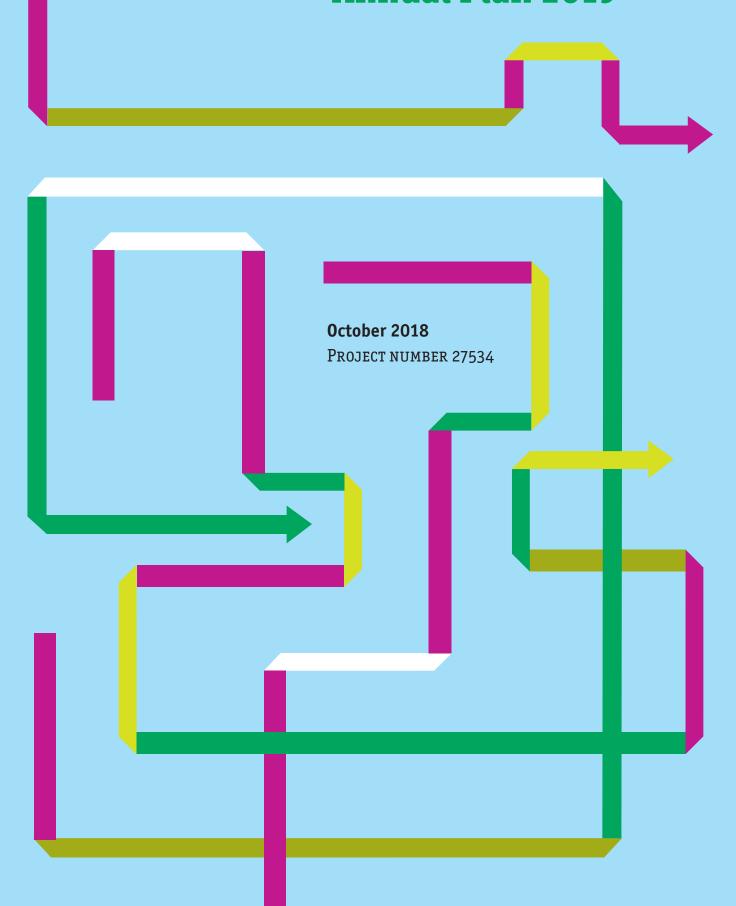
# Fair, Green and Global Alliance Annual Plan 2019



### Fair, Green and Global Alliance

**Annual Plan 2019** 



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c/o Both ENDS (lead agency) Nieuwe Keizersgracht 45 1018 VC Amsterdam The Netherlands

Telephone +31 20 530 66 00

E-mail info@bothends.org

Website www.fairgreenandglobal.org

**Design & images** Margo Vlamings













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### List of abbreviations

ADSB	Atradius Dutch State Business
BIT	Bilateral investment treaty
BRI	Belt and Road Initiative
СВО	Community based organisation
CCC	Clean Clothes Campaign
CEPA	Comprehensive Economic Partnership Agreement
CS0	Civil society organisation
DFI	Development Finance Institution
ECA	Export Credit Agency
ECT	Energy Charter Treaty
(E)HRD	(Environmental and) Human Rights Defender
EIB	European Investment Bank
EU	European Union
FA0	Food and Agriculture Organisation
FGG Alliance	Fair, Green and Global Alliance
FM0	The Netherlands Development Finance Company
FoEI	Friends of the Earth International
FoEE	Friends of the Earth Europe
FPIC	Free, Prior and Informed Consent
FTA	Free Trade Agreement
GCF	Green Climate Fund
GSP	Generalised Scheme of Preferences
GSP+	Special Incentive Arrangement for Sustainable
	Development and Good Governance
IFI	International Financial Institutions
ISDS	Investor-State Dispute Settlement

LLMIC	Low and Lower-Middle Income Country	
MFA	Ministry of Foreign Affairs	
MIC	Multilateral Investment Court	
MTE	Mid-Term Evaluation	
OECD	Organisation for Economic Cooperation and	
	Development	
OEIGWG	Open-ended Intergovernmental Working Group	
QE	Quantitative Easing	
RCEP	Regional Comprehensive Economic Partnership	
	Agreement	
TNI	Transnational Institute	
ToC	Theory of Change	
TTIP	Transatlantic Trade & Investment Partnership	
UN	United Nations	
VGGTs	Voluntary Guidelines on the Responsible Governance	
	of Tenure	

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

### Introduction to the Fair, Green and Global programme

In our pursuit of a socially just, inclusive and environmentally sustainable world, the Fair, Green and Global (FGG) Alliance is convinced of the need for fundamental changes to current socio-economic and political systems. This requires a global approach, addressing the different manifestations of problems in different parts of the world simultaneously, and linking local realities to national and global policy processes. We see that laws, policies and decision-making processes increasingly favour the private sector at the expense of public interests, people and communities. The power imbalances that we aim to address through the FGG programme are often of a global nature, while their devastating implications are generally most felt by local people and communities, especially but not exclusively in Low and Lower-Middle Income Countries (LLMICs). The FGG Alliance is built upon strong collaboration

between FGG members and their partner organisations around the world and our work within the FGG Alliance develops our connections and capacities further. By joining forces, complementing each other and strengthening each other's skills, knowledge and networks, through what we call mutual capacity development, we lobby and advocate for changes in policies and practices. In all our work, we deal with the environment in which civic actors operate. Many of our partner organisations face the challenges of shrinking civic space—including intimidation, repression, harassment and violence-in their daily work. Through mutual capacity development, and in our lobby and advocacy work, the FGG Alliance addresses this alarming trend and stands in solidarity with civic actors that defend their rights and strive for socially just, inclusive and environmentally sustainable societies.

We see this comprehensive and global approach, carried out in close collaboration and mutuality with civic actors around the world, as critical in order to achieve inclusive societies with democratic, transparent, equitable and gender-sensitive economic, social and environmental structures, policies and practices.

In 2019, the FGG Alliance enters the fourth year of its Strategic Partnership with the Dutch Ministry of Foreign Affairs (MFA) within the Dialogue and Dissent framework. The FGG Alliance consists of six member organisations –ActionAid Netherlands, Both ENDS, Clean Clothes Campaign (CCC), Milieudefensie/Friends of the Earth International (FoEI)/Friends of the Earth Europe (FoEE), SOMO and the Transnational Institute (TNI)- and more than 300 partner organisations globally. Together, we aim for socially just, inclusive and environmentally sustainable societies. In this Annual Plan for 2019 we explain how we will work towards this objective in the coming year: we describe developments

around the globe that relate to our three interlinked theories of change, which are geared towards improving corporate conduct, trade and investment, and financial and tax systems, and explain the urgency and importance of the work of our partners, which they carry out in collaboration with FGG members. Furthermore, we elaborate on our priorities and concrete plans for 2019. For detailed plans per FGG member we refer to the FGG Alliance's IATI file. The table below shows the Ministry of Foreign Affairs' Dialogue & Dissent indicators, linked to FGG's indicators and targets for the entire FGG programme for 2019.

Table 1. MFA Dialogue & Dissent indicators related to FGG indicators and total FGG targets for 2019

MFA DIALOGUE & DISSENT CORE INDICATOR  More information on the relation between MFA  Dialogue & Dissent core indicators and FGG  indicators is to be found in Annex 1	TARGETS ENTIRE FGG PROGRAMME FOR 2019
DD1: FGG indicator F	66 laws, policies and norms, were implemented for sustainable and inclusive development.
DD2: FGG indicator E	78 laws, policies and norms/attitudes, were blocked, adopted, improved for sustainable and inclusive development.
DD3: FGG indicators A & D	247 times CSOs succeeded in creating space for CSO demands and positions through agenda setting, influencing the debate and/or creating space to engage.
DD4: FGG indicators C & D	256 advocacy initiatives were carried out by CSOs, for, by or with their membership/constituency.
DD5: FGG indicator B	401 CSOs with increased L&A capacities.
DD6: Total # FGG partners	633 CSOs included in FGG programme (as foreseen for 2019 on 29/12/2018).

### 1.1. A CROSS-CUTTING CONTEXT ANALYSIS FOR 2019 – ENABLING ENVIRONMENT

Globally, especially after elections in a number of countries in recent years (such as Nicaragua, the Philippines and Cambodia), we see authoritarian politicians attempting to delegitimise democracy and human rights, as well as questioning the occurrence of human-induced climate change. This makes working for socially just, inclusive and environmentally sustainable societies challenging in many contexts. Looking at the balance between aid and trade, political decisions ever more often benefit the corporate sector instead of people and planet. For example, public funds meant for responding to climate change implications, such as the Green Climate Fund (GCF), flow to big financial institutions instead of environmental civil society organisations (CSOs) in LLMICs and other countries. Corporate power continues to increase, and corporate influence in the public and social domain grows steadily, whilst contributions of companies to protecting human rights, to the Paris agenda and to achieving the Sustainable Development Goals (SDGs) remain limited. A parallel development is that affected communities, jointly with community based organisations (CBOs) and CSOs, are raising their voices in an effort to protect their human and environmental rights in light of negative consequences of corporate activities. This is a tough battle for which stamina is needed.

In evermore countries, we see the rise of populist politicians correlate with a decrease in civic space. This affects the ability of communities to fight for and claim their rights and for CSOs to support these communities. Our partners in Bangladesh and in Nicaragua saw the government take a heavy-handed approach to recent protests in the country, leading to arrests and harassments of protestors and (environmental) human rights defenders ((E) HRDs). In Uganda and Cambodia, it has become increasingly difficult for CSOs and (E)HRDs to speak out against their government. The recent elections in Cambodia took place without any opposition parties and as a result the country is now ruled as a one-party state. This all means, that, to support socially just, inclusive and environmentally sustainable societies, FGG partners and members also need to fight for basic civil rights, instead of focusing merely on lobby and advocacy for more rigorous systems' change (e.g. related to improving global trade agreements and fighting climate change).

Our partners are increasingly confronted with the power of China; in particular partner organisations in LLMICs are confronted with the impact of China's Belt and Road Initiative (BRI). Through the BRI, the Chinese Government is advancing its vision of 'inclusive globalisation', drawing on China's development experience. As President Trump has increasingly retreated from the international free trade agenda, President Xi Jinping has positioned China as the champion of international free trade. Furthermore, the Chinese Government, in partnership with the United Nations Development Programme, is actively promoting the BRI as a means to achieving the SDGs.

Various BRI projects have lacked transparency and resulted in land and ocean grabs, environmental degradation and human rights abuses. Our partners question whose interests BRI projects serve and the sustainability of the enormous debt burden these projects can create. Furthermore, BRI projects are located in many volatile regions in Asia, Latin America and Africa. There is a need for FGG members and its partner organisations in LLMICs and other countries, to better understand the BRI, share experiences and develop joint strategies.

#### 2. Theory of Change 1: Improved corporate conduct

#### 2.1. CONTEXTUAL DEVELOPMENTS RELATED TO CORPORATE CONDUCT

In recent decades, companies have acquired greater power and legal rights; without increased accountability. The FGG Alliance is convinced that governments should rein in the increasing powers of corporations, including investors, and hold them accountable to ensure good conduct, decent work and environmental sustainability. We will continue our work on improving corporate conduct in 2019: progress has been made in this regard, but human rights are still being violated by companies and the human rights discourse is increasingly being captured by corporate interests.

To affect positive change in the conduct of corporations, the FGG Alliance has identified four priority areas:

- Improving corporate conduct in the garment, electronics and pharmaceuticals industries and improving labour rights.
- Improving the conduct of companies and investors in sectors related to natural resources use and environmental rights.
- Lobbying and advocating for (international) regulation of the corporate sector that guarantees respect for human and environmental rights.
- Contributing to an enabling environment for civil society and supporting (E)HRDs.

Below we explain the urgency and importance of our work in these four domains.

#### 2.2. IMPROVED CORPORATE CONDUCT IN CONSUMER GOODS-LABOUR RIGHTS

Violations of human —and specifically labour—rights are abundant in the supply chains of consumer goods, notably in those of garments, electronics and pharmaceuticals. Especially workers in the garment industry are in many countries vulnerable to rights violations. The garment industry remains one of the biggest sectors worldwide, with many workers—especially women in LLMICs—facing human rights and labour rights violations on a daily basis. The garment industry is one of the lowest—paid sectors, offering poor working conditions. Women are mostly found in the lowest-skilled, lowest—paid and most precarious jobs. Asian and European brands are tempted to join in with this 'race to the bottom', as they keep operating in countries with low wages and low human

right standards. For example, Myanmar's garment industry has grown explosively since the European Union (EU) lifted economic sanctions against this country in 2013. Low wages and favourable trade conditions are luring garment production from the region to this fragile democracy. Unfortunately, this comes with violations of freedom of association, poverty wages and excessive working hours, and additionally, in the frenzy to build factories, companies are ignoring land rights.

The electronics sector is changing as the global energy transition picks up momentum around the world and demand for minerals and metals, being extracted in LLMICs and other countries, skyrockets. This is accompanied with negative environmental and social consequences for local communities. As host of the GoodElectronics Network, FGG member SOMO aims to contribute to an electronics industry characterised by compliance with the highest international human rights and sustainability standards, throughout the entire production cycle.

To tackle labour rights violations in sectors producing consumer goods, such as the garment and the electronics sector, practice has shown that voluntary initiatives are not sufficient: their governance is often weak, there are no mechanisms to ensure compliance, and clear consequences for non-complying suppliers and buyers are absent. The FGG Alliance is convinced that these voluntary initiatives not only fail, but also undermine enforceable and legally binding agreements, such as the Bangladesh Accord. Therefore, in 2019, the FGG Alliance will continue to advocate for regulation, mandatory due diligence and binding agreements with governments both in production countries and consumer countries, including the Netherlands. The Alliance will in 2019 also continue to put pressure on brands, retailers and manufacturers to improve their human rights due diligence procedures and to remediate human rights and labour rights infringements. In this work, we specifically pay attention to the gender dimension of garment workers' labour rights violations, given that 80% of the garment workforce are women. For example, we share women's stories and focus on them primarily in research and outreach. More specifically, we plan to do the following to improve corporate conduct in consumer goods and related to labour rights:

- FGG partner organisations, and members CCC and SOMO, will continue to advocate and campaign for Enforceable Brand Agreements on living wages for garment workers. FGG partner organisations and members will support garment workers', unions' and CSOs' advocacy and campaigning for minimum wage in Bangladesh, Myanmar, Cambodia, Vietnam and possibly Sri Lanka and Pakistan; pressure brands such as H&M to live up to their promises on wages in the supply chain; and combat wage theft.
- In our work on garment workers' safety, our main priorities will be to support the continuity of the Bangladesh Transition Accord as well as the development of an Employment Injury Insurance Scheme in Bangladesh, and the development of an agreement on fire and building safety in Pakistan.

- To call for transparency within garment value chains will remain a main focus area for the FGG Alliance in 2019. Progress has been made in this regard in 2018, also due to the Alliance's efforts. We will continue this work by supporting CSOs in LLMICs and other relevant countries to unite in coalitions and jointly set the agenda of brands and policy-makers, trying to make supply chain data more accessible and pushing more brands to publish their supplier list.
- The FGG Alliance will continue to file complaints at grievance mechanisms to address labour rights violations and as a means to realise improvements on the work floor, amongst others in Pakistan, Indonesia and Myanmar.
- Through the GoodElectronics Network, SOMO will be engaged in mutual capacity development with partner organisations in different countries where metals and minerals for batteries are mined, such as the Democratic Republic of the Congo, Argentina, South Africa and China, to lobby companies and the wider industry for better policies and practice.

## 2.3. IMPROVED CONDUCT OF COMPANIES AND INVESTORS IN SECTORS RELATED TO NATURAL RESOURCES USE AND ENVIRONMENTAL RIGHTS.

Civic actors continuously sound the alarm about human rights violations by companies working in natural resources sectors. In, for example, Kenya and Zambia, mining operations impact on communities' rights to land, food, water and a safe and healthy environment. In Mozambique, pressure on land related to large-scale investments continues to increase, especially in rural communities. Women, particularly those dependent on land and natural resources, are most affected by this, suffering from various forms of abuse or exploitation, including gender-based violence, and they are often unable to take advantage of the country's economic development opportunities.

The FGG Alliance will continue its work on strengthening the capacities of CSOs, CBOs and communities to lobby and advocate for improved corporate conduct and to monitor the operations of corporations, investors and governments in the field of natural resources. Together with partner organisations, we aim to ensure that communities can effectively claim and defend their rights, including the right to participate in decision-making over the use of natural resources like land and water and resist developments and projects of corporations and investors. In addition, we will collaborate with African and Asian CSOs to pilot, further develop and advocate for inclusive land governance initiatives at the local level, while pushing for enabling policy environments at the national, regional and international level. While doing so, we will facilitate the exchange of knowledge and expertise and develop a joint strategy for uniting a number of CSOs and national land governance movements for greater impact at local, national and international levels.

These will be our 2019 priorities in pursuing better conduct of companies, governments and investors in sectors related to natural resources use and environmental rights:

- Together with communities in LLMICs, CSOs and networks, we will monitor and document cases of socio-environmental impacts and human rights violations by companies working on energy supply chains (producing fuels including coal, uranium and agro-fuels) and agro-commodities. More specifically, in our work on agro-commodities, we will focus on palm oil, and further develop capacities of organisations and communities in LLMICs and other countries affected by the production of agro-commodities. We will make the impacts of the production of agro-commodities and its pollution of water by pesticides on especially women visible, to counter the expansion of these crops into their territories through claiming their rights, highlighting abuse, gathering knowledge and expertise, and joint collaboration and solidarity.
- FGG partner organisations and members will work towards improved certification and auditing of agro-commodities and supply chains, including strong and accessible grievance mechanisms that provide genuine redress for affected communities. We will advocate for (import) policies on agro-commodities in the Netherlands and at EU level that respect human rights and halt deforestation.
- FGG partner organisations and members will remain active on advocacy for the implementation of the VGGTs (Voluntary Guidelines on the Responsible Governance of Tenure), Organisation for Economic Cooperation and Development (OECD) guidelines, UNGPs and specifically the right to Free, Prior and Informed Consent (FPIC) as well as local complaints mechanisms to support people in LLMICs and other relevant countries in the context of large-scale corporate projects and investments and broader land governance. Building upon previous FGG work, we will specifically advocate for a stronger focus on and commitment to women's land rights, as well as lobby and advocacy for agro-ecology from a rights-based approach as an alternative to the agribusiness dominated agricultural and food system.

#### 2.4. INTERNATIONAL REGULATION OF THE CORPORATE SECTOR

Whilst governments should protect their citizens against corporates' vested interests, they often fail to enforce policies and human rights safeguards. The FGG Alliance has therefore over the years been advocating for a United Nations (UN) binding treaty on transnational corporations and human rights, which would force corporations to adhere to human rights standards. The treaty negotiations, organised in an Open-ended Intergovernmental Working Group (OEIGWG), have been negatively impacted by the lack of involvement of key home countries of transnational corporations (such as the US, Canada, Japan and Australia) and the uncooperative role of the EU and its member states, which have mainly focused on procedural issues while not engaging in negotiations on the content provisions in the Zero Draft version of the Treaty. Despite the pressure of states opposing this treaty, the continuing strong and active support of civic actors keeps this process going.

The FGG Alliance will continue its work pursuing national and international policy changes that prioritise human and environmental rights over corporate rights, and limit corporate influence on decision-making processes. In addition, the Alliance aims to make these decision-making processes more transparent and accessible for civic participation. Therefore, priorities for the FGG Alliance in 2019 are:

- The FGG Alliance will continue to promote the adoption and implementation of binding due diligence and the UN Binding Treaty with a specific focus on women's rights and gender equality. This will be done in close collaboration with partner organisations from amongst others Zimbabwe, Mozambique, Nigeria, the Philippines, Cambodia and Indonesia. FGG members ActionAid, TNI, FoEI and SOMO will focus on intensive capacity development and strategy development to foster collaboration, joint activities and substantive input from partner organisations to the OEIGWG negotiations on the Zero Draft of the Binding Treaty in Geneva and in national capitals. Partner organisations involved in this work include affected communities, social movements and CSOs from LLMICs and other relevant countries, parliamentarians and academic experts in international and human rights law. Notably, public pressure will be an important means to push for change. This public pressure will be derived from a public petition (run by TNI, FoEE and SOMO at request of groups from LLMICs), aimed at asking EU decision-makers to support a UN Binding Treaty that includes legally binding obligations for corporations to respect human rights.
- Together with and on the basis of experiences of partner organisations from several LLMICs, including Tanzania, Kenya and India, that demonstrate that companies have failed to exercise due diligence, we will continue to lobby and advocate for further implementation of due diligence, building upon the OECD's due diligence guidance for responsible business and examining various national, European and international regulatory/legislative initiatives.

### 2.5. ENABLING ENVIRONMENT FOR CIVIL SOCIETY AND SUPPORTING HUMAN RIGHTS DEFENDERS

The corporate sector is shockingly often linked to threats to civic actors and their physical safety, with agribusiness the industry most linked to killings of indigenous leaders, community activists and environmentalists in 2017<sup>1</sup>. A strong enabling environment for civil society to operate, engage with stakeholders and claim or defend human rights and community interests is essential in all of our work. Therefore, in 2019, FGG partner organisations and members will continue their work to contribute to an enabling environment by focusing on the following:

■ FGG partner organisations and members will continue to support (E)HRDs by lobbying for their protection (amongst others in Bangladesh, Cambodia, Kenya, Uganda, Zambia, Zimbabwe, Myanmar, Indonesia and the Philippines) and we will specifically

<sup>1</sup> Global Witness (2018). At What Cost? Irresponsible business and the murder of land and environmental defenders in 2017.

promote human rights frameworks that acknowledge the right to organise, the right to self-determination and the right to sovereignty. For example, AA Zimbabwe and its partners aim to strengthen the Human Rights Commission complaints handling mechanisms through mobile human rights clinics in project areas affected by diamond mining.

- Together with their partner organisations, FGG members will promote grievance and remedy mechanisms for communities affected by environmental and human rights violations by corporations.
- FGG members will enhance secure communication and digital security with and among our partner organisations and local communities we work with, and further develop capacities on this issue.

The FGG Alliance aims to achieve the following targets in 2019, in our aim to improve corporate conduct:

#### Table 2: FGG targets for 2019 on ToC1

10	mechanisms put in place or improved by governments that guarantee access for civil society to democratic decision making processes related to corporate conduct, including the right to resist developments.
18	effective legal and other grievance mechanisms adopted or improved by governments and corporations via which CSOs and communities can resolve grievances with governments and companies, and claim their environmental, human and worker rights.
275	CSOs in LLMICs that lobby and advocate for responsible corporate conduct based on increased skills, knowledge or network contacts.
33	alternative, participatory initiatives and models related to corporate conduct meeting core criteria including sustainability, participation (m/f), transparency and equity (m/f), that have been developed, piloted and/or promoted.
89	proposals for improvement of corporate conduct discussed by private and public sector decision-makers and/or in academia, public agenda, media and social movements.
28	mechanisms, policies and regulations improved or introduced by national, regional and international government bodies to ensure companies promote more sustainable practices and are held accountable for respecting human rights and the environment and providing adequate remedy to victims of adverse impacts.
35	policies improved or introduced by companies on transparency and safeguards, conflict resolution mechanisms, and policies promoting social justice, decent work and sustainability.

concrete steps taken by governments to actively identify, prevent and mitigate adverse social, gender and environmental impacts of corporate activities and those in corporations' value chains.

35

concrete steps taken by companies to actively identify, prevent and mitigate adverse social, gender and environmental impacts of their activities and those in their value chains.

### 3. Theory of Change 2: Improved trade and investment

#### 3.1. CONTEXTUAL DEVELOPMENTS RELATED TO TRADE AND INVESTMENT

At global level, the protectionist trade agenda as pursued by President Trump led to a push by the EU to secure free trade by furthering the signing of old-fashioned trade agreements while there is an urgent need for agreements that support implementation of the Paris Accord agreements and just transition.

Furthermore, the threats and challenges that CSOs in LLMICs and also other countries are increasingly facing also hamper the implementation and effectiveness of their work on trade and investment. This is illustrated by the fact that accredited CSOs have been banned from the World Trade Organisation Ministerial in Argentina. At the same time, this urges CSOs to join forces: we are observing more and more processes of regional convergence, and joint work among different movements.

To generate change in global trade and investment, the FGG Alliance works on three different, but interrelated domains:

- Challenging the current free trade model and investors' protection in trade and investment treaties;
- Advocating for socially just, inclusive, environmentally sustainable and human rights compliant food and agriculture systems;
- Pursuing real solutions to climate change and working towards more socially and environmentally just energy systems.

Below we explain the urgency and importance of our work in these three domains.

#### **3.2. TRADE AND INVESTMENT TREATIES**

A priority for partner organisations and members of the FGG Alliance has been and will be to lobby and advocate against one-way investment protection -often in the form of Investor-State Dispute Settlement (ISDS) clauses- in trade and investment treaties, which generally comes at the cost of human and environmental rights. The FGG Alliance organises its lobby and advocacy around new treaties that are currently being negotiated, and the renegotiation of existing treaties. Logically, the unpredictability of the positions taken by governments to (re) start trade negotiations makes planning difficult. For example, Uganda and the Netherlands agreed to renegotiate their Bilateral

Investment Treaty (BIT), but it is unclear when this process will start. China is at the moment developing its own investment protection framework for the BRI, and in Latin America, we are witnessing that after ten years without the signing of any new investment agreements, and in some cases the termination of existing agreements, governments are again signing new treaties with the same problematic clauses that were in previous agreements, and justifying the signature of those with the same line of arguments that agreements are needed to attract foreign direct investment. This is particularly striking in Uruguay, Argentina and Ecuador. At the same time, we see more countries terminating or renegotiating their BITs including Ecuador, South Africa, Indonesia and India.

FGG members will continue to work on improving trade and investment agreements. We are coordinating closely with our partner organisations, developing joint strategies, research, lobby and advocacy and media work. For example, with our Indonesian partners, in the light of the Comprehensive Economic Partnership Agreement (CEPA), we will focus on the potential impacts of palm oil exports to Europe (and the social and environmental problems related to that) and of ISDS, and on public services in Indonesia.

Besides its work on trade and investment treaties, the FGG Alliance will continue to work on the reform of the EU Generalised Scheme of Preferences (GSP/ GSP+). This scheme allows several low-income countries, including Sri Lanka, Cambodia, Myanmar and Bangladesh, to export their goods to the European market quota and tariffs free, benefitting corporations in those countries. These trade agreements regularly invoke international human rights agreements, including labour rights, but it lacks implementation and monitoring. FGG member CCC, in close collaboration with partner organisations in the respective countries, will advocate for better transparency, accountability and space for civil society in GSP/GSP+ countries, and they will closely monitor investigations in Myanmar, Cambodia and Bangladesh and use the opportunity to push for labour law reforms in these countries.

Taking the above issues and context into account, the FGG Alliance continues to work to improve trade and investment treaties. In 2019 we will focus on the following:

There is an increasing demand from social movements in LLMICs for information and analysis on ISDS, the Investment Court System and the Multilateral Investment Court (MIC). Therefore, our partner organisations, together with FGG members Both ENDS, SOMO, TNI and FoEI, will continue to raise awareness and increase knowledge among CSOs, journalists and policy-makers at the national, international and regional level about the potential negative social and economic effects of investment protection in the Regional Comprehensive Economic Partnership Agreement (RCEP), Free Trade Agreements (FTAs) (i.e. CEPA, and EU agreements with Myanmar, the Philippines, Mercosur and Mexico). This mutual capacity development serves as a basis for further lobby and advocacy by CSOs from LLMICs, together with FGG members, to stop the EU proposal for a MIC and to

- monitor and influence EU FTA negotiations. We will develop joint strategies, do joint advocacy at UNCITRAL level (where the negotiations are held) and will support partner organisations in taking part in the negotiations. We will also work towards concrete proposals for improvements of investment protection chapters in RCEP, EU FTAs with LLMICs, CEPA, and Dutch BITs.
- TNI will cooperate with CSOs in potential accession countries to the Energy Charter Treaty (ECT) in (LLMICs in) Africa, Latin America and Asia in order to strengthen their advocacy capacity on investment protection, since the ECT has triggered more investment lawsuits than any other agreement.
- Regarding their advocacy to reform GSP/GSP+, FGG member CCC and its partner organisations will work on a number of specific cases aimed at influencing the general trade agenda or the development or implementation of national labour laws. A concrete example is CCC's planned support for partner organisation FTZ-GSEU in their campaign for 50% GSP+ benefits to go to garment workers.
- FGG members ActionAid and Both ENDS are starting work to raise awareness and increase knowledge on the intersections of gender and trade among policy-makers, highlighting the impact of trade on gender and women's rights as well as developing and putting forward concrete approaches to ensure positive results and mitigate harmful consequences from trade for women's rights.
- TNI will conduct research, with partners in LLMICs and beyond, on the impact of the Chinese BRI in Asia, Africa and Latin America.

#### 3.3. FOOD & AGRICULTURE

The FGG Alliance's aim is to have sustainable policies and practices that protect and promote food sovereignty of communities in LLMICs. At the same time, governments of several key agribusiness countries, such as the US, Brazil, Argentina, India, the Netherlands and the UK are pushing a new wave of corporate-friendly and bigger trade and investment agreements and initiatives that will deepen the control of agribusiness over our global food system. The influence of the private sector on narratives of sustainable development has an impact on policies and practices on food and the commodification of nature, which is often not in the interest of local communities. On the other hand, the linkages between climate, land, food and gender are increasingly acknowledged in the international arena, illustrated by the fact that the Food and Agriculture Organisation (FAO) has embraced agro-ecology as a pathway to achieve the SDGs.

In several countries, such as El Salvador, Myanmar, Argentina, Haiti, Colombia, Uruguay and Guatemala, the expansion of monocultures causes severe environmental damage and is leading to loss of land and livelihoods of many small-scale food producers. Also large-scale investments continue to increase pressure on land, which often affects rural communities, for example in Mozambique. Thereby, legislation is often poorly implemented, communities are not aware of existing legislation to defend their rights, and excessive bureaucracy further contributes to the

aggravation of land conflicts. Women are often hit hardest by these rights violations. The FGG Alliance sees agro-ecology and community forest management as viable alternatives to large-scale agribusiness. In 2019, FGG members will facilitate spaces where their partners can meet for joint analysis and developing joint activities in line with these alternative practices. FGG partner organisations in LLMICs plans to lobby and advocate intensively to change laws and policies to protect farmers and fishery peoples from land and ocean grabbing and to improve the situation of small-scale food producers facing the expansion of monocultures of agro-commodities and large-scale aquaculture projects.

In order to improve policies in the field of food and agriculture the FGG Alliance will work on the following issues in 2019:

- FGG members in close cooperation with partner organisations in LLMICs will continue to strengthen the food sovereignty movement and promote agro-ecology. Lobby and advocacy efforts of the FGG Alliance will contribute to changing policies to halt land grabbing and GMOs in favour of agro-ecology as solution for food sovereignty. Together we will advocate for a policy round table at CFS and to establish permanent structures within the UN, specifically within the FAO, to promote and strengthen agro-ecology to enhance food sovereignty. TNI cooperates with global networks of small-scale food producers such as World Forum on Fishery Peoples and La Via Campesina in strengthening their knowledge base.
- Together with our partner organisations, we will contribute to movement building internationally and regionally and capacity development of member groups through joint activities around the right to food. For example, we will share information, carry out joint analyses and develop strong positions to lobby and advocate for the implementation of the UN recommendations on the right to food and rights of women (smallholders) in rural areas by national governments and regional institutions.
- Our partner organisations will increase awareness among local communities, especially women, about land and natural resources rights, to be able to make more informed demands. Together, we need to be aware of the possibly increasing threats to (E)HRDs opposing investments. Thereby, our partner organisations are, together with FGG members, monitoring processes of the elaboration of agriculture laws, and we monitor whether it reflects the needs of local communities and smallholders and if FPIC requirements are respected.

#### 3.4. CLIMATE & ENERGY

Investments in fossil fuels continue to expand and impact communities at local, national and international levels. In the political context, vested interests hinder climate policy. At the same time, subsidies for clean energy are decreasing. There is a need for awareness among decision-makers that gas cannot be part of the solution to fight climate change, and fossil fuels should not be seen as bridging fuels. The EU plans to be less dependent on Russia for gas, which, if gas demand remains, may result in

increased demand for gas from LLMICs, such as Mozambique and Tanzania. The Paris Agreement, which aims for the 1.5 degrees warming limit, and especially the energy transition are hampered by this expansion of gas production. Thereby, the United Nations Framework Convention on Climate Change' international climate process is having difficulties with raising finance for mitigation in developing countries, and the eroding of the concept of historical responsibility for climate change. This could stall the implementation of the Paris Agreement.

To improve policies and practices in the field of climate and energy, the FGG Alliance will work on the following issues in 2019:

- Our partner organisations in LLMICs and in other countries, and FGG members, will contribute to raising awareness and developing common knowledge on climate justice in order to effectively advocate for changes in policies. FGG members will support partners in strengthening and linking movements, in order to effectively advocate for climate justice. Partners worldwide continue to put pressure on state actors and corporations, by developing alternative approaches and mobilise partner organisations, other CSOs and social movement around important climate forums, with a particular focus on ensuring more women are at the table.
- Together with our partner organisations, FGG members aim for a continued trend of bans and moratoriums on fossil fuels, for the transition to a just people's energy system, and to block new fossil fuel infrastructure where it is appearing, such as in Mozambique with the current advancement of new gas fields. FoEI will, together with partner organisations, further strengthen the call for such a transformation towards a just people's energy system by promoting the People Power Now! (PPN), Good Energy Manifesto demands and principles, and supporting the development of national just transition strategies. In the Netherlands, we will continue to push for human rights safeguards in renewable energy supply chains.

In our attempt at improving trade and investment, we have set ourselves the following targets for 2019:

Table 3: FGG targets for 2019 on ToC2

7	mechanisms put in place or improved by governments that guarantee access for civil society to democratic decision making processes related to trade and investment, including the right to resist developments.		
	:		
75	CSOs in LLMICs that lobby and advocate for improved policies related to trade and investment, based on increased skills, knowledge or network contacts.		
10	alternative approaches to the current trade and investment regime developed with CSOs in LLMICs that have been developed, piloted and/or promoted.		

proposals for improvement to policies related to trade and investment discussed by national, regional and international government bodies and/or by private policy-makers, in academia, public agenda, media and social movements.

mechanisms, policies and regulations improved or introduced by national, regional and international government bodies to ensure policies related to trade and investment advance policy coherence for development in LLMICs.

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mechanisms, policies and regulations implemented and enforced by national, regional and international government bodies to ensure policies related to trade and investment advance policy coherence for development in LLMICs.

### 4. Theory of Change 3: Improved financial and tax systems

### 4.1. CONTEXTUAL DEVELOPMENTS RELATED TO FINANCIAL AND TAX SYSTEMS

Tax systems can be a key tool for redistributing wealth more evenly, also in LLMICs, and public finances should benefit primarily the general public. Unfortunately, even ten years after the start of the financial crisis, the current financial system seems to favour a limited number of private individuals, corporations and government institutions and adversely affects society. This is especially the case in LLMICs, but also in the US, the UK (especially related to the Brexit) and the Netherlands. In addition, international financial institutions (IFIs), whilst pursuing development objectives, tend to marginalise human rights and environmental conditions and safeguards, investing in projects which are often detrimental to poor communities, particularly women, and the ecosystems upon which they rely.

FGG seeks to contribute to the goal of policy coherence for development by helping ensure that financial and tax policies -financial regulation, tax systems, and the functioning of (public) international financial institutions- are geared towards sustainable and inclusive development and equity within and across borders.

In order to generate change in financial and tax systems the FGG Alliance has identified three priority areas for 2019:

- Ensuring progressive revenue raising and spending and tax policies that benefit society;
- Public finance through IFIs, DFIs & ECAs;
- Financial sector regulation.

Below we explain the urgency and importance of our work in these three domains.

#### 4.2. PROGRESSIVE REVENUE RAISING AND SPENDING / TAX POLICIES

In recent years, and also partly due to the FGG Alliance's lobby and advocacy efforts, the flaws in the international tax regime have increasingly received attention from civic actors, decisionmakers and the general public. These flaws include a democratic deficit in international decision-making on tax policies and the disproportionate allocation of profit to high-income countries, legal loopholes that allow companies to shift profits between countries, and the deliberate encouragement of corporate tax avoidance (and too often even tax evasion) in certain jurisdictions through tax treaties, tax incentives and financial secrecy for foreign capital. In many LLMICs, such as Zambia, Zimbabwe and Uganda, governments lack both the capacity and policy space to tackle profit shifting, and CSOs in those countries are often unable to hold their governments accountable with regard to tax policy decisions. This situation results in large public finance losses where lost tax revenue reduces governments' abilities to finance National Development Plans and provide basic services for their people. This affects people living in poverty and women disproportionally.

In 2019, FGG will work on the following issues for improved revenue raising and public spending:

- Strengthening the capacities of CSOs, CBOs and communities in Zimbabwe, Mozambique, Zambia, Uganda, Malawi and the Netherlands to lobby and advocate for progressive revenue raising and spending will remain an important part of ActionAid and partner organisations' work in 2019. Part of this lobby and advocacy concerns the demand for improving access of CSOs and communities to meaningfully participate in tax-related decision-making processes at national level. ActionAid Zambia and its partner organisations, for example, will lobby for a revenue sharing mechanism in the mining sector that allocates 10 per cent of taxes paid by mining firms directly to mining host communities. In Zimbabwe, ActionAid partner ZELA and several Rural District Councils will scale up the Community Forums on Tax Justice and Service Delivery that were set up in 2018. These forums will continue to guarantee access for communities and community groups to participate in decision-making processes related to tax collection and management.
- TNI will strengthen advocacy campaigns at local, national and international level on democratic public spending, fair taxation, democratic public services and public ownership through research and international network building in the context of the Transformative Cities project. These campaigns will be organised in Indonesia, Nigeria, El Salvador, India, Bolivia, Georgia, Morocco, the Philippines, Nicaragua and Tanzania. Through further research we will strengthen arguments as to why and how privatisation, Public-Private Partnerships and private finance for public services and infrastructure cost tax payers and society more, and threaten public finance, equality, gender equality, affordability and human rights. In addition, TNI will provide financial and communications support to

- community water alliances in Bolivia and El Salvador and the remunicipalisation movement in Jakarta.
- FGG members ActionAid Netherlands, Both ENDS, Milieudefensie, SOMO and TNI cooperate in Tax Justice NL to strengthen the national and international cooperation regarding countering the fiscal race to the bottom. In 2018, SOMO became the host organisation of the Tax Justice NL network. On the European level, the FGG Alliance and Tax Justice NL cooperate closely with Eurodad to align their lobby and advocacy. FGG members work closely together with Tax Justice groups in Africa an East Asia and will select cases on national level to expose tax avoidance mechanisms by multinationals, corporate capture of policy development, transfer pricing and corporate structures. For example, one of Both ENDS' partners in Indonesia explored the need for effective tax due diligence in the supply chains of multinational enterprises (focus on palm oil), which will evolve into a case study. Combined with research done, proposals for tax screening, to be included in public financial institutions' policies, will be discussed with policy-makers. ActionAid in the Netherlands will also develop and share proposals for the creation of fairer Dutch tax treaties with Uganda, Mozambique and Zimbabwe, and will discuss this with government representatives. In these discussions they will stress the need to support the creation of a Global Tax Body, and they will raise awareness on the disproportionate impact of tax avoidance on women's rights, in LLMICs in particular.

#### 4.3. PUBLIC FINANCE THROUGH IFIS, DFIS & ECAS

Public development finance is increasingly channelled to and through the private sector (including via financial intermediaries, considered a means of promoting development). Development Finance Institutions (DFIs), such as FMO (The Netherlands Development Finance Company), and IFIs such as the World Bank, European Investment Bank (EIB) and the Asian Infrastructure Investment Bank, should provide an important benchmark for social, environmental and human rights standards to be applied in the public financial sector (including attention to women's and indigenous peoples' rights). Export credit agencies (ECAs), such as Atradius Dutch State Business, have a similar duty to ensure high human rights and environmental standards in their projects. Unfortunately, this is often not the case as investments repeatedly lead to violations of human rights. An example is the Barro Blanco case in Panama, where the FMO investments in a dam have strong impacts on local communities' rights and has environmental impacts, for instance through floods caused by the Barro Blanco dam. Furthermore, many of these traditional funding sources have established grievance mechanisms that work insufficiently (in order to provide access to remedy to those harmed by the activities they finance), while new funding institutions even lack these mechanisms. Notably, in 2018, we see new promising policies, such as the launch of a complaint procedure of Atradius Dutch State Business (ADSB). At the same time, we see little change in practice yet. Although ADSB has more discussions with CSOs who actively approach them, pro-actively involving the perspective of local communities apparently still remains a challenge.

As in previous years, a priority for the FGG Alliance is to ensure respect for human and environmental rights in large infrastructure projects, such as an infrastructure corridor in Indonesia, gas developments in Cabo Delgado in Mozambique, and the Manila Bay masterplan in the Philippines. We see that many Dutch actors (public and private) are involved in infrastructural projects and masterplans where human rights and environmental justice are at stake. For example, the Dutch water sector is actively present in certain LLMICs such as Indonesia, Ghana, Kenya, Bangladesh and the Philippines. We see that for many of our partner organisations in amongst others the above countries, their space to voice concerns is increasingly limited when speaking out against harmful infrastructure investments. At the same time, concrete community-based initiatives show that it is possible to set up a participatory process of governing water resources. This Negotiated Approach to water is a promising alternative to be taken up in Dutch water projects (especially in the Philippines, but also Bangladesh, Indonesia and Kenya). Collaboration between social movements around this is necessary to overcome the limited space: therefore FGG members and partner organisations in those countries jointly lobby the financiers and infrastructure sector in the Netherlands and at international level, showing the first-hand experience of the effects of IFI/DFI investments and the potential of participatory approaches.

The continuous focus of the Dutch government to promote private sector development in amongst others the water sector in the above-mentioned countries will be an interesting opportunity for FGG members, partner organisations and the Dutch Ministry of Foreign Affairs to work at the cutting edge of aid and trade. Together we aim for improved government, ECAs, IFI and DFI policies and procedures on sustainability and human rights, as well as on improved disclosure policies.

In 2019, FGG will work on the following issues to improve public finance management:

- Together with partner organisations, FGG members will monitor the implementation of human rights policies, accountability mechanisms and adherence to safeguards in new (infrastructure) projects. We will continue to support partner organisations with knowledge and networks where needed around IFI cases, such as with the FMO investment in the coal fired power plant Sendou in Senegal, where communities are keen to follow up on the complaint processes and get proper compensation and participation in the processes. A particular area of attention in our joint lobby and advocacy will be the implementation and/or development of commitments related to gender and land rights in sustainability policies.
- At policy level, FGG members will organise mutual capacity development and facilitate the participation of local groups from Africa, Asia and Central and Latin America in decisionmaking processes at various IFIs (among others the World Bank and EIB) and FMO. We will lobby financial institutions and the Dutch government to ensure the improvement of mechanisms

that should guarantee access for civil society in these decision-making processes.

- Together with partners from several LLMICs, we will continue to advocate for the establishment and adequate implementation of grievance mechanisms of financial institutions. Also the new complaint procedure of ADSB will be used: FGG members will support their partner organisations in filing a first complaint.
- Related to climate finance, the FGG Alliance will continue its work on the Green Climate Fund, where we will strengthen CSO networks from LLMICs and other relevant countries and create space for them at the GCF. Jointly, we will advocate to improve the fund's gender policy and for small grants funds to be integrated in the GCF. FGG members will monitor climate finance, and advocate phasing out of public funding for fossil fuels. Our lobby will also be geared towards government regulation to ensure that private sector investments and transactions are Paris Proof.
- FGG member Both ENDS will continuously monitor and assess the enabling environment for partner organisations to critically and constructively engage with other stakeholders -including government- to promote and showcase a Negotiated Approach to water governance in which assessments on gendered impacts and climate adaptation will be integrated. In cases of (large-scale) private sector water development projects, the lobby and advocacy capacities of partner organisations are strengthened to effectively engage with other stakeholders and to influence the decision-making processes. At the same time we engage in meetings with the Ministry around these topics.

#### 4.4. FINANCIAL SECTOR REGULATION

Current debt levels, in particular of LLMICs and emerging countries such as Turkey, Bolivia, India, Brazil and Mexico, are higher than ever before. Central banks are buying bonds from corporates, lowering interest rates and pumping money into the global financial system, also known as quantitative easing (QE). Because of the low interest rate period, debt has increased tremendously. 2018 has been a tipping point, during which previously identified problems clearly resurfaced.

In 2019, FGG will work on the following issues to counter the negative effects of loose monetary policies on emerging countries and LLMICs:

organisations in several Latin American countries to research, network and advocate on solutions to financialisation problems they face. FGG member SOMO will facilitate the above, strategise with key partners, and develop content to strengthen the network and to respond to ad hoc challenges. Furthermore, the FGG Alliance will lobby policy-makers and academics in order to recognise the underlying problems posed by QE as a threat to financial stability in Latin America, and discuss alternative proposals and potential measures to mitigate the adverse effects of QE.

The FGG Alliance aims to achieve the following targets in 2019, in our aim to improve financial and tax systems:

#### Table 4: FGG targets for 2019 on ToC3

9	mechanisms put in place or improved by governments and/or financial institutions and developments banks that guarantee access for civil society to (democratic) decision-making processes related to finance, tax and spending, including the right to resist developments.
3	effective legal and other grievance mechanisms adopted or improved by corporations and/or financial institutions and development banks via which CSOs and communities can resolve grievances with governments, financial institutions and companies, and claim their environmental, human and worker rights.
51	CSOs and communities in LLMICs that lobby and advocate for improved financial, tax and spending policies, based on increased skills, knowledge or network contacts.
13	alternative proposals to financial and tax and spending policies developed, piloted, and promoted with CSOs in LLMICs.
32	proposals for improvement of financial, tax and spending policies discussed by private and public policy-makers, and/or in academia, public agenda, media and social movements.
7	measures taken by national, regional and international government bodies to ensure financial, tax and spending policies advance socially just and sustainable development in LLMICs.
3	policies improved or introduced by public financial institutions and private actors on accountability, transparency and safeguards, and investment policies adopted that advance socially just and sustainable development in LLMICs.
2	mechanisms for improved financial, tax and spending policies implemented and enforced by national, regional and international government bodies.
9	concrete steps taken by public financial institutions and private actors to actively identify, prevent and mitigate adverse social, gender and environmental impacts of their investments, and concrete steps taken that advance socially just and sustainable development in LLMICs.

# **5.** Collaboration, learning and knowledge development with FGG partners, members and the Ministry

For mutual capacity development and successful lobbying and advocacy within the FGG programme, strong relations among FGG members, with partner organisations and with the Dutch Ministry of Foreign Affairs are essential. 2019 marks the ninth year of collaboration among the FGG members under the umbrella of the FGG Alliance. The FGG Alliance will take the opportunity to learn from its Mid-Term Evaluation (MTE), which was carried out in 2018 and which results will be shared with the Ministry before the end of 2018. The FGG Alliance will in 2019 explore the lessons learnt on collaboration, by further strengthening our internal linkages and communication. Also digital security will be an area of attention and a priority, following up on a workshop on digital security held in 2018, which will also feed into our mutual capacity development efforts with partner organisations under threat.

2019 also implies the fourth year of FGG's Strategic Partnership with the Ministry. The FGG Alliance will organise joint learning with the Ministry on the basis of its MTE, e.g. during the policy dialogue between the Ministry and FGG in early 2019. More generally, the Alliance will continue to share learnings and successes from its experiences of mutually strengthening lobby and advocacy capacities with partners in LLMICs and other relevant countries through its mutual capacity development approach.

Regarding the collaboration with partner organisations, in 2019 FGG members will invest in further facilitating and strengthening linkages between partner organisations, for them to exchange and learn from each other, as well as to ensure the proper embedding of capacities at local level. Key to this effort will be the principle that FGG members do not wish to impose structures upon their partner organisations, but rather let opportunities for collaboration, complementarity and synergy between FGG partner organisations grow and evolve organically where this is effective, and give partner organisations space to seize these opportunities where they arise.