

## PFD contribution to the EC programming exercise

*Summary of ongoing input from PFD members*

### I. Recommendations and key issues:

1. Factor in COVID-19 into all priorities and support **inclusive and just transition processes** in the design of recovery plans. Wherever local government has been involved in tackling COVID-19, communities seem to have fared better, so the involvement of local authorities will be critical for recovery. Ownership of beneficiaries is especially important, as one of the findings with COVID-19 has been that centralized national emergency responses have not included all key stakeholders (and this has subsequent impacts on achieving development goals). In this regard, most participants consider the Sustainable Development Goals (SDG) as a relevant framework, which encompasses priorities - notably health, education, gender equality and youth engagement - that were mentioned as fundamental and cross cutting in all the points raised. As well, the Territorial Approach to Local Development (TALD) was supported as the way of localising national policies and reinforcing the commitment to subsidiarity implicit in the EU's move towards greater geographic focus and funding. Participants also expressed the need to focus on resilience - social, economic and institutional - in rebuilding better.
2. This said, there seems to be a gap in the **understanding of development** between donors and partner countries. The current country classification for ODA, centered on income-based criteria, does not capture the multifaceted nature of development, nor does the focus of donors always take into consideration the most urgent needs of partner countries. While the former are proposing rather "sophisticated" topics such as digitalisation or green deals, the latter still lack the money to provide basic public services or build essential infrastructure. Besides, most development assistance still goes to central governments, who do not always involve all stakeholders, so the EU should ensure that civil society is duly engaged in assessing priorities and following-up on their implementation. Similarly, the EU should engage in consultations with Local Authorities for programming via direct dialogue with LAs and via national associations. In this regard, the use of the PFD could be a means to ensure inclusion at national level while still promoting the global agenda.
3. **Green Recovery:** biodiversity, laws, climate change, human health and ecosystem health are all interlinked. It is important to consider how all programming is in line with "do no harm" principles - strong environmental and climate screenings to ensure no harm is done via other investments not targeting those priorities - especially in EFSD+ context. Pacific islands raised specific needs for climate change resilience and disease mitigation, noting their extreme vulnerability as island states. Integrate the environmental

gains of the current situation into the “new normal”. In the Asia and Pacific discussion the conflict over global recycling, notably around plastics waste, was highlighted. This is especially relevant as taxation on plastics is one proposed means of financing the COVID-19 response.

4. Promote **decent work and job creation** as a recovery strategy post COVID-19. Promote occupational and environmental health and safety. Support long term investments in health and social protection. Support universal social protection as a global priority that should be addressed by the EU, ensuring that it follows a rights-based approach and that it covers both formal and informal workers, thus laying a social protection floor that appears indispensable in the current context of mobility and uncertainty.
5. **Resource mobilisation.** In line with the Addis Ababa Agenda for Action, use national resources for sustainable development. Use public sector finance to mobilize private sector finance, involving civil society actors in these efforts to ensure accountability and transparency. This includes a clarification of what private sector in development cooperation means (and its impacts on other forms of support). Small and medium sized enterprises (SMEs) rely on the capacities of intermediaries; we need to boost their capacities to support SMEs. In developing local economies, ensure that local, small scale economic actors, including in the informal sector, are taken into consideration in investment approaches.
6. **Digitalisation** (perhaps the mostly widely emphasised priority thus far; multiple responses and strong support) - digitalisation and ICT infrastructure development, including putting in place proper strategies (notably for local government). In light of COVID-19, digitalization is at the core of the future normal, as well as environmental and preventive health and hygiene. Digitalization is part of access to information and participation in decision making so it is strongly linked to all EC priorities, and therefore requires standards for data governance.
7. **Migration Partnerships.** Notably among PFD members from Africa and Asia and the Pacific, migration and its challenges and opportunities were raised as a key priority. Migration should be seen as an opportunity instead of a threat and inform innovative policies that involve local authorities, which have a crucial but often underestimated role to play. In Asia, it was noted that the COVID-19 crisis has given way to positive experiences (amnesties, regularisations, etc.) that could serve as a model for the EU. However, the massive return of overseas workers has revealed the poor absorptive capacity of many countries. The poor living conditions and rising abuse of many migrants in Asia was also raised, with emphasis on the link to decent work and the need for migrants to be able to organise. South-south, intraregional and internal migration are all aspects of the migration discussion.
8. The EU should strengthen the link between trade and investment and development priorities, while opening up its **methods of implementation** to multi-stakeholder cooperation, simplifying its procedures (calls for proposals) so as to lighten an administrative burden that does not take into due account the diversity of CSO actors and their capacities. The “policy first approach” is welcome but needs to involve actors other than central governments and promote a policy-mix that embraces complexity and promotes inclusion as a means to better grasping the multifaceted realities of developing countries. In this vein, Framework Partnership Agreements (FPAs) are considered as a good practice of multi-stakeholder partnership and even as a means of implementation in their own right. Budget support for local government associations is increasing their capacity to support their members’ engagement in strategic

dialogues with EUDs, in line with the EU-CS Roadmaps that are now being adapted to local governments and tested in a number of pilot countries.

9. Just financing without adequate support and democratic oversight is not sustainable, so it is key to strengthen the capacities of local actors to drive national development processes and **ensure ownership at all levels**, starting at community level through support to local CSOs and people-centred businesses (cooperatives) that allow for a fairer distribution of economic benefits among often disenfranchised groups (women, youth, informal workers, etc.). At national level, it is equally important to support CS networks and umbrella organisations in the analysis of legal frameworks and other policy work to conduct effective advocacy and monitor government action. This seems especially relevant in view of the ways in which the COVID-19 crisis has reinforced democratic backsliding and the shrinking of civic space, worrisome trends that many partner governments are cementing by means of restricting freedoms under the guise of public health measures.
10. Strengthen democratic processes and the rule of law, which have linkages to all priorities, but notably digitalisation and Green Deal, as extractive industries often become threatening to environmental and human rights. The role of civil society is seen as crucial to conduct social audits, promote gender equality, increase transparency and improve the overall governance in partner countries, so the EU should focus on reverting the phenomenon of shrinking space by opening spaces for dialogue and ensuring that partner governments include the relevant CSOs and LAs in EU funded actions.

## **II. Aspects of EU priorities are especially relevant in moving forward and “rebuilding better”?**

### **1. Green Deals**

Aware of the impact that the recovery strategy from the Covid-19 crisis may have on the Paris Agreement, PFD members insist on capitalizing on the environmental opportunities of the current situation via the Green Deals. They emphasise the importance of Green recovery and the promotion of the “new normal,” noting the reduction in carbon footprints and pollution brought on by the current situation, as well as increased awareness among the public and decision makers. They encourage the use of international agreements to optimize compliance with the Paris Agreement and see the forthcoming COP26 in Glasgow as an opportunity to localise the climate agenda, pointing out that adaptation priorities should be a crucial part of geographic programming.

The current situation and its impact on increasing food insecurity have highlighted the negative effects of dependence on global markets and thus the importance of proximity in production models. PFD members emphasised the need to re-localise food systems and eat what we produce first. In this same vein, they see the Green Deal as an opportunity to attend to community needs and promote innovative models for food production such as urban farming.

The regional set-up of the discussions brought to the surface some challenges and opportunities specific to each of the regions. In Latin America, for instance, Green Deals need to be linked to peace and security, as many human right defenders –who consider the rights of Nature itself as intrinsic to human rights– are being harassed by

extractive industries. In the case of Africa, the emergence of renewable energy cooperatives is allowing citizens to own the production and consumption of their energy in sustainable ways that should be incentivised by EU support. As for Asia, Green Deals are connected to decent work via the problem of unsafe workplaces in large industries and their links to the environment, making Occupational and Environmental Health one needed focus area. Plastic waste and the potential tensions it raises between emerging and developed economies was also highlighted, as well as other aspects of plastic waste including mismanagement, marine life danger and increased exportation of plastic waste to South East Asia.

## **2. Digital and data technologies**

PFD members attach great importance to the discussion around digitalisation, which has emerged during the pandemic as a priority in all regions. It has become clear that all citizens need open, free and secure internet access so as to ensure a just transition to a digital economy. However, if left unchecked, digitalisation could exacerbate inequalities and threaten universal human rights and fundamental freedoms. Therefore, the EU should ensure that digital transformations are inclusive and respectful of rights, especially those regarding data protection. In this regard, the experience of Data Protection Authorities, such as the European Data Protection Supervisor, could be of great use for many partner countries when it comes to ensuring that their own regulatory standards are respectful with citizens' rights to privacy and access to information.

Such a "people-centred digitalization" is in line with SDG 8.2 ("technological upgrading and innovation are essential to achieve higher levels of economic productivity") and should thus be championed by EU development cooperation programmes, which should support regulatory frameworks for digitalization that can guarantee a "human-centred" approach to technology. It is of course important to provide technology to partner countries so as to grant them freedom of information, but beyond investments in technological infrastructure digitalisation is also about democratisation of data, access to information and participation in decision making.

Inclusion of women and girls, youth, children and rural areas was emphasised, as it is crucial to promote inclusive digital skills and capacity building for all people so as to counter the growing digital divide that is already affecting children, who are often excluded from online learning platforms. Local authorities also noted the need for standards based data governance and proper strategies and emphasized a territorial and local development (TALD) approach.

All in all, it is crucial to tailor the digital agenda to the context of partner countries and avoid one-size-fits-all solution by putting digitalisation in the center of the industrialisation and trade agenda and ensuring that inequalities in terms of access are addressed, including for rural areas. In such a framework, EU cooperation can help to accompany technological transitions aimed at expanding universal access to social protection and promoting the acquisition of skills for all workers to adapt to technology shifts. This can be done via support to existing digital platforms/hubs that work already on the democratization of data, redistribution of wealth and

ensure social protection for workers in the platform economy. Another way is via support to women and girls and the promotion of an enabling environment that supports youth and entrepreneurs.

### **3. Alliances for Sustainable Growth and Jobs (Inequalities/Economy that works for the people)**

PFD members have long highlighted the limitations of measuring growth merely via economic criteria such as GNI and have been advocating for sustainable growth and jobs in an economy that works for the people, in line with what has become one of the EU's key priorities. However, the global effects of the current health crisis (with shutdowns, increasing unemployment, a growing resource crunch, slowed remittances flows, and trade at a standstill, to name only a few implications) have compounded existing inequalities and threaten to deepen them.

The EU is called on to support both the public and private sector. The importance of public services, in the first lines of response, has been underscored in the crisis, as well as the role of the public sector in the oversight of the private sector. Considering that local economic development is imperative for global economic recovery, the EU should focus its support on promoting sustainable and inclusive business models through EU investments that build on the potential of small and medium sized enterprises (SMEs), which create jobs for a vast majority of the population, but to do so they need a conducive environment and support measures (for instance access to credit). This way, the EU can support SMEs in the creation of sustainable and formal jobs, especially in regions such as Latin America, where approximately 60% of workers remain in the informal sector and without social protection. Various members noted the cooperative model as a mechanism to empower women, youth and to bring informal workers into the formal sector (such as the ILO in Senegal in the waste management sector). The EU should promote debt cancellation, guarantees for investments and a move toward universal social protection, something called on from all regions.

With regard to workers' rights and safety, PFD members call on the EU to foster social dialogue mechanisms to ensure participation and establish guidelines for freedom of association for labour unions, recognizing the importance of negotiation and collective bargaining at enterprise level. They stress occupational and environmental health as one key focus.

### **4. Migration Partnerships**

The PFD discussions around migration were closely linked to employment and decent work and were informed by the current situation, which has put many countries' re-absorption capacities under strain, as many returning migrants cannot find jobs in already saturated labor markets and with many former places of employment out of business, as noted in the key points above. In Asia, for example, migrant workers may have skills that employers seek, but Covid-19 has closed borders leaving migrant workers unable to cross over to do their work, no matter their skill level. For business to run smoothly, economic recovery should focus on productivity as well as sustainability, tackling informality and focusing on skills to provide jobs.

PFD members also highlight the importance of allowing and supporting migrant workers to organize, noting that the situation for migrant workers, notably in Asia, is worsening, with arbitrary detentions and abuse increasing. Many workers in the garment industry in Southeast Asia, for example, moved from rural areas and are living in very poor circumstances, remitting most of their salaries with no access to social services. However, other positive reactions to the Covid-19 crisis such as mass regularisations and amnesties were also raised, as they represent best practices in migration management that could inspire the EU's own migration policies. In this sense, members advise a more positive view of migration (seeing it as an opportunity and not just as a threat) and suggest working with the diaspora in addressing the root causes and managing migration. Local communities close to migrants, such as local governments and cooperatives, should be more involved in migration policies.

## **5. Governance, Peace and Security**

In order to uphold fundamental rights and promote governance, peace and security worldwide, EU development policy needs to invest in making institutions work. Members from Latin America and the Caribbean stressed the urgent need to strengthen democracies in the current climate of "fake news" and renewed authoritarian rule in the region. They stressed the need to counter the political influence of drug networks and large corporations in order to uphold a functioning democracy in which elected leaders are accountable to citizens and not to vested interests of powerful actors. To achieve this, it is important to take into account new popular forms of representation and civil society must remain fully engaged at all levels - local, regional and national - and those levels must be better coordinated so as to avoid overlaps and ensure citizen participation at the most appropriate level. In some cases, democratic weakness has resulted in the criminalization of CSOs, as they are perceived as a threat to government and other players who try to undermine their credibility and legitimacy. Therefore, the promotion of a conducive environment for civil society appears as a cross-cutting aspect for all the EU priorities, as illustrated by the situation in Central America, where the protection of Human Rights defenders is not only related to peace and security but also to the Green Deal, as the major threat to both democracy and the environment are major extractive projects.

Good governance depends on a proper coordination between the national and the local. In this sense, decentralization supports better local responses, namely with regards to COVID-19, as local governments can better respond and implement the necessary measures because they are elected and closer to the community than national governments. However, decentralization processes are often stuck, leaving local governments without the necessary resources to fulfill their role and competences. In such a context, the systematic adoption of a multi-stakeholder approach to local development, in the framework of the Territorial Approach to Local Development (TALD), is seen by PFD members as essential now that funds for local development are to be managed at country level. As a result, the EU Delegations will need clear guidelines to integrate agreed priorities in their Multiannual Indicative Programmes (MIPs); given that support to Local Authorities will not be covered through thematic programmes anymore but rather through country support schemes.

### **III. Role of multi-stakeholder partnerships in addressing inequalities and furthering the priorities of the EU**

#### **1. PROCESS**

There are various processes that rely upon and/or would benefit from increased multi-stakeholder engagement, as PFD members stressed that development is not sustainable without wider engagement of all actors. In order to "leave no one behind," all actors should be around the table, so development aid must include other criteria such as support for local democracy; outreach, ownership and inclusion. The EU must ensure the institutionalisation of inclusive multi-stakeholder dialogue at all levels, using existing EU mechanisms such as the EU Delegations' Roadmaps for Civil Society, ongoing policy dialogues on sector reform and the Policy Forum on Development. Suggestions were made to include FPAs in roadmap discussions and to replicate the PFD model at country level and even at local government level. Participants were supportive of increased emphasis on joint programming and monitoring.

Framework Partnership Agreements (FPAs) were discussed as a best practice of MSP. Strengths include: responding to the specific needs of the organisation (unlike projects, covering often 'only' one aspect); complementarity with in-country programs; joint recognition for the achievement of common goals; flexibility in the implementation; adaptability to the global and regional context; outreach to a large number of CSOs and LAs in different countries; facilitation of knowledge flow in both directions (top-down and bottom-up); and the large array of activities, from research to advocacy, capacity building to events and seminars, visibility and partnerships.

National governments (and their willingness to engage other stakeholders) are key and national ownership of different processes is critical, as is the capacity of national governments to engage in partnerships. As far as limitations to address, participants recommended lower co-funding and addressing the uncertainty of funding continuity (potential time gap). Latin America members discussed the need to open sectoral spaces to prepare for dialogue to ensure a level playing field among all participants.

#### **2. IMPLEMENTATION**

Different implementation modalities have the potential to include or better include multiple development partners. It is important to strengthen the tools and instruments to assess the social, economic and environmental impact of the different modalities of implementation. Specifically, in Latin America there is a need for a monitoring and early warning systems for human rights violations in the territories, as some participants noted that collusion between governments and large corporations has stymied democracy.

As mentioned above, Framework Partnership Agreements and PFDs could be used at national level and in conjunction with other implementation modalities to promote synergies from a cross-cutting perspective. As for Budget Support, participants note that it should be actor-oriented and transparent, with social accountability mechanisms. One of the successes highlighted in the review of the LA budget line consists of the support to local government associations to implement their own strategic plans, responding to their own priorities instead of calls for proposals based on external priorities. This reinforces capacity within existing networks, national organisations and allows them to further support theirs to engage in dialogues with the EUDs based on their strategic priorities.

In general, members prefer grant based projects and requested that the EU keep up annual calls for proposals, as lately there has been a reduction of these in Latin America. Technical Assistance should have a long-term vision and be based upon public policies with a strong consensus. In the proposed development of a Roadmap for LA, the possible use of twinning as a support mechanism for decentralized cooperation was supported.

### **3. FINANCING**

Members challenged policy makers to first define “innovative” financing and pointed out that financing without adequate support and democracy is not sustainable. As for the increase in blended financing and guarantees, members called for caution as this massive shift in implementation modalities is not supported with evidence of proportionate impact. Domestic resources mobilization for delivering public services and the corresponding need to reinforce institutional capacity at the local level is needed, echoing already mentioned support for decentralization processes and local ownership. It was noted that MSPs need to be creative in finding new financing models (such as revolving funds, crowdfunding, green bonds) and shift from traditional single-source dominated modalities.