancy in 2020 in those countries that have been most impacted”.

Quality education

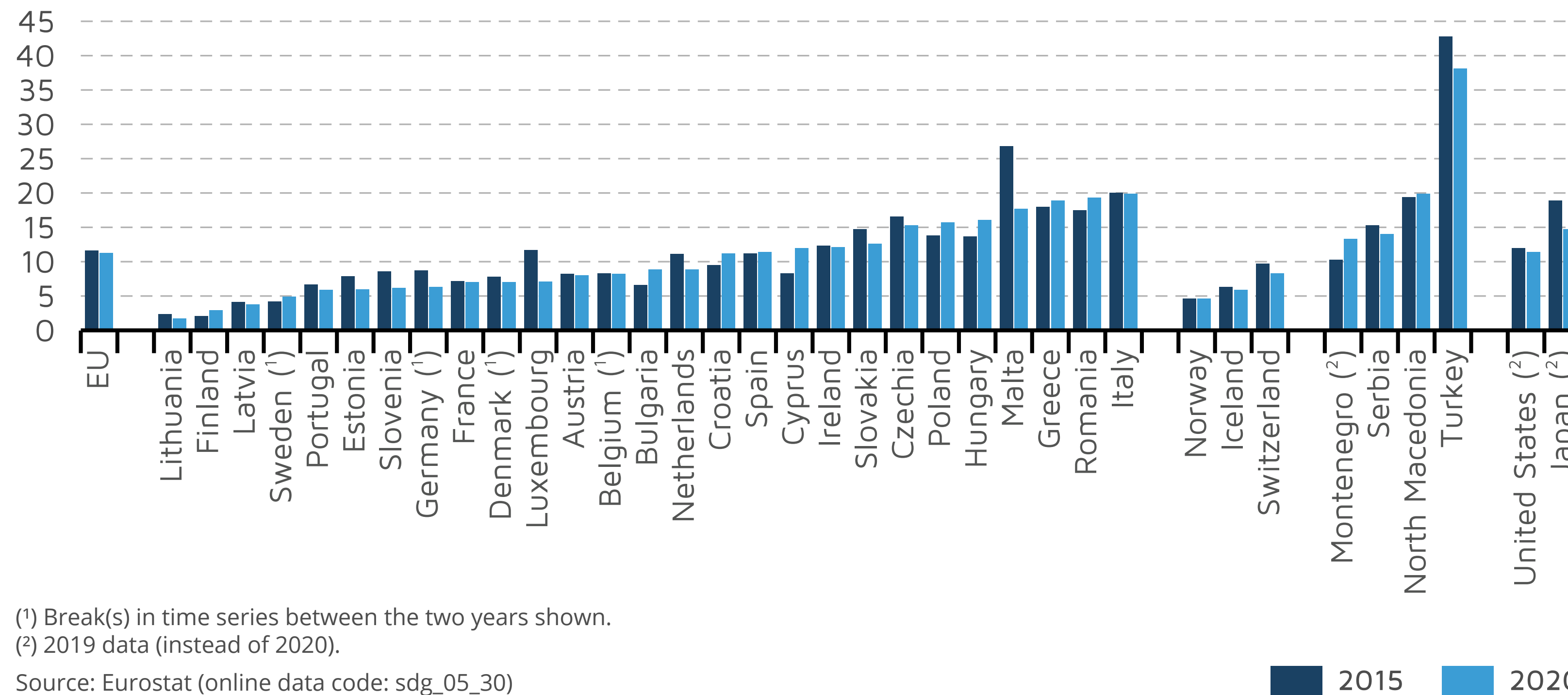
SDG4 - “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” has partially improved as the EU recorded a noteworthy advancement in increasing involvement in early-childhood, basic and tertiary education although, at the same time, the objectives for participation in adult learning with at least elementary digital knowledge has slowed down.

Gender equality

The EU is set to meet its 2030 target of ensuring 96% participation in early childhood education, with the indicator standing at 93.3% in 2019, up from 92% in 2014-2018. It was also on track with practically all other education-related objectives. However, now that the pandemic has left its footprint on this sector, further data will clarify where the EU currently stands.

Regarding SDG5, which relates to gender equality and women and girls' empowerment, gender parity has improved in terms of women's education and leadership positions although inequalities between men and women have increased in the labor market and there is still room for improvement in terms of gender-based violence.

Gender employment gap, by country, 2015 and 2020 (percentage points)



(¹) Break(s) in time series between the two years shown.
(²) 2019 data (instead of 2020).

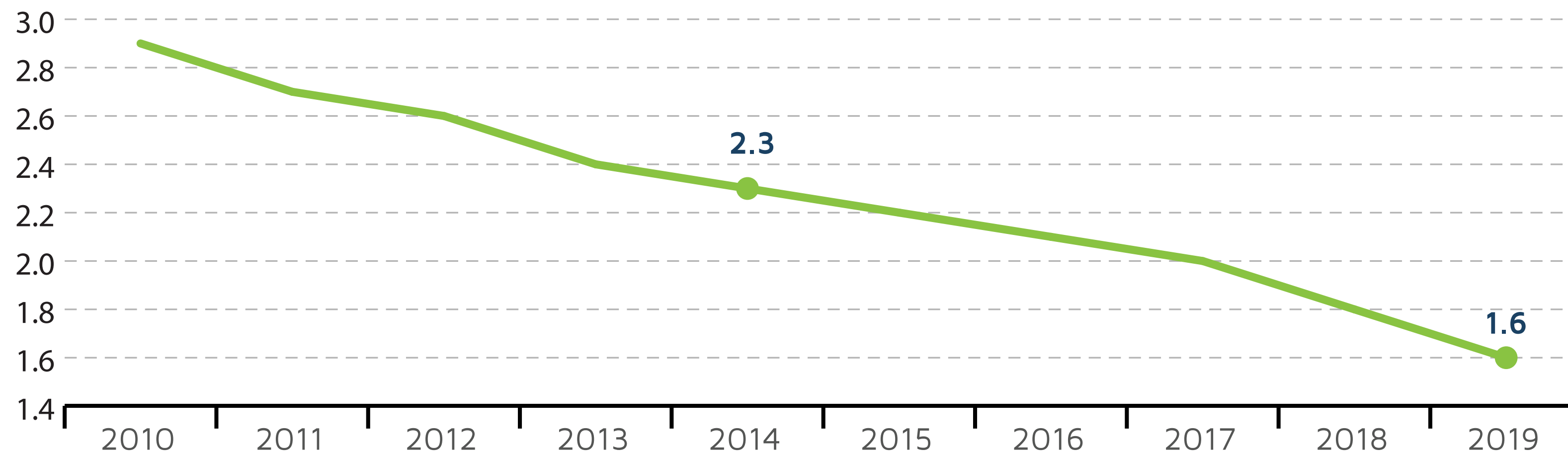
Source: Eurostat (online data code: sdg_05_30)

Water and sanitation

The overwhelming majority of EU citizens have access to basic sanitation services, with only 1.6% of the population being without sanitary amenities at home in 2019, that is, neither bath, shower or indoor flushing toilet. However, in some EU countries this indicator is rather high, such as in Romania, for instance, where it is over 22% of the

population, Bulgaria with over 8% and Latvia and Lithuania with more than 7%. Connection to wastewater treatment stands at 80% of the population. Although the EU has witnessed an increase in water pollution caused by higher concentrations of nitrates and phosphates, nevertheless over 79% of inland water is excellent for bathing.

**Population having neither a bath, nor a shower,
nor indoor flushing toilet in their household, EU, 2010–2019**
(% of population)



Note: Estimated data.

Compound annual growth rate (CAGR): - 7.0% per year in the period 2014–2019.

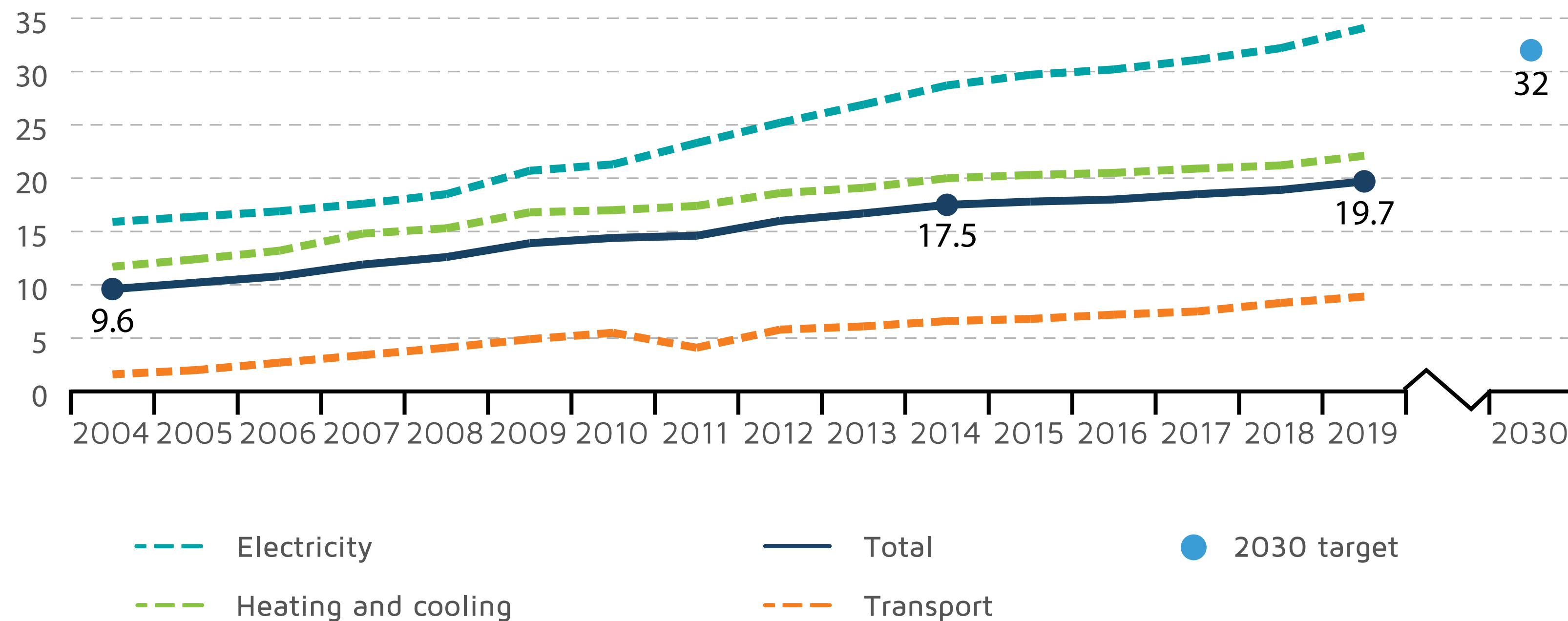
Source: Eurostat (online data code: sdg_06_10)

Access to modern energy

With regard to SDG 7 which relates to guaranteeing access to affordable, reliable, sustainable and modern energy for everyone, energy consumption grew to some extent between 2014 and 2019, illustrating that the EU must

increase efforts to meet its 2030 objective to improve energy efficiency by at least 32.5%. In the EU, 19.7% of the energy used was produced by renewable sources in 2019.

Share of renewable energy in gross final energy consumption, by sector, EU, 2004–2019 (%)

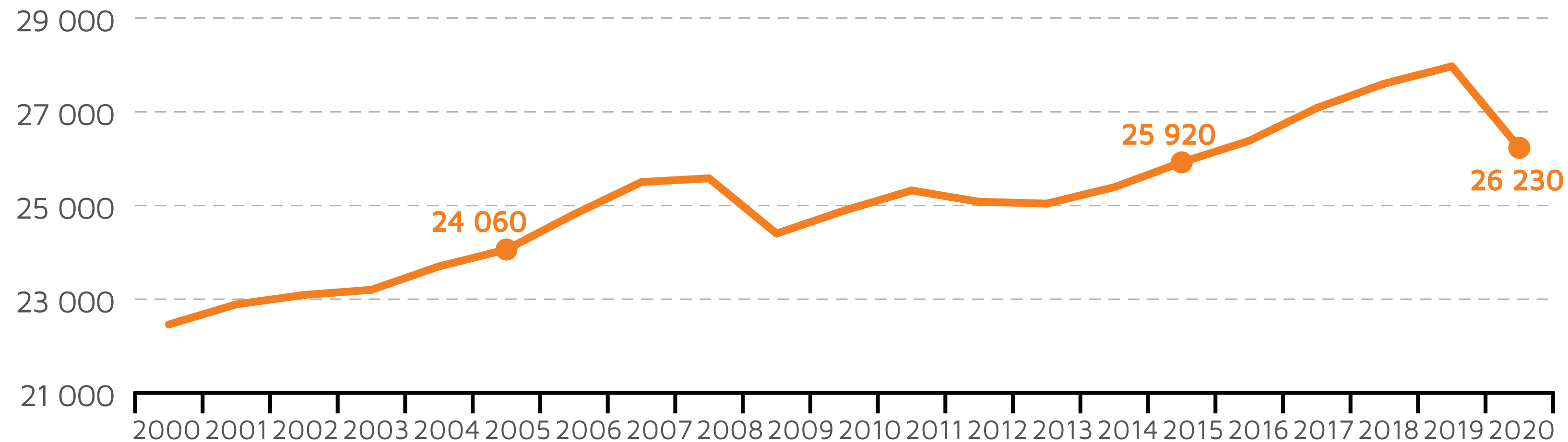


Decent work and economic growth

Real GDP per capita (GDP adjusted for inflation) grew continuously with an on average 2.0% growth between 2014 and 2019. However, the COVID-19

pandemic has had a sharp impact on GDP which resulted in a 6.2% contraction of real GDP in 2020 in comparison to 2019 (SDG 8).

Real GDP per capita, EU, 2000–2020
(EUR per capita, chain-linked volumes, 2010)



Compound annual growth rate (CAGR): 0.6% per year in the period 2005–2020; 0.2% per year in the period 2015–2020.

Source: Eurostat (online data code: sdg_08_10)

Regarding employment, before the pandemic, the rate amounted to 73.1% but, as a result of the effects of the coronavirus, the employment rate fell to

72.4%, a level equal to that recorded in 2018. The most affected were young people aged 20-24 since only 48% of this category was employed in 2020.

What of SDGs 9-17?

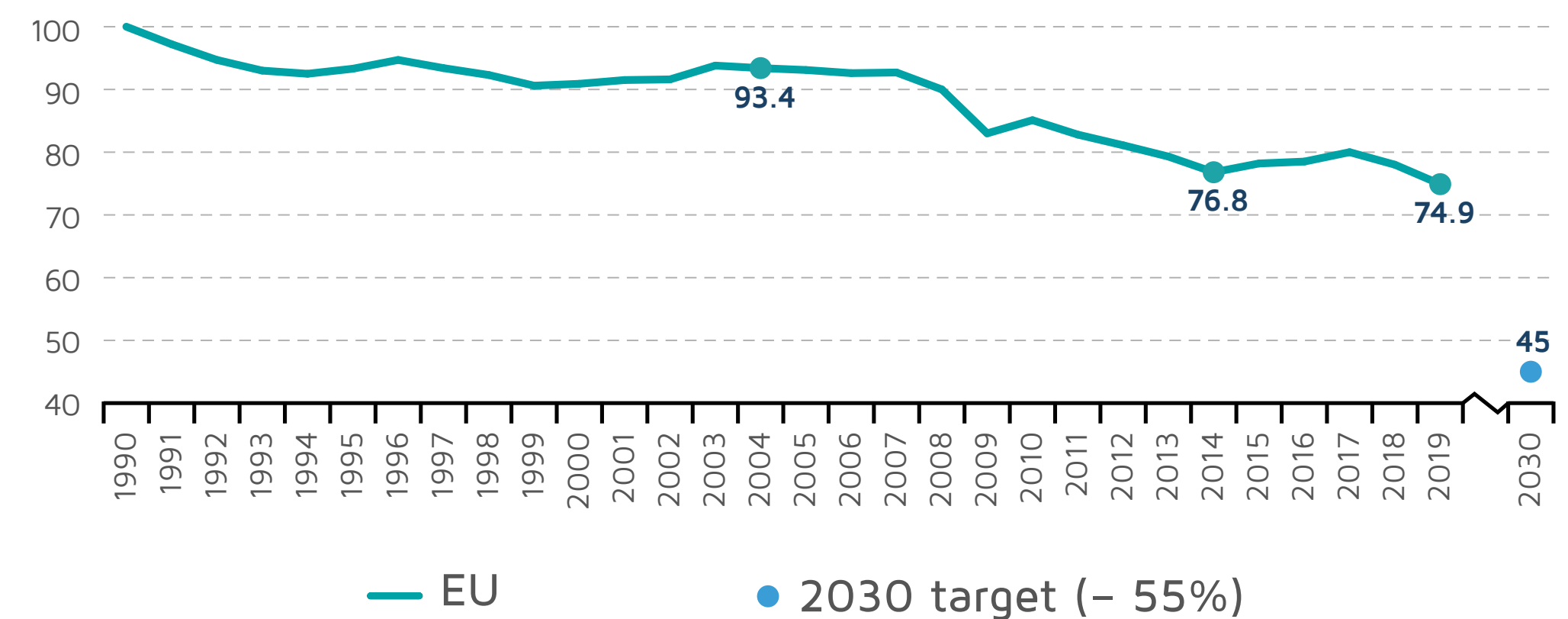
SDG9, which calls for the building of a resilient infrastructure, the promotion of inclusive and sustainable industrialization and the fostering of innovation, has improved in terms of research and development and innovation whereas the trends recorded for sustainable transport and mobility patterns were unfavorable. In 2019, 1.41% of the economically active population worked in research and development.

Progress towards SDG10, which focuses on within-country and between-country inequalities, has improved over the past few years, meaning that economic disparities both between member countries and within member countries have declined. However, the picture on migration and social inclusion remains mixed as there is a notable inequality in social and labor market inclusion between individuals from home countries and non-EU countries.

Within the context of SDG11, the quality of life in cities and communities, this has improved in the EU over the last few years as did the sustainable waste management sector. However, the trend is not positive for safe and sustainable transport systems. Environmental impacts from economic development, as well as value-added from green products and services, have improved in the EU over the past few years but, at the same time, the waste generation and release of CO₂ into the atmosphere from new cars also increased (SDG12).

With regard to combating climate change and its impacts, the EU is not on track to meet its objectives. Surface temperatures and ocean acidification is rising and financial damage due to climate-related events has grown over the last years too (SDG13). To meet the targets, the European Commission is currently reviewing the existing policy to offer adjusted legislation to achieve better results. In terms of statistics, the EU saw its GHG releases decline by 19.8% between the period 2004 to 2019.

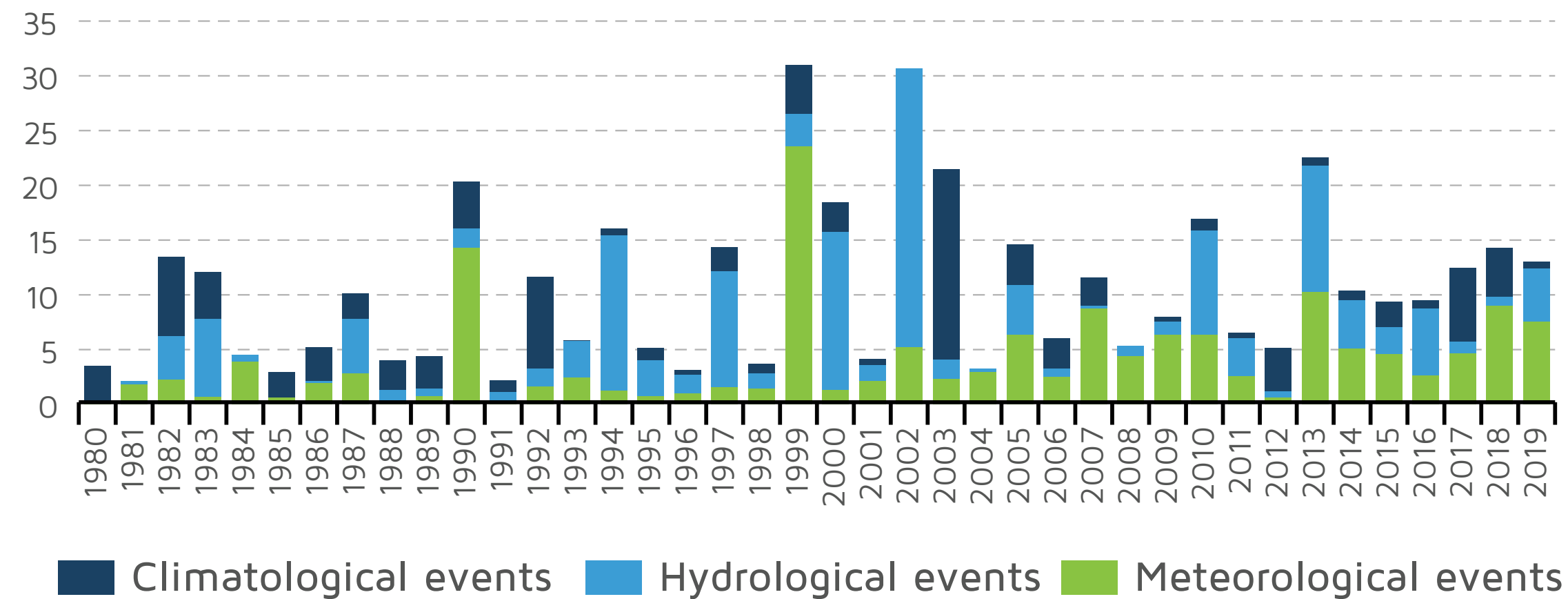
Net greenhouse gas emissions, EU, 1990–2019
(index 1990 = 100)



Note: Net emissions including international aviation, indirect CO₂, and natural sinks from land use, land use change and forestry (LULUCF). 2019 data are provisional estimates based on the EEA approximated GHG inventory for the year 2019. Compound annual growth rate (CAGR): - 1.5% per year (observed) and - 2.8% per year (required to meet target) in the period 2004–2019; -0.7% per year (observed) and - 3.4% per year (required to meet target) in the period 2014–2019.

Source: EEA, Eurostat (online data code: sdg_13_10)

Climate-related economic losses by type of event, EU, 1980–2019 (EUR billion, current prices)



Source: EEA, Eurostat (online data code: sdg_13_40)

SDG 17 focuses on international cooperation, financial governance and access to technology and this has been significantly impacted by coronavirus with the ODA to Gini ratio in the EU recording a new peak. Despite the decline in 2020, imports from developing countries remained high in comparison to the levels of the previous five years. However, the overall financial flow to developing countries has decreased over the last few years. The situation is distinctly different in terms of financial governance in that, in response to the COVID-19 pandemic, the debt to-GDP ratios have risen significantly. Trends related to access to technologies are favorable with many urban and rural populations enjoying high-speed internet access.

In conclusion, regardless of the existence of unfavorable trends, the EU's response to the challenges brought about by the pandemic show that the impacts of COVID-19 can be mitigated; the economy is recovering quickly with the expectation that it will grow by 4.2% in 2021. Most employment indicators demonstrated that progress had already been made in the third and fourth quarters of 2020. Commissioner Gentiloni in his statement noted: "Overall, the COVID-19 pandemic has made achieving the SDGs even more challenging. But I am convinced that the unprecedented policy measures we are taking, notably through NextGenerationEU, will put us back on track – and that in two to three years many of the indicators will show significant progress compared with today."