

PFD recommendations and key issues to incorporate in EU programming

It is with a sense of urgency in regard to the planet, human development and technological advancement, that the EU is conducting the programming of its external action for the coming seven years. The catastrophic effects of the Covid-19 crisis have only confirmed the importance of the 2030 Agenda and the need for concerted action at global level. This approach is embodied by the Team Europe initiative, which has fought against initial isolationist reactions to the virus and aims to provide urgent support to its partner countries in containing the spread and coping with the effects of the virus. The health crisis has highlighted systemic inequalities and the interdependence of different sectors, as well as the need for cooperation amongst all development partners to advance solutions. Most of those partners – local governments and civil society organisations, including trade unions, cooperatives, business and employers’ organisations, foundations and diaspora organisations – are represented in the Policy Forum on Development (PFD).

If something seems clear in the otherwise uncertain landscape of development policy in the coming years, it is that adopting a multi-stakeholder approach has become the only way to address the complex and multifaceted challenges that most countries face. Therefore, institutionalising inclusive and meaningful multi-stakeholder dialogue in all EU operations has become essential for the success of the reform known as “geographisation,” by which former thematic lines such as the one for LAs have disappeared and most of the Neighbourhood Development and International Cooperation Instrument (NDICI) funding is being funneled directly to EU Delegations in order to better localise development goals. A policy dialogue should include all levels of governments, including local and regional ones, and their representative associations. They play a major catalytic role: they coordinate, raise concerns, advise, and promote the participation of local stakeholders.

Whatever form or purpose these multi-stakeholder partnerships (MSPs) may take, they should work to guarantee the transparency and accountability of EU funding and the fight against corruption, by ensuring that in-country budgetary processes conform to the international standards of public finance management and pave the way for the development of proper monitoring mechanisms beyond ex-post audits. Multi-stakeholder partnerships can also become a means towards the simplification of the design and delivery of EU external assistance, as their collaborative nature could support delegations in lifting administrative and financial barriers for CSOs and other development partners, which struggle to assume the high risks and costs related to their participation in EU calls for proposals.

It is the first time that the priorities of the EU External Action mirror the EU’s own internal priorities, placing an unprecedented bet on policy coherence that could boost the consistency of the EU decision-making process. However, policy coherence on its own is inadequate to address human development. EU support will still need to take into consideration the huge differences amongst countries and adapt its action to their actual needs, while strengthening the capacities of those development partners that play a key role in the localisation and implementation of the SDGs. This includes recognising the limitations of access to EU funding for local organisations and adapting to

meet their needs so that they are empowered to lead in their local development. Therefore, there is an urgent need to adopt and promote more inclusive dialogue at all levels, both by exploring ways of reinforcing a multi-stakeholder dimension into DEVCO's different means of implementation and by using existing EU mechanisms, such as the EU Roadmaps for engagement with Civil Society and the Policy Forum on Development (PFD), or by consolidating them, such as the EU Roadmaps for engagement with Local Authorities.

It is also important to avoid business as usual and look for a substantive paradigm change addressing inequalities, within and among countries, by creating equal opportunities and choices as well as fair redistribution of wealth. One more important element related to the ability to achieve peaceful societies as a prerequisite to achieving the 2030 Agenda is enhancing the political role that EU Delegations can play based on the European core values of the respect for human rights and democracy.

The PFD, a member group of networks representing all constituencies of development actors, has been meeting to discuss EU development policy since 2013. Over the last six months, we have participated in a series of virtual discussions and consultations with their members to make recommendations on EU programming. The following recommendations are proposed:

1. People-centred development processes

People - and not governments, donors or corporate actors - should be at the core of every development process. It will be key to put in place the processes, mechanisms and funding to make this happen. The international nature of development cooperation rests on the classic principles of international law, based on national sovereignty and non-intervention in domestic affairs. But, the ratification by most states of the UN Conventions on Human Rights, as well as the 2030 Agenda, give EU Delegations a legal basis to push for domestic policy reforms via a rights-based approach. If it is to remain credible and legitimate, EU support cannot fall into the kind of diplomatic tokenism that places geostrategic realism over the most urgent needs of the population.

1. Support long term public investments in **strengthening inclusive health systems** that can heal and protect the population, ensuring equitable and full access for all.
2. **Support local and regional governments** in strengthening their capacities to deliver essential services.
3. Promote **universal social protection** by assisting partner countries in adopting sustainable schemes adapted to their resources, and by ensuring that EU support is used strategically to mobilise domestic resources to support quality public services and systems.
4. Support education systems in partner countries and promote policy reforms to **ensure universal and inclusive access** to education for girls and boys, and invest in inclusive and disability-friendly education, from early childhood, in order to ensure no one is left behind in the access to education and skills.
5. Support **lifelong learning and re-qualification**, as it will become not only common practice but also a necessary requirement for working people given how rapidly technology develops.

6. Economically empower persons with disabilities and marginalised groups and ensure that they can **access the local and international labour markets**.
7. Change the discourse surrounding migration in order to decriminalise it and seize it as an opportunity, fostering the development, adoption and implementation of strong, humane and rights-based migration policies and protocols, including those of the EU, at sub-regional, regional and international levels to **ensure minimum standards concerning the treatment of people on the move** anywhere in the world. Ensure adequate solutions and approaches for children on the move, whether they are accompanied or not.
8. Create space for **meaningful participation of refugees, host communities and local institutions** in developing solutions-oriented approaches and adequate measures to ensure voice and accountability during their implementation.
9. Support the activities of **diasporas** and enable them to contribute to the development of their countries of origin.
10. Recognise, address and work to **decrease inequalities**, which were already entrenched and have been exacerbated by the current health crisis, by systematically assessing the potential impact of EU supported actions on the bottom 40% of the population. Integrate the territorial dimension in the fight against inequalities.
11. Work with partner countries to **build an economy that works for all people** - not just the wealthy - including by addressing policy coherence issues between EU policies such as investment, trade, tax, debt relief, etc. and the objectives of effective development cooperation.
12. Change the paradigm in assessing inequalities by acknowledging their multifaceted nature, **looking at indicators beyond growth and GDP**, and focusing on the kind of variables that are key for putting people and planet first (accessible, clean renewable energy, educational and health facilities, affordable housing, integrated water resource management etc.).
13. Recognize that all people centred development is at its core local and **promote the principle of subsidiarity** as a cornerstone of collaboration between all spheres of public governance (global, regional, national, local) in the co-designing, co-producing and effective implementation of public policies.
14. Support local and regional governments (LRGs) and their associations in their role of **bringing together and fostering effective cooperation between different stakeholders on the ground**, including local businesses, academia, civil society and research institutions. LRGs can also ensure a wider transferability of the actions in all their territory and in the neighbourhood, creating a multiplier effect in neighbouring municipalities.

2. Just transition towards a green, interconnected and more equal world

The notion of Just Transition processes for recovery plans in the wake of Covid-19 needs to be extended to the two other transformation processes that the EU Delegations will be supporting in the coming years: Digitalisation and Green Deal. The combination of both priorities entails a whole change of paradigm that will deeply modify the economic structures, opportunities and expectations of large swathes of the population, unchaining a set of reforms that will need to be carefully managed so as

not to leave behind winners and losers and cause new forms of inequality. Therefore, the EU cannot afford to promote them without taking into consideration both the positive and negative consequences that these transformations will unleash, so its support will need to factor in the necessary safeguards and mechanisms to ensure a just transition that leaves no one behind.

1. Promote a just transition towards a green, interconnected and more equitable world, with a focus on **assisting local authorities, workers' and employers' organisations, and other social actors** in the development of relevant policies through constructive dialogue.
2. Clarify how the European Green Deal (EGD) will be operationalised within the NDICI in both policy and programming and how "international partnerships" will be used to deliver on the Green Deal, bearing in mind that many EGD roadmap strategies will contain an external/global dimension.
3. Ensure a **level playing field** for all partners in MSPs by addressing the power imbalances among participants, with a special focus on local actors and women's NGOs; ensure outreach to categories of the population who have hitherto been excluded from participating in decision-making.
4. Support and promote a **rights-based approach** to strength human rights standards in partner countries and raise awareness among the population to fight for their full enforcement. These tasks usually fall within the competences of the national human rights institutes and justify their strong support by the EU.
5. Set up effective **prevention and protection systems** against the repression of Environment and Human Rights Defenders (EHRDs), ensuring the EU stands against the harassment and intimidation of environmental activists.
6. Ensure the **inclusion of Indigenous People and local communities** (IPLCs) in decision-making by recognizing their important role as nature custodians in safeguarding most of the planet's remaining biocultural diversity.
7. Promote the role of **youth in digitalisation** as youth form half of the workforce and are digital natives. Encourage inclusive and sustainable businesses of all sizes to develop new engagement models that take into account the generational differences between baby boomers, millennials and generation Y.
8. Invest in local businesses, cooperatives, smallholder producers and family farmers in rural areas so as to **help rural communities to become catalysts of an inclusive and equitable rural transformation** that, in turn, can support sustainable urbanization.
9. Support **grassroots and women-led climate adaptation and resilience initiatives**, as well as their participation in policy processes, translating feminist theories on conservation and care into whole-of-society strategies for a more sustainable approach towards natural resources.
10. Invest in infrastructures and skills to help **close the digital divide** through tailored initiatives and inclusive investments seeking to offer broadband service over the last mile (for instance by opening up EU satellite systems to provide high-speed access to underserved parts of the world), while ensuring that all **digital infrastructure planning is gender sensitive and inclusive**.
11. Ensure that **access to digital services** in the Global South is universal and safe by supporting open, secure and affordable access to the internet (including mobile data) and by setting up

legal frameworks aimed at protecting consumers' online safety. This includes promoting intergovernmental cooperation on legislation and frameworks that protect consumers and producers and that protect privacy and data ownership on the basis of the highest standards of existing legislation (i.e. GDPR). Access to the internet at all times should be considered a global public good and should never be held hostage to private companies and/or government restrictions.

12. Support local and regional governments to integrate **green infrastructure and nature-based solutions** into their local planning, including in the design of buildings, public spaces, infrastructure and services. Place-based greener waste management systems, the circular economy and climate-neutrality must be supported with the goal of making local communities more resilient.

3. Gender Equality

Despite the many visible and invisible barriers that women and girls face in their daily lives, they are the backbone of economic advancement, ensuring the sustainability and cohesion of their communities and making up the majority of the under- or unpaid care economy. Therefore, EU assistance must support women as key drivers of change, as they are vital to leading the ongoing transformation processes towards a more inclusive and sustainable future. In the environmental sector, women and girls are the most impacted by climate change and must be empowered to champion and promote a more holistic approach towards the use of natural resources. As for digitalisation, there is an urgent need to take action, as the digital and gender gaps feed on each other and are giving way to a vicious circle of exclusion that risks leaving women and girls behind. Therefore, understanding how intersectionality impacts these issues is important to designing policies that make programmes accessible for all in a non-discriminatory way.

1. Ensure that girls' and women's rights and gender equality are integrated in every aspect of the new programming through the **mainstreaming of gender equality** in all actions at country level, which are to be monitored through the collection of disaggregated data.
2. Recognize gender equality as a whole of society issue and work to **actively include men and boys in gender equality mainstreaming** and as champions for women's social, political and economic inclusion. Promote women's participation in politics, including at local level.
3. Empower women's groups to advocate for the enactment of **gender sensitive labour laws** that are in line with international agreements and promote policies that redistribute the disproportionate burden of unpaid care work which currently falls to women and girls.
4. Design and implement dedicated **leadership programmes** combining capacity building with networking and coaching.
5. Encourage girls and young women to take part in ICT (Information and Communication Technology) and STEM (science, technology, engineering, maths) subjects and support the inclusion of girls and women in the creation of digital content and digital technologies by launching national, regional and global programmes to **encourage and support women and girls in adopting digital tools** or pursuing their careers in the digital sector.

6. End violence against women and girls and ensure bodily autonomy. Focus on **safety of women and girls** beyond migratory routes and refugee camps and acknowledge that human trafficking and gender-based violence occur in many different public and private spheres.
7. Provide active support and **protection of women human rights defenders** and their organisations.
8. **Address harmful practices** and customary laws which constitute barriers to women's and girls' education, autonomy and decision-making capacity.
9. Promote **gender sensitive budgeting**.

4. Civic space in the digital age

The issue of shrinking civic space for civil society has become a worldwide trend that not only limits the effective involvement of civil society in the implementation of the 2030 Agenda, but also poses serious challenges to people's participation in decision-making processes. Not incidentally, shrinking space is linked to democratic backsliding and deepening polarisation, so it must be tackled in a holistic and comprehensive manner that takes into consideration the many forces and dynamics at play. Local and regional governments have a key role to play in ensuring the participation of people in local and regional democratic life. In this regard, digitalisation has proven to be a double-edged sword, as it has helped CSOs to engage and participate in policy debates, and LRGs to mobilise citizens at local and regional levels, while simultaneously providing governments with tools to monitor, control and repress dissent. Moreover, what appears to be a fragmented and independent set of activities and actors is entirely dependent on digital systems owned and managed by companies and governments, which can switch off access at any time. Therefore, the EU needs to be extremely careful when supporting civil society in partner countries and adapt its palette of instruments to these new realities, acknowledging the dependence of local activists on access to computer networks, mobile phones, the wireless spectrum and remote servers (the cloud) for everyday actions.

1. Prioritise, strengthen and protect an **open civic space** by focusing EU programming on actions that promote civil society participation at all levels; considering the importance of social networks and social movements in civic organising and public debate, the digital aspects of civil society support will need to be fully integrated.
2. Provide financial support for civil society organisations to have **access to safe and reliable internet connections**, besides the ever-present need for physical spaces (such as offices, meeting rooms, etc.) to convene and connect.
3. Enable **collective control over data** by supporting civil society actors in collectively developing open-source tools and experimenting with sustainable digital models. Technical standards enabling full transparency and user control over personal data should be strongly encouraged.
4. **Build digital awareness** and knowledge among civil society actors and local and regional governments by way of digital training, capacity building programs, hackathons, etc. preferably to be delivered by more experienced local actors, who know how to engage effectively in these policy spaces and are most often closer to communities.

5. Make efforts to **engage with digital actors** (companies, organisations, etc. who create the digital environment) so they are aware of the dynamics of the civic space and how their work directly impacts it, and explore accountability mechanisms to ensure equal access and uphold civic rights.
6. Support civil society in advocating for **inclusive legislation and policies on digital technologies**, focused on openness, freedom, equal access and net neutrality, while strengthening the capacity of local actors to understand, research, advocate and litigate on these issues, ensuring that they have a seat at the policymaking table. In this regard, local and regional governments have a key role to play in ensuring the implementation of new legislation at sub-national level.
7. Strengthen **privacy rights activism** by supporting organisations that push for transparent, open, participatory, inclusive and accountable governmental institutions and processes.
8. Acknowledge and stimulate the bottom-up approach of digital activism and build on successful civic tech initiatives to **transpose open source tools** to other countries and contexts.
9. Stop the export or funding of **mass surveillance technologies** and biometric ID schemes, particularly in countries where checks and balances on state power are weak.
10. Support civil society and parliaments in their role as watchdogs in order to ensure that digital ID systems do not result in excessive tracking and surveillance by governments, while simultaneously empowering civil society and activists with **digital security training**.
11. Address the issue of **hate speech** in the digital space, including cyber-bullying of female politicians, and its divisive effects on societies worldwide.
12. Strengthen the capacity of local and regional government, and civil society organisations to ensure that data collection and the development of big **data is used for the common good** and that rights are guaranteed with involvement of communities and at the service of democratic societies.
13. Uphold human rights standards to **prevent abuse of Covid-19 measures** and ensure that tracing techniques and technologies do not violate personal data and threaten individual rights.

5. Citizen engagement and democratic participation

Despite the growing importance of digital tools, citizen engagement remains a political issue as well as a technical one. Even in countries that are not fully democratic, participation in decision-making processes is becoming a widespread governance technique to improve public services and address environmental and climate challenges. The EU should seize these opportunities for engagement and set the example through its own actions, moving beyond consultation in order to build longstanding partnerships that could set the path for the development of proper accountability frameworks and open new channels for people to influence those decisions that most affect their lives.

1. Foster **public awareness programmes** and development education initiatives that build on and respond to the concrete context of a community's values and needs.
2. **Strengthen subnational and local governments**, as state actors entrusted, like the central government, with public authority and with a general and democratic mandate, and build capacity at all levels for inclusive decision making.

3. Support and encourage **participation of local and regional levels in capacity building projects**, to enhance and ensure ownership and sustainability of their own development model, to make local and regional institutions stronger, more resilient and more capable of addressing people's needs with more autonomy by actively fostering participation in the decision-making process.
4. Open channels for participation in community development priorities and social inclusion, by exploring deliberative processes and alternative means of engagement to collect and value people's feedback. This can include the **empowerment of the social and economic councils** and should be especially supported at local level through LRG.
5. Strengthen pluralistic and **independent oversight and accountability actors**, particularly media and journalists that investigate, monitor, report and ask the right questions on highly technical and risky issues. As well, foster inclusive and transparent political parties that empower and represent well-informed citizens in political and decision-making processes.
6. Protect democratic **space for contestation** in which a broad spectrum of critical political opinions can be voiced. This includes a level political playing field and an independent judiciary as fundamental elements of development action in general.
7. Address the phenomenon of polarisation by opening spaces for (policy) dialogue among a wide diversity of actors so as to **promote a culture of dialogue** and counter the confrontational dynamics resulting from electoral competition.
8. Empower national CSOs to **exert demand-side pressure on horizontal accountability mechanisms** by cooperating with oversight institutions to scrutinise duty-bearers, i.e. empowering CSOs to use the judicial system to hold executive or legislative branches to account.
9. Foster and nurture democracy via the creation and strengthening of **accountable, transparent and inclusive institutions**, including at local and regional levels.
10. Continue to support the **integrity of elections**, allowing for safe, inclusive, accountable and fair electoral processes, but also to promote participatory decision-making processes, including at local and regional levels.
11. Support and reinforce **strong accountability measures** to ensure full and equal inclusion, participation and influence by all concerned stakeholders on laws, policies, plans, and investments, including at local and regional levels. Beyond enforcing transparent lobbying and scrutiny of interest declarations, this also means fostering consultations inclusive of wider ranges of social and economic groups, while tracking their footprint on decisions.
12. Support local, regional and national partners in their efforts towards **infusing integrity in political systems** by more systematically building safeguards that prevent power from being captured or misused by vested interests.

6. Decent jobs

1. Explore innovative ways to **promote the formalisation of the informal sector** (also through digitalisation and micro credit schemes) and support policies that build linkages between the informal economy and the formal system in compliance with the ILO R204.
2. Promote active employment policy and an enabling environment for sustainable and inclusive enterprises to **create decent jobs**, including support to MSMEs.
3. Provide more robust and consistent **support to workers' organisations, trade unions, cooperatives and employers organisations**.
4. Promote **occupational health and safety** by supporting domestic policies that combine awareness raising with monitoring and compensatory mechanisms.
5. Promote **social dialogue** and programmes linked to decent work and social protection. This should include expanding the monitoring processes and impact measurement to adequately assess not only the quantity, but also the **quality of the jobs created**, in accordance with ILO international labour standards and due diligence.
6. Push for **better wage policies** and a living income through policy dialogue with partner countries, especially the application of minimum wages that would be compatible with the needs of workers and families.
7. Support job creation and entrepreneurship in all sectors which contribute to preserving or restoring the environment in existing industries or new **green sectors**.
8. Promote conducive and **coherent industrial and economic policy frameworks** as well as technology research and development.
9. Build on the **cooperative model** that is being widely adopted by freelance workers, including those in the digital economy and ensure that increased autonomy and flexibility does not come at the expense of labour rights.
10. Support local economic development as a context specific process of harnessing local resources, skills and capacity, taking account of environmental needs, to enable **more inclusive economic opportunity**.
11. Support local and regional governments in promoting the **local business environment, local economic development**, as well as agriculture and rural development. The transition for all towards a green economy has its roots at the local level.
12. Adopt macroeconomic reforms to **promote sectors with high employability** and create a conducive environment for decent jobs.

7. Private sector engagement and innovative financing

There have been repeated calls for the mobilization of EU aid as a catalyser for further investments and job creation, but always coupled with calls for caution with regards to the social impact of such endeavours. The use of innovative funding must be subject to independent review and its value added must be proven before more funding is committed. Not all businesses are the same, so the EU should prioritise models that are inclusive and sustainable, putting people and planet at the heart of their operations, with a special focus on those that use participatory decision-making and inclusive governance, as they ensure business continuity in the face of economic crises or slowdowns such as the one resulting from Covid-19.

1. Recognise the **variety of different actors within the private sector** and ensure engagement in policy dialogue with all of them. Ensure a level playing field for smaller sustainable and inclusive enterprises.
2. Involve local and regional governments in the cooperation between the EU and the private sector and build on local strategies of development that are **fully owned by local actors**.
3. Target EU financial instruments such as the **EFSD+ towards supporting the “real economy”**: micro, small and medium-sized enterprises (MSMEs) including cooperatives, since they are the backbone of the world economy, as their workers account for more than 80% of employment in many countries. Within the category of MSMEs, dedicate funding specifically to those which operate inclusive and sustainable models.
4. Develop, review and enforce **accountability and transparency mechanisms for private sector engagement** in development cooperation within the NDICI framework and ensure that it is aligned with the 2030 Agenda.
5. Use innovative financing mechanisms to **support business models that are fair, inclusive, sustainable and circular**.
6. Privilege **bottom-up approaches** whereby communities define their infrastructure and investment needs and determine ways to avoid these disrupting local economic life.
7. Provide **youth-led initiatives** with access to funding and training.
8. Boost investments in **renewable energy and energy efficiency**, ensuring that investment in energy promotes inclusive access to clean, affordable, reliable, and sustainable energy and focuses energy provision more on decentralised micro-generation – small-scale renewable energy technologies that deliver energy needs locally and are collectively owned by the users.
9. Increase **access to credit** for community-led projects favouring renewable energy sources; and support local CSOs to create renewable energy cooperatives.
10. Support the already existing and future **digital hubs across the cooperative sector**.
11. Encourage investment in sectors with high employability.

8. Territorial Approach to Development

The current process of decentralisation in the programming of EU support cannot be limited to a mere transfer of resources and decision-making to EU Delegations; it also requires the full-fledged adoption of a territorial approach that covers all levels of governance. In such a scheme, local and regional governments, as well as local communities, cooperatives and grassroots organizations, cannot be passive beneficiaries of EU support in the form of pilot projects, but need to be systematically involved in decision-making and drivers of their own development processes.

1. Promote a **comprehensive decentralisation framework**, with clear core powers and responsibilities and a transfer of corresponding financial resources so that local and regional governments in partner countries can carry out their responsibilities effectively.
2. Support local environments that are conducive to a fair and inclusive economy by facilitating **‘public-private dialogues’ (PPD) at local level** that actively and systematically engage key

- economic and social stakeholders such as local businesses, cooperatives, women organisations and environmental groups. Assist in brokering institutional arrangements to frame these interactions.
3. Reinforce local and regional governments and other state systems by **working with and through them in their areas of responsibility**.
 4. Encourage the **participation of local and regional governments in EU policy dialogue with national governments**, especially when EU-sponsored reforms and programs touch on their competences, and support cities and local governments with appropriate legal frameworks, capacity and financing.
 5. Support local and regional governments, in alliance with local communities (including local businesses, cooperatives and social enterprises) in the formulation and implementation of their own **policies and strategies for local economic and business development**.
 6. Encourage LAs to move forward in their **adoption of digital tools** to improve their services and relationship to citizens, in order to foster data protection, boost participation and local democracy. LAs can share their experiences in this regard, given that European smart cities in particular are recognised in the world as digital champions on fostering local development through digital technologies.
 7. The future of many traditional public services is digital, and LRGs play a key role in co-creating digital services, infrastructure, tools and capacities. Support local authorities in the development of a **conducive environment for start-ups** (among entrepreneurs) and facilitating a critical and knowledge-acquisition mindset (among citizens).
 8. Work directly with **local systems** (local banks, local and regional institutions) to support them to provide access to finance, rather than depending solely on EU instruments to provide collateral.
 9. Mobilise and support **decentralised cooperation** between partner countries and European municipalities as a key means to ensure policy coherence from the bottom-up - to co-create, implement and monitor development cooperation projects, in line with the 2030 Agenda. This will further develop capacities at local and regional levels, through sustained and results-oriented exchanges of experiences and good practices on mobility, civic engagement, biodiversity, climate action, waste management, digital transformation and other relevant issues at subnational level.
 10. Promote **sustainable public procurement at the national, subnational and local levels** and use it to avoid non-reusable and non-recyclable products, improve waste and water management, encourage green approaches towards the implementation of public works and services, and engage with local sustainable and inclusive businesses.

9. Domestic resource mobilisation

Donors' contribution to development processes in partner countries cannot cover the huge investments that are needed for such wide transformations as digitalisation and the transition to a green economy, so EU funding should act as catalyser for locally-driven processes that ensure their sustainability through progressive taxation, socially sensitive business plans and inclusive investments that build on the human and social capital of local communities.

1. EU funding must give **priority to activities that are both human rights and tax compliant**, as well as green activities that are consistent with the Paris Agreement, environmental objectives and the “do no harm” principle.
2. Support the use of digital technology for more transparent and effective taxation.
3. Strengthen local resource mobilization in line with the **Addis Ababa Agenda for Action** through local tax collection and access to finance and investment for improved basic and social services, and for the provision and upgrading of key local infrastructure. To this end, assist local authorities in gaining access to the financial sector, meaning often enhancing their creditworthiness.
4. Promote the adoption of **digital technologies that enable decentralized, safe and transparent collaboration**: this can include some blockchain projects, as well as some interoperability standards. Promote the use of innovative technology to strengthen government processes against corruption, the misuse of public funds, money laundering and tax evasion.
5. **Fight corruption**, particularly related to the customs, police and the judicial system, to prevent capital flight and ensure that criminals cannot operate freely and do not remain unpunished.
6. Devote attention and resources to identifying, exposing and disrupting the mechanisms, key transnational processes and actors that enable **illicit financial flows**, while ensuring that the perspective of developing countries is reflected into international discussions to find solutions to these problems.
7. **Tax digital infrastructures** as a source of domestic revenue.
8. Explore collaborative models for the development and maintenance of digital infrastructure.
9. Ensure that civil society and local governments are duly engaged in decision-making around those investments funded by the EFSD+ that directly affect their communities and territories.
10. Restructure the tax system to adopt a fair, just and gender sensitive system to increase revenues coupled with transparent public procurement law to avoid corruption and the waste of resources.
11. Ensure that civil society and independent media are able to play their role and engage on the issues of tax collection and public spending.

10. Policy coherence for sustainable development

The fact that the priorities of the EU External Action mirror the EU’s own internal priorities should be an enabler of policy coherence for sustainable development. However, concerns were raised that in fact it might simply be a way of pushing the EU agenda on partner countries, including opening up lucrative opportunities for European companies and creating ‘value for money.’ It will be critical that any EU support in these domains takes into account the asymmetries among and within countries and the different starting points from which societies are embarking onto the transition towards green and digital economies. Otherwise, the so-called transformation process can be taken as yet another donor-driven agenda imposed from a top-down perspective and scarcely adapted to the reality on the ground.

1. Ensure that all EU policies and programmes are aligned from the outset to the SDGs and that the **2030 Agenda for Sustainable Development remains the overall framework** for international cooperation, at all levels of governance.
2. For the sake of EU credibility and leadership, **consistently condemn violations of human rights** and attacks against human rights defenders and establish swift and effective mechanisms to protect activists involved in EU-funded actions.
3. Pursue a proactive and coordinated approach from European institutions to address the **impact of European business operations** on human rights and the environment via mandatory regulation.
4. Take the needs and interests of small-scale and sustainable and inclusive businesses into account when negotiating trade agreements and avoid putting them in situations of unfair competition so as to enforce the **Trade for All policy's commitments** to fair and ethical trade.
5. Maximise the coherence between EU geographic and thematic priorities in order to keep leading the **multilateral front against climate change** and ensure policy coherence of the European Green Deal with the Paris Agreement and the 2030 Agenda.
6. All **programmes and projects need to be 'climate-proof'**: compatible with the Paris Agreement's goal of limiting temperature rise to 1.5°C and to protect and restore ecosystems; support adaptation and are climate-resilient. Programming instructions must include an obligation to check project and programming compatibility with international human rights standards, social safeguards, and criteria excluding fossil fuels and environmentally harmful activities in line with the forthcoming NDICI regulation.
7. Prioritise partner countries' **Nationally Determined Contributions (NDCs)**. Support the revision, enhancement and implementation of partner countries' NDCs through inclusive, bottom-up approaches, embedding strong governance principles to ensure gender-sensitive and inclusive development outcomes. In this same vein, support the network of Alliances for Climate Action (ACA) and strengthen support for Nature-Based Solutions (NBS) for Climate change.
8. Include the priority of **agroecology** in EU policy formulation and in policy coherence on environmental due diligence and trade agreements between EU and partner countries.
9. Close the loopholes in the international financial system and improve the supervision of the financial sector, which very often end up financing terrorism and organised crime.
10. Support public country-by-country reporting by all European companies in the countries of operation so as to ensure transparency in tax compliance and support domestic resource mobilisation.
11. Effectively **monitor and report on the spillover effects of EU policies** on partner countries and their subnational governments. Involve local and regional governments and their national associations as well as CSOs, in both ex ante impact assessments and in all monitoring processes so as to reflect the realities on the ground.
12. Ensure compliance with human rights at all levels, including the UN Guiding Principles on Business and Human Rights as well as ILO decent work requirements.

Conclusion

In order to make 'geographisation' a success, appropriate and tailored mechanisms for consultation with all actors, but most particularly with local organisations, must be put in place, thoroughly implemented and systematically followed-up. These mechanisms may take different forms depending on different places and contexts, but should invariably reflect the EU's commitment to partnership, as enshrined in EU policy, the 2030 Agenda and the Principles of Aid and Development Effectiveness. The members of the PFD ([listed here](#)) are available to engage with EU Delegations to ensure this happens.