

## SDGs and partnership between Government and Cooperative Stakeholders in realizing Sustainable Development

- Before the financial crises erupted 10 years ago, too many of us thought markets were overregulated. We thought the State had to pull back and set free the powers of the market economy, to tap the best from globalization. Now, after the financial crises, the mood changed and people rather fear "disruptive" globalization.
- This brings us back to the fundamental question : can the global economy produce growth and profit, as well as Social Justice ? How can we reconcile a market that went global with democracies that stayed local. Can social justice survive at local level, when economic forces are unbound at global level ?
- This question is key, both here in Vietnam, as for Europe and the wider world. Vietnam's "international integration" strategy achieved enormous benefit for its people : Vietnam's rapid economic was fueled by external trade which resulted in enormous poverty reduction. But a new economic development model is necessary for Vietnam. To ensure this major achievement remains sustainable, and the growth engine continues to create jobs and prosperity for the good of all, the new catch words are "productivity, quality, inclusiveness and green growth". In the "Vietnam 2035" report, elaborated by the World Bank and the Government of Vietnam, equity and social inclusion are center-piece, as well as environmental sustainability and a capable and accountable state. This will require a new role for the State, but also a new interaction with Society, including a vibrant and active civil society.
- Same concerns on Europe's side. Europe is the smallest and most crowded continent on earth, with no internal natural borders neither meaningful natural resources. For centuries, this was an open invitation to permanent warfare for the sake of supremacy. And thus, we almost destroyed Europe in the last century. Then, after 1945, we finally paid serious attention to the 18<sup>th</sup> century philosopher **Immanuel Kant's** (in his work "For Eternal Peace") who

suggested to let people trade to ensure lasting peace. And we created 60 years ago (1957) the European Economic Community, followed by a Single Market. Our Single Market, today, counts for 500 million citizens, and has become the world's biggest economy. Over the last ten years, it doubled its GDP. Our common EU GDP stands ahead of the USA and China. But **Immanuel Kant** also warned : a market can bring peace, but an unregulated market will destroy social justice. So Europe, the world's biggest market, is also one with common regulation produced by European institutions and promoting a "social market economy".

- We're not only the biggest single and social market, the EU has also become the world's number one trader and investor. Of all goods and services being traded, at least 1 / 4 comes from or goes the European Union : 2.5 x more than China or 3 x more than the USA. Since 10 years, our foreign trade has been re-oriented with 40 % of goods and services now traded with Asia. On investment, we are today also number one receiving investment from outside Europe, and number one investing outside Europe (number one in the USA, in China, in India or in ASEAN).
- And in 2018, we expect our Vietnam-European Union Free Trade Agreement to enter into force. This ambitious agreement is intended to benefit both sides through increased trade and investment, and also contains provisions on sustainable development and a mechanism for civil society to follow the implementation of the agreement.
- But we have remained also the biggest grant donor in the world, providing for more than 50 % of World ODA in 2015 (double the second one in the list, the USA). So what you hear is the biggest market abiding by common regulation. But also the biggest international trader keen also to promote social justice world-wide.
- **It sounds impressive, but why does all this matter ?** Because our policies pursue basically the same goals domestically and abroad. What we defined as key principles in our domestic policies of the EU, are simply extended, or "externalized" by our common institutions as major Foreign Policy goals of the

EU. Given the EU's importance in the world economy and as the world's major donor, this is a EU "only" specific feature.

- Let's come back to the EU, at home. Since the financial crises erupted, people in Europe expect more focus on social justice at home. This was well received a few weeks ago by 27 European leaders who met in Rome on the 25 March 2017 and endorsed a Declaration on the future of Europe including an important statement on a "Social Europe" as they had not done since many years.
- At this present juncture, Social Justice and Sustainable Development at home and Social Justice and Sustainable Development abroad are two sides of the same coin. Increased concern at home, goes together with a similar focus abroad. And the EU is now better placed than ever before to pursue more effectively our goals for sustainable development in Partnerships, given the new international context :
  - The new, **comprehensive challenges** that we all face, can no longer be addressed in a top-down mode. States can only ensure proper service delivery and resilience in partnership with responsible and creative citizens and civil society and through participative decision-making ;
  - The evolution from the Millennium Goals to the **SDG** reflects this necessary change in challenges and approaches. They define our common objectives and challenges and the common efforts we have to undertake in partnership ;
  - The EU has evolved since the latest institutional reforms (the **Lisbon Treaty**) that created a EU diplomatic service and more comprehensive foreign policy since 2010. We have endorsed last year a **Global Strategy for the EU** that sets out our key values and interests and strategic priorities for our Foreign Policies. It includes our future Development Policy.

- On this point, the EU is adapting its “Consensus on Development” dated 2005 to ensure a common implementation of Agenda 2030 based now on the SDG's. An important element, and change compared to the past, is that this Consensus will apply equally both to EU Institutions and Member States. It will be signed by the Presidents of EU Institutions (European Council, Commission and Parliament) but it will also be open to signature by Civil Society Organizations, the European Investment Bank and the Private Sector. The EU Consensus will allow for joint planning of Development Aid of EU institutions and EU Member States as well as joint Implementation.
- The EU's engagement with civil society is built around the perception that development requires inclusive approach to provide effective improvements for people's daily lives. Development cooperation therefore should go beyond central government and include civil society organizations to address neglected issues and advocate for an agenda that is more representative of people's needs. This notion has been elaborated in the "EU's Communication on Europe's engagement with Civil Society in external relations"
- Last but not least, this new approach will allow us to better explore– in partnership with Civil Society, in particular Co-Operatives - new economic and business models which should be more value-based and more in line with principles of fair trade.
- This is now the right moment to say a few words about the International Co-operative Alliance. Let me start by paying tribute to everything the ICA has been undertaking over the last decade. It undertook huge steps, and records major achievements in the recognition of co-operatives in our international efforts and by raising the profile of Co-operatives at the highest level, including through the first ever UN International Year of Co-Operatives. Last year UNESCO added Co-Operatives in its list of intangible cultural heritage of humanity, following the proposal by Germany. Last but not least, the ICA has

its headquarters in Brussels, explaining also why a partnership between the EU and the ICA seems natural, as we signed last year a **ICA-EU partnership on Co-operatives in Development**. And I do hope this could also materialize with practical implementation of such cooperation here in Vietnam, to support the co-operative business models in this country.

- To illustrate further how we work with Civil Society on a daily bases, let me zoom into our ongoing partnership with Vietnam. We have established a strong Development cooperation in a number of fields, which now date back several decades. The nature of our relations have changed and strengthened over time. From our initial role as a provider of humanitarian aid, we have shifted into development aid and started to increasingly focus on our economic and trade relations, as well as wider issues such as Rule of Law and human rights. In October last year, our Comprehensive Partnership and Cooperation Agreement entered into force. This is the legal basis for our relations and covers a very wide range of topics, including science, education, development cooperation and so on.
- On the development cooperation side, the EU – together with the European countries present in Vietnam - continues to be the largest ODA grant provider and has committed to assist Vietnam in fulfilling goals in its socio-economic strategy with an indicative amount of 400 million Euros for the period 2014-2020. We intend to focus particularly on two sectors: 1. Sustainable energy; and 2. governance and rule of law.
- As you may know, the European Union works on development in two main ways:

**Firstly**, with our bilateral programs, which are generally implemented through national authorities (such as the energy and rule of law sectors I just mentioned). Wherever possible, we also include civil society components in these programs. As an example, we have supported the Vietnamese cooperative on Dragon fruit, through our Trade-related assistance program,

with a view to helping dragon fruit producers to meet the requirements for exporting to European markets.

**Secondly**, we work with "thematic lines" or financial facilities to support civil society more directly. In Vietnam, there are several on-going EU thematic line Programs providing support to CSOs with different objectives and focus:

(1) The Civil Society and Local Authorities Thematic line designed to enhance capacity for CSOs and Local Authorities.

(2) The SWITCH-Asia program addressing sustainable consumption and production and

(3) The European Instrument for Democracy and Human Rights.

All three of these instruments may be of interest to the work of cooperatives.

In Vietnam, the EU Delegation acknowledges the importance of engagement with Civil Society and Local Authorities, manifested in our continuous political and financial support over the years. Since 2014, the EU Delegation and EU Member States have developed a Roadmap for Engagement with Civil Society in Vietnam, outlining the EU's key priorities in cooperation with CSOs here.

Our road map and our support to civil society go beyond mere funding of projects. We aim to support civil society through our political work with our European member countries, as well as with the Vietnamese authorities. As I mentioned, our relations in Vietnam are not limited to development aid, important as this is and we see a role for a rights-based approach and civil society participation in almost every aspect of our work here.

- Last but not least, in our Trade relations with Vietnam, as we move towards the implementation of our very promising Free Trade Agreement with Vietnam in 2018, let me stress that sustainable Development and working with Civil Society is also very much part of it. In the Chapter on Sustainable Development, both sides committed to develop Corporate Social Responsibility, Transparency, ratification and implementation of the major ILO conventions, to promote gender balance, fair trade and social justice, to

implementation international commitments on biodiversity and in the fight against wildlife trafficking.

- Let me stress that our FTA will bring great benefit to Vietnam, provided we prepare very well for its implementation and clearly identify where our potential sits, but also our weaknesses. Obviously, Vietnam's agro-food sector contains enormous potential for exports to the EU market. But a lot has to be done to make sure it will indeed materialize. Ensuring added-value, moving up the value chain by proper investment, home grown companies (SME's) who improve quality and food-safety, ensure better branding, control the Export-logistics and bring more profit to the farmers are just some of the major challenges ahead. As I noticed that those topics are on your agenda for the next sessions, I would like to underline that there are more than just 2 choices to be made. Vietnam does not have just to choose between State-owned companies or international multinationals. Here, as in many other sectors, potential is enormous. A sound, home-grown private sector, in particular SME's, is of particular importance for Vietnam's agro-food sector. The country has also an important co-operative Sector. The best would be to review thoroughly what goes well in that area but also to see how to redress weaknesses and support also the co-operative sector to make sure it can bring more benefit to the people of Vietnam in this particular area.
- As you can see, the EU is very much involved in promoting sustainable development at home, as abroad. Civil Society is a key stakeholder in our Strategy. That applies also in particular in our partnership with Vietnam.

I thank you for your kind attention and wish you good luck with the discussions in the coming days.