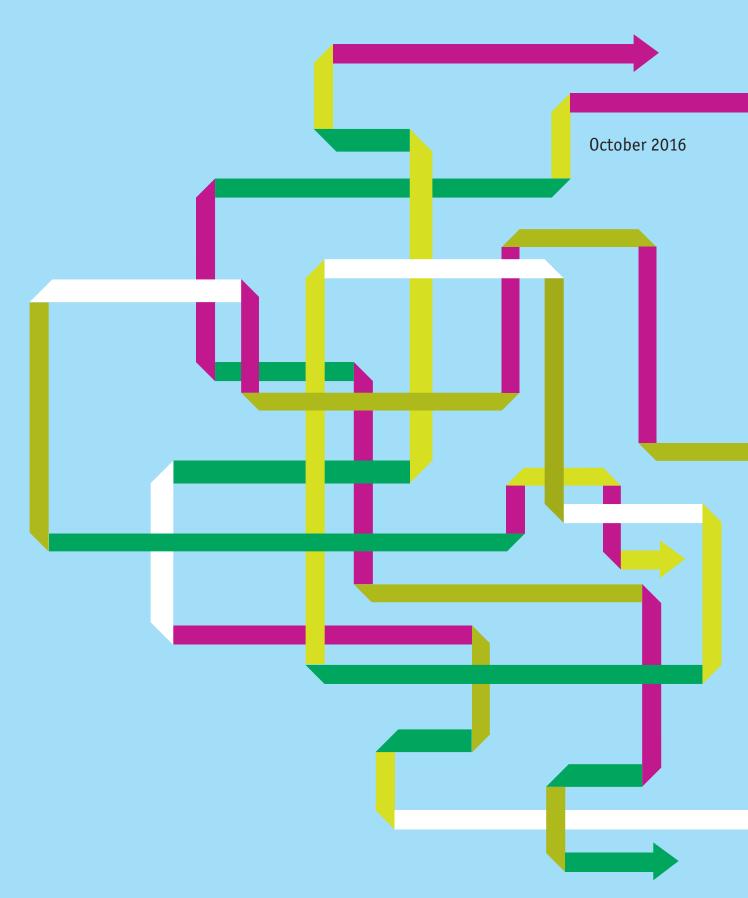
Fair, Green and Global Alliance

Annual Plan 2017







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Annex I - The FGG Alliance's focus in 2017

Theory of Change 1: Improved corporate conduct

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Theory of Change 3: Improved financial and tax systems

List of abbreviations

ADSB	Atradius Dutch State Business	LLMIC	Low and Lower-Middle Income Country
ALR	Action Labor Rights	LRDP	Labour Rights Defenders & Promoters
BIT	Bilateral Investment Treaty	MS	Member States
CCC	Clean Clothes Campaign	NCICD	National Capital Integrated Coastal Development
CETA	Comprehensive Economic and Trade Agreement	NCP	National Contact Point
CFS	Committee on World Food Security	NGO	Non-Governmental Organisation
CS0	Civil Society Organisation	07.4	000117
		— ODA	Official Development Aid
DFI	Development Finance Institution	OECD	Organisation for Economic Cooperation and
DRC	Democratic Republic of Congo		Development
DSF	Dispute Settlement Facility	OHS	Occupational Health and Safety
ECA	Export Credit Agency	PPP	Public-Private Partnership
(E)HRD	(Environmental) Human Rights Defender		
EU	European Union	RCEP	Regional Comprehensive Economic Partnership
		_	Agreement
FGG Allian	ce Fair, Green and Global Alliance	RSP0	Roundtable on Sustainable Palm Oil
FM0	The Netherlands Development Finance Company		
FoE	Friends of the Earth	S2B network	s Seattle to Brussels network
FoEI	Friends of the Earth International	SDG	Sustainable Development Goal
FPIC	Free, Prior and Informed Consent	SKC	Schone Kleren Campagne
		SOM0	Stichting Onderzoek naar Multinationale
GCF	Green Climate Fund		Ondernemingen
GSP	Generalised Scheme of Preferences		
GSP+	Special Incentive Arrangement for Sustainable	TiSA	Trade in Services Agreement
	Development and Good Governance	TNC	Transnational Corporation
		TNI	Transnational Institute
IAM	Independent Accountability Mechanism	ТоС	Theory of Change
ICC	International Criminal Court	TTIP	Transatlantic Trade & Investment Partnership
ICM	Independent Complaints Mechanism		
ICS	Investment Court System	UN	United Nations
IFC	International Finance Corporation	UNCCD	United Nations Convention to Combat Desertification
IGWG	Intergovernmental Working Group		
IIA	International Investment Agreement	VGGTs	Voluntary Guidelines on the Responsible Governance
ILO	International Labour Organisation		of Tenure
ISDS	Investor-State Dispute Settlement		
		WTO	World Trade Organisation

1. Introduction to the Annual Plan of the Fair, Green and Global programme

Corporate conduct, trade and investment, and financial and tax systems are dynamic fields of work and subject to continuous change. As Fair, Green and Global (FGG) Alliance, we aim to foster and make use of developments that contribute to upholding human rights, improving the environmental sustainability of our globalised production systems or allow for transparency and accountability in key economic sectors, such as finance and infrastructure. At the same time, FGG members and their partner organisations set out to respond adequately to developments that affect these challenges negatively. Mutual capacity development is organised in a flexible, demand-driven and context-specific way, to make sure that our partner organisations are, in the midst of these developments, equipped to lobby and advocate for their agenda, whilst FGG members are on ongoing basis informed about problems and changes in the context of our partner organisations to feed into lobby at Dutch and international level. Together, we adapt our tactics in our quest for a socially just, inclusive and environmentally sustainable world.

Below, we elaborate on a number of crosscutting changes we see in the external environment, as well as on Theory of Change (ToC) specific observations in relation to analyses of the (changing) context. We explain how we plan to respond to current or foreseen changes. In Annex I, we indicate roughly the focus areas of the FGG programme in 2017; for more detailed plans, we refer to the FGG Alliance's IATI publication.

2. Cross-cutting areas of attention

2.1. CLOSING CIVIL SOCIETY SPACE

One of our main concerns is the shrinking space of civil society in many parts of the world, which is essential for their capacity to lobby and advocate for their own agenda. People's ability to claim protection and respect for their human rights, engage in decision-making and influence policies and practices that affect them is decreasing. Our partner organisations, human rights defenders and local communities face this on daily basis. We also see that laws, policies and decision-making processes increasingly favour the private sector at the expense of public interest, whilst weak governance, incoherent policies and/or challenges in implementation of existing policies have facilitated human rights violations by corporations. Exacerbating the problem is the existence of corruption, with many corporations allowed to act with impunity on the basis of the political connections of their own shareholders.

This shrinking civil society space is significantly hampering the implementation of the FGG programme, amongst others, but not only, in Bangladesh, Cambodia, Ethiopia, Honduras, India, Indonesia, Mexico, Nicaragua and Pakistan. This makes our work highly relevant, but at the same time extremely dangerous and difficult for the partner organisations we work with.

➡ In order to contribute to the lobby and advocacy capacity of our partner organisations, we first see a need to contribute to an environment in which they can safely implement their work. We will therefore continue to support environmental and human rights defenders ((E)HRDs) by strengthening their capacities to stand up for their rights, to assess risks, by connecting with Dutch embassies where helpful, and by organising fact finding missions and campaigns in case of rights violations.

2.2. DUTCH PARLIAMENTARY ELECTIONS

In March 2017 there will be Dutch parliamentary elections, possibly followed by a change of the governmental coalition. The new division of seats in Parliament and change in Ministry portfolios of development cooperation and trade can have major implications for the FGG Alliance's lobby and advocacy. We will have to familiarise new members of Parliament with the problems addressed and alternatives proposed by the FGG Alliance. Notably, these efforts are also required for new contact persons in the Dutch Ministries (Economic Affairs, Directorate-General for International Cooperation), due to staff changes.

- → As FGG Alliance we aim to tap into new policy development (both a risk and an opportunity), anticipating on a possible shift in strategy as a result of the elections.
- ➡ The outcome of the elections may lead to restrategising for some dossiers that the FGG Alliance is working on, depending on the shift in policy makers that have a decision-making mandate over these topics.

3. Theory of Change 1: Improved corporate conduct

3.1. IGWG ON TRANSNATIONAL CORPORATIONS AND OTHER BUSINESSES WITH RESPECT TO HUMAN RIGHTS

In 2016, an increasing number of affected communities, parliaments, UN entities, as well as Catalonia, France and Switzerland have recognised the need and are calling for regulation of transnational corporations (TNCs). There has been a continued derailment strategy on the Intergovernmental Working Group (IGWG) UN process by the EU and other Northern governments. At the same time, we observe, partly in reaction to this trend, an evident seeking for convergences and alliances among different campaigns and sectors, including affected communities, social movements and civil society organisations (CSOs) in the framework of a Binding Treaty process. The demand for binding regulation has been sustained at international, regional and national level.

Due to this increasingly concerted and effective action of civil society, including FGG members, through the FGG Alliance and with other civil society coalitions, the blockade of the European Commission and Member States (MS) against the IGWG on transnational corporations and other businesses with respect to human rights was altered in 2016. Advocacy efforts combined with increased public awareness activities on the topic have

started shifting the approach of key decision-makers in European circles. For instance some key MS and civil servants within the Commission and the External European Action Service have stated that they consider it important that the EU participates in the next IGWG meeting in October 2016.

- → After this October meeting, FGG members and partner organisations will have a clearer idea on advocacy needed for 2017, and capacity development needed to carry out this advocacy.
- ➡ We will continue network building and organise our mutual capacity development with social movements and campaigning organisations as such that our partner organisations can combine their efforts and advocate strongly, with the aim of strengthening the wider civil society movement for the IGWG.
- ➡ We aim to increase our own and our partner organisations' capacity and focus on the UN Treaty process, to explore the possibilities of supporting a legal/judicial case in the Netherlands, and to increase collaboration among FGG members on developing the content of due diligence expectations, both sectoral (garments, finance, extractives/ land) and in general.
- ➡ In order to achieve our goals, the FGG Alliance and partner organisations will work with relevant governments to sustain the IGWG process.

3.2. TRANSPARENCY AND ACCOUNTABILITY REGULATIONS

Transparency of the corporate sector is furthered by an increasing demand for more tailored investigations into corporate practices and rising indignation at corporate tax avoidance. Besides, the growing availability of new data, including open source, leaked data and government data and statistics, as well as increasing knowledge and expertise in using the current databases, provide opportunities to push the issue of transparency forward. We see several new and upcoming accountability regulations: country-by-country reporting, project-by project-reporting, mandatory due diligence reporting, et cetera.

- ➡ The FGG Alliance will use the observed opportunities for her work at Dutch and EU level to improve transparency and support partner organisations in understanding the potential and limitation of these new accountability regulations.
- ➡ We will organise mutual capacity development activities that contribute to our partner organisations' ability to access relevant information and use this for their own advocacy.

3.3. SECTOR AND ISSUE-SPECIFIC ANALYSES

3.3.1. GARMENT SECTOR

The fashion industry is vastly different from what it was a generation ago. A small group of giant garment brands and retailers play a pivotal role in the global garment industry, demanding ever more quick responses from suppliers, and therewith impacting significantly on global supply chains. This particularly affects women workers, who constitute the majority of workers in the garment industry and are often unable to fight unsafe workspaces due to retaliation of trade unionists.

→ Continuous attention will be paid to gender analyses, capacity development with women workers and women organisers, and lobby and advocacy for sufficient gender-sensitive responses to the ongoing problems faced in the garment sector.

Particular developments are observed in Myanmar, Bangladesh and the Netherlands:

Myanmar: Since the European Union lifted its economic sanctions against Myanmar in 2013, the Myanmar garment industry has grown explosively. Myanmar labour regulation is not in line with international standards, enforcement of labour laws is weak and labour rights violations are rife. In addition, the military holds great power over the economy and factories may be built on land where ownership may be implicated in land grabbing practices.

→ In 2017 SOMO, together with Action Labor Rights (ALR) and Labour Rights Defenders & Promoters (LRDP), will publish its research on human rights and labour rights issues in the Myanmar garment industry.

Bangladesh: Remediation of Bangladesh Accord listed factories and the establishment of Occupational Health and Safety (OHS) Committees is going slower than expected due to a variety of factors, including brands inaction or slower response and barriers created by the Bangladesh government. This means the Accord will not be able to complete the target by 2018. Also, the Bangladesh government inspectorates have not demonstrated the capacity to meet the standards of credible and transparent independent building, fire and electrical inspection of the Accord. This makes it difficult for any handover of the inspection of Accord listed factories to the government by 2018.

➡ In 2017, CCC will closely collaborate with partner organisations and organise extensive capacity development e.g. on knowledge development, strategising for campaigning, involvement in policy processes, and monitoring implementation of the Accord, in order to jointly campaign and pressure stakeholders for extension of the Accord.

Netherlands: Changes are observed and expected in 2017 as a result of the new Covenant on sustainable garment and textile, which was signed in July 2016. In this agreement the Dutch government, Dutch brands, trade unions and some CSOs have set targets in order to improve the situation of garment workers in terms of OHS and living wages.

➡ CCC and SOMO, who did not sign the Covenant as they consider the agreement to be too weak, particularly concerning living wage targets and the governance structure of the Covenant, will critically assess the implementation of the Covenant and keep pushing for more binding measures.

3.3.2. PHARMACEUTICALS

Awareness is growing among the public, political parties, doctors and hospitals, and governments that the pharmaceutical industry is taking advantage of their monopolistic position excessively, at the cost of many people, especially in LLMICs, and that something must be done not to be at the mercy of the industry.

➡ In response to this momentum, SOMO supports partner organisations in Egypt in direct lobby towards the government and parliamentarians to adopt a legislative framework that ensures that pharmaceutical companies ascertain that the safety and rights of participants in clinical trials are protected and in line with the highest ethical standards. At the same time, SOMO researches the share of public money in the development of new medications, related to high medicine prices, and works on an alternative business model to develop medicines, to explore the overlap in activities.

3.3.3. MINERALS/EXTRACTIVES

Human rights abuses in the mineral supply chain and violations related to the extraction of other minerals than the currently defined 'conflict minerals' tin, tungsten, tantalum and gold, are the order of day and important areas of work for ActionAid in Kenya, Zambia and Zimbabwe. Also cobalt mining in the Democratic Republic of Congo (DRC) causes structural human rights violations and environmental pollution, whilst cobalt is increasingly important for electronics as well as for electronic cars, as revealed by SOMO research in 2016. This once again points at the urgent need for better regulation of the extractive sector. A few relevant processes are currently taking place in the Netherlands and EU, offering points of intervention for the FGG Alliance. At EU level a framework law on the use of conflict minerals was adopted, which still has to be developed further, and thereafter implemented by the MS. The EU legislation agreement represents a first step in the right direction. However, by agreeing to exempt the majority of large corporations from the law, the EU has put its faith in companies voluntarily choosing to source minerals responsibly, which cannot realistically be expected to happen. In the Netherlands there is a multi-stakeholder agreement between government and energy companies to ensure the Dutch companies source coal responsibly and execute proper human rights due diligence. Other multi-stakeholder sector agreements between the Dutch government, Non-Governmental Organisations (NGOs) and companies are forthcoming. Focus sectors are technology, energy, metal and electronics: all are interesting from an extractive point of view.

→ ActionAid collaborates with and supports its partner organisations in Kenya, Zambia and Zimbabwe in advocacy towards and capacity development of government departments, mining companies and civil society, to contribute to the knowledge and awareness of problems in the extractives sector, and to willingness to address these problems. Particular attention will be paid to ensuring partner organisations' involvement in policy development and enforcement in their respective countries.

3.3.4. LAND AND AGRICULTURE

Land governance is a poignant issue in for example Mozambique at the moment, with the port development of Beira supported by Dutch infrastructure expertise, and agri-investments from foreign investors, amongst others from Brazil, in soy and sugar

cane production. Similarly in Uganda, production of flowers by Dutch entrepreneurs and investments in palm oil in and around Lake Victoria are a source of conflict. In an effort to flag women's land rights, female farmers and ActionAid organised the Women2Kilimanjaro Initiative, which resulted in a big coalition of empowered women and organisations and a joint charter demanding women's rights to access and control over land and natural resources. It also contributed to further awareness among companies, policy makers and civil society of the disproportionate impacts of land grabs on women. As a result, several ministers signed up in support and the charter was presented to the African Union (AU).

➡ In 2017, ActionAid will support follow-up of this initiative at different levels, including a petition to reinforce the charter at the AU summit in 2017.

Some positive developments can be observed that offer opportunities or momentum. Land is currently high on the agenda of policy makers at the UN and in the Netherlands. In the discussions on the implementation of Sustainable Development Goal (SDG) 15 (Sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss) land governance is specified as key topic. The Committee on World Food Security (CFS) Voluntary guidelines to the responsible governance of land, fisheries and forests in the context of national food security (VGGTs) are prominently taken up in the elaboration of Land Degradation Neutrality within the United Nations Convention to Combat Desertification (UNCCD). However with our partner organisations, we have concerns that the Land Degradation Neutrality fund, a private fund for largescale investments in land restoration that is being developed now, will not have sufficient safeguards to refrain from land conflict and/or encourage the implementation of the VGGTs.

The current Dutch Minister for Foreign Trade and Development Cooperation was responsive to the call from civil society for a multi-stakeholder dialogue to engage the financial and other private sector actors in preventing land grabs and implementation of the VGGTs to its own private sector development instrumentarium. This offers opportunities to improve criteria, internal processes and monitoring towards an approach, which does 'more good' in relation to local food security, access to land, and gender.

Another positive development is the growing interest in the Netherlands for food forests. This in time is foreseen to also trickle down into consumer behaviour, thereby increasing the negotiating power of small-scale producers and local cooperations in LLMICs towards investors, plantation owners, buyers and traders to demand support in the change towards a more resilient production method.

➡ The FGG Alliance will build on this development by continuing to stimulate the development of such food forests worldwide, including in the Netherlands.

- ➡ We will also highlight the link between agroecology/food sovereignty and forests in the context of the Food and Agriculture Organisation (FAO) process on forests and food security.
- ➡ Specific attention will be paid to women's land rights, both in the Netherlands and in several countries in which the FGG Alliance is active, e.g. in discussions with various Ministries, the Dutch Land Governance Multi-Stakeholder Dialogue, and through capacity development on participatory land use planning with partner organisations in LLMICs and direct engagement with government and corporate actors to advocate for communities' land rights on an ongoing basis.

3.4. HUMAN RIGHTS

3.4.1. SITUATION OF (ENVIRONMENTAL) HUMAN RIGHTS DEFENDERS

Activists and communities engaging to defend their rights in the context of investments, e.g. related to extractives, energy projects, and land-based development projects, are more and more at risk and face unlawful detention, threats, harassment, break-ins, disappearance and murder. The recent murder of Berta Cáceres in Honduras and the attack on Maxima Acuña in Peru, as well as the murder this month on a local government official in Para, Brazil, illustrate the urgency of responding to the serious threats faced by (E)HRDs. A June 2016 report of Global Witness reveals that 2015 has been the deadliest year in history for environmental rights defenders, with 185 known deaths worldwide. In some countries governments are currently taking steps to silence and restrict the space of civil society in response to actions and expressions of concern about public or private sector investments and development projects.

- ➡ The FGG Alliance will continue its support to, capacity development with and lobby for the safety of (E)HRDs, with specific focus on the safety of women (E)HRDs. We do so in several ways:
- We offer direct support to (E)HRDs who are (under threat of)
 experiencing direct violations of their rights. For example,
 CCC will work on approximately 20 Urgent Appeals cases in
 2017, while FoEI has set up a sub-granting mechanism for such
 urgent cases.
- We build stronger solidarity networks that also enhance rapid response and setting up quick campaigns.
- We organise various forms of direct capacity development, through trainings, workshops and exchanges to contribute to the resilience of (E)HRDs, amongst others on digital security.
- We put the global spotlight on the issue: FoEI will in 2017
 mobilise two high level international fact finding missions
 related to EHRD cases, specifically highlighting both the
 importance of women's roles as front-line defenders and their
 vulnerability.
- Locally, our partners are putting the issue on public, political and corporate agendas by exposing violations, campaigning, bringing the issue to media (radio, newspaper, social media), organising round tables, requesting pledges from politicians, et cetera.

• We continue to signal risks of human rights violations to Dutch and international public and private financiers, in order to prevent and address such violations.

3.4.2. GRIEVANCE MECHANISMS & REMEDY

The best way to protect (E) HRDs is to prevent the underlying impact about which they are speaking out. One approach the FGG Alliance uses to do so is through the improvement or creation of grievance mechanisms so that these communities can flag environmental or human rights impacts and seek remedy. The potential development of a new convention on supply chains at the International Labour Organisation (ILO), which is currently being discussed and would include a grievance mechanism, is promising. We also see momentum and support for reforms of the OECD National Contact Point (NCP) system and International Accountability Mechanisms (IAMs) of Development Finance Institutions (DFIs). The many NCP peer reviews planned in the next few years may contribute to a positive shift. At the same time, space for civil society is closing, also regarding the use of the NCP or DFI systems; and retaliation against HRDs using the NCP mechanism is no rarity.

➡ Implications of the above are that we will continue the strong focus on access to remedy through non-judicial grievance mechanisms, in close collaboration with our partner organisations, aiming to contribute to the safety and capacity of partner organisations, (E)HRDs and other civil society actors to effectively make use of these existing grievance mechanisms. Capacity development will also be geared towards increasing capacity of partner organisations with regard to issues such as Free, Prior and Informed Consent (FPIC). In that same vein, we will conduct research about corporate litigation strategies that hurt/incapacitate civil society.

The International Criminal Court (ICC) is extending its mandate. Potentially also cases on environment, human rights and against companies' CEOs could be pushed.

→ The FGG Alliance amongst others plans to bring a grievance case on gas flaring in Nigeria to the ICC.

3.5. CONCLUSION

The above context analysis for ToC1 shows that the field of corporate conduct is as dynamic as was foreseen in the original ToC description. There are some shifts in the context in the sense of opposing developments or opportunities and momentum, but we do not see the need to adjust our ToC. There are some consequences for the implementation of our programme and the focus of the mutual capacity development we organise with our partner organisations. These are explained in the text boxes above and in our IATI publication in more detail. No budgetary shifts are required to accommodate the changes in our programme in 2017.

4. Theory of Change 2: Improved trade and investment

4.1. TTIP/CETA

The Europe-wide protest against the Transatlantic Trade & Investment Partnership (TTIP) has put not only this treaty, but also the EU's policy on trade in general under discussion. After a significant slowdown of the TTIP negotiations in 2016, the Comprehensive Economic and Trade Agreement (CETA) has now emerged as the 'new EU model' for future trade agreements. That has led to an increased focus on CETA in the second half of 2016, whilst at the same time the signing of CETA is facing resistance from one EU MS and civil society. A decision about signing and implementation of CETA will be taken at the moment of writing in October 2016.

→ The shift in focus from TTIP to CETA as the new model for future EU trade and investment agreements creates a serious challenge since the negotiations of CETA have already been concluded, making it very difficult (if not impossible) to influence its content. However, since the campaign shows that both TTIP and CETA create a momentum for change, also in relation to ISDS, we will continue our campaign against these treaties and the impact they will have on the South.

4.2. INVESTMENT AGREEMENTS, ISDS AND EMERGING NEW INVESTMENT MODELS

The international awareness about the problem with the current regime of international investment agreements has increased, but there is still a huge diversity of views amongst various governments as to how the system should be reformed. For example while the Netherlands and India both agree that the current bilateral investment treaty (BIT) between the two countries is no longer acceptable they failed to agree on the necessary changes. As a consequence the out-dated agreement will now stay in force for investments made before the end of the year for another period of 15 years under the former BIT.

The growing public debate about ISDS (generated among others by the FGG Alliance) has led to a proposal by the EC calling for an Investment Court System (ICS) to be incorporated in future EU Free Trade Agreements (FTAs). However, the proposed reforms leave intact the fundamental flaws in the investment protection regime. Most of our objections to ISDS are still in place. The proposed ICS is proposed to be a first step in the direction of a multilateral investment court and it is still unclear what this multilateral investment court would look like.

Negotiations between Indonesia and the EU and between the Philippines and the EU on an FTA with an investment protection chapter have begun and will continue in 2017, and negotiations between Myanmar and the EU for an Investment Protection Agreement are ongoing. Further, in its new Trade Strategy, the EU aims to modernise existing FTAs with the South and include investment protection chapters, such as with Mexico.

Some Dutch BITs are expiring which provides a moment to mobilise for cancellation or revision. The Dutch government is in a process of reforming its Dutch standard model BIT. In India, Indonesia, South Africa and elsewhere major reform processes of model BITs are underway.

- → As FGG Alliance we will cooperate closely with the Dutch Ministry on the reform of the Dutch model BITs.
- → We will collaborate closely with the Seattle to Brussels (S2B) network to ensure European civil society has a concerted and adequate response to the Dutch and EU proposals.
- → In 2017 we will work with our partners in countries where FTAs and investment treaties are being negotiated (Philippines, Indonesia, Myanmar, Mexico), in countries where Dutch BITs expire (Uganda, possibly Nigeria) and in countries where other investment models are being considered (e.g. India, Indonesia) by strengthening lobby and advocacy capacity of partner organisations through exchanging knowledge and expertise in order to ensure timely responses in media and directly with policy makers about e.g. possible risks and loopholes. We build on our year-long track record and expertise on this issue as well as an extensive worldwide network of experts. By flagging the problems we see with regard to FTAs and investment treaties in both EU and Netherlands, and various other countries, FGG members and their partner organisations can reinforce each other's efforts, pursuing change at 'both sides' of the agreements and treaties.

4.3. RESET OF TRADE AGENDA

The Dutch Minister for Foreign Trade and Development
Cooperation has indicated she wants to reset EU trade and
investment policy. At national level, the Dutch government
continues to promote Dutch businesses abroad with trade missions
and specific private sector development and export credits, whilst
in several cases, important criteria for private sector development
such as human rights and environmental impact assessment,
stakeholder consultation and transparency are not met.

→ The FGG Alliance in cooperation with Dutch civil society at large (FNV, CNV, Consumentenbond, MKB sectors, different agricultural sectors et cetera) will actively engage the Ministry in the content and process of a RESET agenda.

4.4. GSP

The European Union Generalised Scheme of Preferences (GSP) allows developing countries to export their goods to the European market with reduced or tariffs free access. These preferences are granted to producing countries with an assumption that they ratify and implement core international conventions relating to human and labour rights, environment and good governance. In reality in the countries which receive the GSP/GSP+, workers are forced to work in unsafe work places, for long working hours, very low wages and their right to organise in trade unions is denied. Trade union leaders are threatened and attacked for involvement in union activities that are ensured under the International Core Labour Standards. These practices are in violation of the commitments made to receive GSP/GSP+.

→ Attention will be paid to capacity development of CCC and partner organisations in garment-producing countries about the implications of the GSP/GSP+, in order to explore how we can jointly influence the EU and governments in Europe and garment producing countries.

4.5. CLIMATE AND ENERGY

The increasingly visible and tangible impact of climate change increases the sense of urgency to take action on climate change amongst the general public and amongst political leaders. This creates momentum for campaigning on the global shift from fossil fuels to renewables using public pressure. The 2015 Paris Agreement is a powerful argument to raise both public support and lobby for the transition to more socially and environmentally just energy systems. Companies and investors increasingly see fossil fuels as an investment risk. Public opinion about fossil fuels has changed substantially with a growing climate movement worldwide demanding the end of fossil fuel use. National governments around the world tend to increase their climate ambitions. However, at the same time we face a corporate lobby newly galvanised to push for false solutions as the only way to meet Paris' ambitions, and the rise of right-winged political parties in for instance Europe and the US promoting positions at odds with meaningful climate action.

- → Together with partner organisations, we will continue to highlight and expose the negative effects of fossil fuel infrastructures, which are observed especially in LLMICs and which are currently blocking the urgently needed climate and energy transition. Mutual capacity development with partner organisations will be intensified through increased collaboration, international meetings and webinars, to strengthen advocacy against dirty energy and for a just energy transition, with ample attention for developing alternative proposals to counter false solutions (e.g. FoEI's Good Energy Model).
- → The FGG Alliance will increase awareness among policy makers and the general public on gendered impacts of dirty energy projects and climate change through publication of two case studies. Also, we will support women in environmental CSOs and work towards a more inclusive environmental movement.

4.6. FOOD AND AGRICULTURE

Trade and investment promotion, agricultural (export) and other policies have resulted in land and water grabs or undermine the right to food in other ways, although little is known yet as monitoring and impact assessments are missing. Policy coherence has been on the agenda of the Dutch and EU policy makers, but is often not sufficiently implemented. The Dutch government, EU and international community now support and have expressed commitment to women small-scale farmers.

➡ The FGG Alliance will push for this commitment to be further improved and scaled up. → Also, research will be done with ActionAid Uganda to identify pervasive incentives resulting in land and water grabbing and violating the right to food in Uganda, with the aim of establishing a grievance mechanism to address such pervasive policy incentives.

4.7. CONCLUSION

We recognise that on the trade and investment agenda, we will need to be extremely agile in 2017. Processes are very unpredictable and continue to be extremely non-transparent. Depending on yet to be taken decisions about TTIP and CETA, the FGG programme may need to shift its focus significantly. In case CETA will be accepted, this would require a strategic reconsideration, as well as a possible reallocation of budgets, though it does not affect the ToC in itself. Programme staff members continuously oversee this situation. Their observations inform decision-making by the Steering Committee where necessary. For the climate and energy and food and agriculture dossiers, no changes in the programme and budget are foreseen.

5. Theory of Change 3: Improved financial and tax systems

5.1. TAX JUSTICE

Both internationally and in the Netherlands tax avoidance has over the last few years gained and still continues to gain a lot of interest both by the media and decision-makers and the general public. To the general public it becomes more and more apparent that the system is broken and prioritises the needs of multinationals over those of citizens and small and medium enterprises. Also at political level -however progressing slowlythere is a clear change in views around tax evasion/tax justice. While politicians still sometimes see tax schemes as legal, they are increasingly asking critical questions and political pressure is rising, illustrated by e.g. the Dutch parliamentary inquiry on tax evasion via the Netherlands. In the last year we have seen the EU taking action against tax avoidance of major corporates, such as the adoption of a non-public country-by-country reporting and the adoption of the anti tax avoidance directive as well as action on tax in relation to state aid (e.g. Starbucks and Apple cases and there is talk about the EU suing IKEA for tax avoidance). At global level, the OECD has facilitated a policy process to review the global tax system that should have benefitted developing countries. This process is nearing a phase of implementation, but benefits only a select group of mainly OECD countries. Meanwhile, several countries are negotiating tax treaties (and trade and investment treaties) with the Netherlands/EU, which provides an opportunity for civil society in countries to influence this process.

➡ The positive attention from a wider political field as well as the public berate on tax avoidance create political struggles. These struggles offer opportunities for the FGG Alliance's work, e.g. to lobby politicians to look more critically at how Atradius Dutch State Business (ADSB) supports projects that use tax havens.

- ➡ The FGG Alliance will in 2017 support CSOs in countries where tax treaties are re-negotiated (for example Uganda, Malawi, Kenya and Zambia) to lobby and advocate for a fair tax system that benefits their own countries.
- ➡ Continued capacity development will take place with partner organisations in amongst others Nigeria, Mexico and Indonesia to increase their policy advocacy capacity towards the national and state governments on tax collection, fair allocation of public budget and democratisation of the public sector, based on social inclusion and a human rights approach. Planned activities include policy briefings, dialogue with policy makers, conferences involving stakeholders, media outreach and mobilisation.

5.2. EXPORT CREDIT AGENCIES (ECAS)

At national level in the Netherlands, the NCP complaint mechanism focuses extra attention on transparency and due diligence. In November 2016 a policy review will be send to the Parliament, probably with indications on the export credit insurance's rate of return to the Dutch economy. These new documents and attention will change the context and provide opportunities for amongst others dialogue about ADSB's policies. Currently, the divestment agenda is gaining momentum, also for ECAs. An example is the fact that, while it still does not meet the necessary standards, the export credit support for coal at OECD level, has been lowered. Also, later this year the OECD will discuss a new sector understanding for climate change.

- ➡ We look for new networks with organisations that are interested in public finance for the private sector related to fossil fuels. We have a special interest in fossil fuels, because ECAs are a major supporter of the fossil fuel industry.
- ➡ The (potential) policy changes at national level as a result of the November 2016 policy review must be translated to international level in order to create a level playing field. The FGG Alliance will involve stakeholders on international level, like the ECA-watch network, to strengthen policies at OECD level. On the other hand, international attention on climate change and phasing out fossil fuels must lead to strengthened policies at national level, for which capacity development of partner organisations will be organised, to ensure that these partner organisations can demand that such policy adoption and implementation actually take place. ADSB needs to develop a phasing out strategy of its own. These are areas on which the FGG Alliance will (continue to) work in 2017.

5.3. NATIONAL CAPITAL INTEGRATED COASTAL DEVELOPMENT

The Netherlands is heavily involved in the development of the Jakarta Bay (NCICD). This is part of a wider policy trend to create commercial opportunities worldwide for the Dutch water sector. The new Indonesian Coordinating Minister of Maritime affairs has a big influence in the decision-making process around the land reclamation in Jakarta Bay. He is in favour of NCICD and the social and environmental impacts of NCICD are not his first priority. This could pose a threat to opening up dialogues between

affected communities and decision-makers in Jakarta. Therefore, there is a need to create a strong alliance between parties in the Netherlands and Indonesia.

- ➡ Both ENDS and SOMO jointly support partner organisations that are united in the Jakarta Bay coalition in their struggle against NCICD and jointly undertake lobby and advocacy activities towards the Dutch government. This work will continue in 2017, involving TNI as well.
- ➡ Wider work on investment, trade and tax developments involving the Netherlands and Indonesia is foreseen, including collaborations with partner organisations to improve the investment framework relevant for Indonesia and support the negotiations for a binding UN Treaty that will create obligations for TNCs to respect human rights; and possibly including a tax company research of involved Dutch companies.

5.4. DEVELOPMENT FINANCE INSTITUTIONS

The World Bank has accepted a new safeguards system in August 2016. Unfortunately clear and mandatory requirements, incentives, and accountability structures are lacking in the new framework. The universal standard has been changed into potentially weak and inadequate borrower systems, while eliminating the bank's mandatory due diligence requirements to ensure that borrower environmental and social protections are at least as strong as those of the bank.

➡ The changes in context at the World Bank mean that local CSOs need strengthened capacities to lobby at their local and national governments. Capacity development in 2017 will specifically be geared towards supporting partner organisations in this lobby, also to demand transparency of governments of developing countries.

FMO is currently reviewing its sustainability policy with considerable consultation from CSOs. Also, FMO is looking at how to improve stakeholder engagement and consultations. The institution will have a new director from October 2016 whose experience lies more with financial returns and less on human rights and environment; it remains to be seen what this will mean for FMO and consequently for our dialogue and engagement strategies.

→ The changes at FMO, in combination with the fact that the new Dutch ambassador in Costa Rica started conversations with Dutch NGOs, create possibilities for the FGG Alliance to build up new relations and opportunities to strengthen human rights, in close collaboration with partner organisations in these areas.

Closing space for civil society hampers the functioning of independent accountability mechanisms (IAMs) and the implementation of safeguard policies at DFIs. Communities are concerned about retaliation for filing complaints with IAMs.

Still there are opportunities for improving access to remedy for communities adversely impacted by projects financed by DFIs: the European Investment Bank will undergo a policy review in 2017;

the International Finance Corporation (IFC) may start a review of their performance standards in 2017; and the overall theme of the UN Forum 2017 might be on Access to Remedy, which would at least open up space for advocacy at international level. While it is positive that the Asian Infrastructure Investment Bank and the New Development Bank have adopted policies and grievance mechanisms, it will be important for civil society to monitor their lending and ensure the mechanisms provide adequate remedy for those that may be harmed by their investments.

➡ Therefore mutual capacity development in 2017 will be geared towards supporting partner organisations to engage with these banks and try to influence their reviews.

5.5. CLIMATE FINANCE

The obligation under the UNFCCC to support developing countries financially with new and additional grants is not anchored in the policy of the Dutch Ministry, nor in the climate bill that the Labour party and the GreenLeft party proposed to the Parliament. Chances are minimal that climate finance will come from another budget than ODA neither under this government nor after the upcoming elections. Still, the Netherlands remains an important player in the international climate finance, amongst other via its seat in the Green Climate Fund.

→ Lobby is needed and will be undertaken by the FGG Alliance towards the Ministry and the Parliament around the inclusiveness and effectiveness of climate finance. This lobby in the Netherlands will go hand in hand with capacity development efforts with CSOs to claim access to climate finance. It is expected that the windows of opportunity in the Netherlands will become smaller after the elections.

Although the Green Climate Fund (GCF) has not changed its decision-making much, preferring large institutions above smaller entities, a pilot programme for direct access has been approved and will be further rolled out in 2017. Improved policies on Information Disclosure make it possible to review the documents and process more thoroughly. However, the rolling out of many new, large-scale, high-risk projects poses more risks to local communities and makes it harder for the GCF CSOs to give proper feedback. Practically, staff changes in the Dutch GCF team require FGG investments in building new relationships.

→ Together with our partner organisations, we will explore to what extent the approval of the GCF pilot programme for direct access creates opportunities for smaller entities to get up to speed or at least changes the mind-set of the GCF.

5.6. PUBLIC SPENDING

Budgetary constraints, partially caused by tax avoidance and non-inclusive allocation decisions, contribute to a lack of adequate public services such as healthcare, education and infrastructure for citizens and communities in developing countries. Private finance has been touted as key to achieving the new SDGs and therewith addressing the lack of basic public services. In particular privatisation policies and Public-Private Partnerships (PPPs) in e.g. the water sector have become a prescription of austerity and a solution for financing of universal access to water. However, public financing practises in the private sector, supported by the aid to trade paradigm, as well as the push for liberalisation of service sectors through trade agreements such as TTIP, CETA and TiSA put development of public policies in danger, disadvantages southern countries and leads to policy incoherence in Northern countries and at EU level.

- ➡ We are currently scoping Dutch private sector finance with public funding (e.g. Dutch Good Growth Fund, FMO) to expose harmful and good practices and engage with relevant actors to promote more sustainable inclusive and demand-driven investments, e.g. by fostering domestic resource mobilisation and fair distribution. This will be done in close collaboration with partner organisations, with whom capacity development efforts are made to ensure that they, in their respective countries, are able to address problematic cases of Dutch investments, take part in round tables, decision-making and consultation processes, et cetera, and therewith contributing to change at both Dutch/international and national level.
- ➡ TNI continues to work on empowering civil society to mobilise capacity and advocate for improved public investment, public spending and budget tracking. Examples are facilitating peer learning and collective policy advocacy on energy democracy (and finance to it), democratisation in public services provision (and finance to it), returning and creating public ownership in essential services, economic and environmental justice transformation in cities, and reform of the global financial system.

5.7. CONCLUSION

The current context of financial and tax systems is subject to change. Mutual capacity development with partner organisations (to address problems in e.g. tax raising and spending, and ECAs to problematic projects, and to provide alternative solutions to e.g. public spending) will be adapted accordingly. The dynamics however were foreseen and the changes in the context therefore do not call upon a revision of our ToC. Practical responses to the observed and expected changes are within the scope of flexibility of our programme. For Both ENDS, part of the ToC1 and ToC2 budget is shifted to ToC3, in order to accommodate the above changes in 2017. As for the other FGG members, there is no need to reallocate budgets.

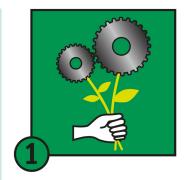
Annex I • The FGG Alliance's focus in 2017

Below, we elaborate on a number of focus areas for the FGG programme in 2017. These lists, compiled per Theory of Change, are not exhaustive, though they indicate towards which themes FGG members and partner organisations will gear their lobby, advocacy, research and mutual capacity development. For more detailed plans, we refer to the FGG Alliance's IATI publication.

Theory of Change 1: Improved corporate conduct

Lobby, advocacy, research and mutual capacity development, in LLMICs, internationally and in the Netherlands, with partner organisations, around:

- 1. Land governance: land conflicts and grabs, (women's) land (user) rights, VGGT, FPIC, UN guiding principles, participatory land-use planning, community empowerment, addressing of rights violations by corporates and governments involved in large-scale land acquisitions, advocacy on corporate conduct especially for Dutch corporate sector, Dutch 'topsectoren' and private sector instrumentarium and trade and import of agro-commodities
- 2. Extractives, FPIC, covenants, human rights violations (focus on women's rights), impact assessments of mining, adherence of mining companies in Africa to the African Charter of Human and Peoples Rights, empowerment of affected communities, clean-up of the Nigerian Niger Delta and stop gas flaring in the Niger Delta
- 3. Energy (against fossil fuels and other forms of dirty energy and for fossil fuel companies' accountability) with attention for 'green grabbing' and corporatisation of renewables, unsustainable large-scale energy infrastructure projects worldwide, supply chains of extractives companies and renewable energy (with attention for the role of Dutch and European multinationals and their impact in LLMICs)
- 4. The garment sector, with a focus on living wage deficits for garment workers, implementation of the Bangladesh accord, credible and independent labour inspections, work-place violence (against women specifically), OHS, employment relationships, due diligence, freedom of association, supply chain transparency, capacity development of union leaders, particularly women workers and strengthening the network among partner organisations
- **5.** IGWG on TNCs and other businesses with respect to human rights and advocacy with partner organisations on the IGWG process
- **6.** Legally binding lobby register to address excessive influence of corporate lobby on government policies
- **7.** Research on corporate accountability in general, and more specifically corporate litigation strategies
- 8. Support and capacity development of (E)HRDs
- 9. Creation, improvement and use of grievance mechanisms such as OECD NCPs, the Dispute Settlement Facility (DSF) of the Roundtable on Sustainable Palm Oil (RSPO), and the Independent Complaints Mechanism (ICM) of FMO



Theory of Change 2: Improved trade and investment

Lobby, advocacy, research and mutual capacity development, in LLMICs, internationally and in the Netherlands, with partner organisations, around:

- 1. TTIP, CETA, Trade in Services Agreement (TiSA) and ISDS/ICS clauses therein
- 2. TAs (Philippines, Indonesia, Myanmar, Mexico), Dutch BITs (Uganda, possibly Nigeria), other investment models (India, Indonesia)
- 3. The impact of investment policies and treaty provisions on public interests
- 4. World Trade Organisation (WTO) (joint north-south advocacy work)
- **5.** Generalised Scheme of Preferences (GSP) and Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+)
- 6. Capacity development on the Regional Comprehensive Economic Partnership Agreement
- 7. Climate and energy: limiting lobby influence and increasing accountability of fossil fuel companies, phase out of fossil fuels in Europe, advocacy and mutual capacity development for a more sustainable national energy policy, just energy transition (with attention for gender and the role of women in developing alternative proposals), developing Good Energy Model, exposing negative (gendered) impacts of dirty energy projects, research on corporate and state actors driving unsustainable energy systems, democratising access to and control of natural resources, capacity development on women leadership
- **8.** Food and agriculture: land and water grabbing, women's land and water rights, right to food violations, climate resilient implementation of the Dutch Food Security Policy



Theory of Change 3: Improved financial and tax systems

Lobby, advocacy, research and mutual capacity development, in LLMICs, internationally and in the Netherlands, with partner organisations, around:

- 1. Climate finance: Green Climate Fund, Dutch climate finance policy
- 2. Financial regulation: Fair Finance Guide publications, politicising quantitative easing, ensuring middle-income countries' representation in international financial decision-making forums (G20, Financial Stability Board)
- 3. Tax: challenging the tax treaty negotiation policy and practices of the Netherlands, anti tax avoidance directive, country-by-country reporting, capacity development on tax justice, progressive tax spending (with specific attention for gender), e.g. relating to public banks' investments in green and just transition and public services (remunicipalisation and renationalisation)
- 4. Transparency, reporting standards and grievance mechanisms of ECAs incl. ADSB
- **5.** Space for CSOs, complaint mechanism, sustainability policy, and disclosure policies of FMO, incl. their approach to human rights due diligence and human rights defenders
- 6. Policy dialogue and capacity development around the NCICD project in Jakarta, Indonesia
- 7. Development finance institutions' complaint mechanisms and specific cases

