



# Policy Forum on Development

## The Lima regional PFD meeting – June 2014

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### ***Introduction and welcoming remarks***

On the 25<sup>th</sup> and 26<sup>th</sup> of June 2014, 140 representatives of civil society organisations (CSOs) and local authorities (LAs) from 11 Latin American and Caribbean countries met in the Peruvian capital of Lima, for the first regional meeting of the Policy Forum on Development (PFD).

The meeting, hosted by the Metropolitan Municipality of Lima and organised by the European Commission (EC), brought together representatives from all sectors of civil society (ranging from NGOs, women and feminist organisations to trade unions and cooperatives), with local authorities (including mayors of several Latin American cities), EU Member States present in Peru, UNDP representatives and staff from EU Delegations in the region and headquarters. Members of the PFD Task Team representing all regions, were also present to bring regional, European and global perspectives.

The goal of the meeting was to allow these different actors to meet in a unique space to debate issues of common interest, with special attention to European development policies, in order to ultimately impact the development of their countries. Throughout the 2-day gathering, participants had the opportunity to discuss key issues of global importance, such as the post 2015 agenda, the regional focus of EU cooperation, past and future, and the new actor-based programme addressing CSOs and LAs, which draws on the recently issued EU policies on CSO and LAs in development.

Ms. Irène Horejs, Ambassador and Head of the EU Delegation to Peru opened the meeting and

shared the welcoming address with Mr. Núñez, on behalf of the “Gerente Municipal” of Lima, Mr. Jorge Balbis, in his capacity of co-chair of the PFD (representing CSOs) and Mr. Guillermo Tapia, on behalf of LAs. In their opening remarks all speakers welcomed the initiative of the European Commission to create the PFD as a follow-up to the intense and unique Structured Dialogue process that took place between 2010 and 2011.

They unanimously encouraged participants to express their voices and actively participate in shaping EU Development policies in the coming months and years by exchanging with policymakers from different European institutions gathered in the Forum. Both CSO and LA representatives also acknowledged the potential spill-over effects of the discussions and outcomes of the PFD in other international fora, such as the United Nations. In the words of Mr. Jorge Balbis, “The PFD is a unique cross-border and cross-sector place to locate EU development topics in a wider global perspective whilst introducing local contexts.” LAs, in their address, particularly welcomed the new EC Communication on LAs in development –“a real turning point in the relations between LAs and the EU” using Mr. Guillermo Tapia’s words- and stressed the importance of the PFD to progress on its implementation.

What follows is a synthesis of the debates that took place during the meeting, including key messages emerging from the discussions. You may also want to [consult the agenda, presentations and background documents here.](#)

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### **Key messages**

1. The EU's **communication on the private sector and development** welcomes partnerships with the private sector to further development, and warrants further discussion, which will take place in Brussels around the global PFD in early October.
2. The views of smaller and medium sized companies, women and youth should be more adequately included in the EU thinking around private sector inclusion.
3. In the discussion of the role of the private sector, more attention should be paid to the concept of decent work, the important role of decentralisation policies, and the commitment of national authorities to support public-private partnerships.
4. With relation to the EC's views for the post-2015 agenda and a "world free of poverty", both CSOs and LAs called for the promotion of people-centered policies.
5. It is important to **localise the post-2015 agenda**, goals and actions. Local authorities make the link to action at the local level and have to coordinate well with the global agenda. To this end, cooperation, accountability and shared financing are all needed components of the discussion.
6. Accountability, transparency in decision-making processes, and greater attention to human rights standards must be increased in regards to the **EU blending mechanisms**.
7. **Climate change** is a grave regional and global challenge. EU initiatives such as Euroclima, work on mitigation and adaptation strategies. Ensuring the active participation of all stakeholders is key, as Peru is modeling in hosting a multi-stakeholder dialogue group to encourage engagement in regional and global climate change discussions.
8. CSOs play an important role in keeping government transparent and working toward the goal of jointly developing policy with governments in a participatory and accountable manner. Challenges exist in obtaining accurate information and fighting corruption.
9. Increasing civic education is necessary to strengthening independent dialogue and holding government to account.
10. The current development paradigm must include more of a human rights focus, in order to specifically empower women, youth and ethnic minorities to overcome inequality. Their voices are vital to ensuring inclusive and sustainable growth.

## Session 1. Setting the global scene

### Section 1.1. Private sector in development

The private sector has become an essential actor in generating inclusive and sustainable growth in developing countries and is increasingly regarded as an essential partner in the fight against poverty. Not only does the private sector provide some 90 per cent of jobs in developing countries, but it is also a needed investor in sustainable agricultural production if the world is to meet the challenge of feeding 9 billion people by 2050. These are some of the key messages put forward by the recently issued Communication on private sector and development.

Published by the European Commission and endorsed by the Council in June 2014, the Communication builds on past achievements and lessons learnt, in an effort to address the changing landscape and increased and more complex interactions between donors and the private sector. In a nutshell, the Communication, as briefly explained through a videoconference by the unit of Mr. Philippe Loop (DG DEVCO C.4, Private Sector Development), proposes a strategic framework for mainstreaming private sector development and engagement across sectors, whilst defining a set of principles, systems and criteria to guide the EU's engagement with the private sector. Underpinning the new framework is the notion of partnerships. *"The changing interaction between the private sector pushes for further public/private partnerships to foster sustainable growth,"* Mr Loop said.

The presentation triggered a lively discussion, where the issue of inequality – across regions and countries, but also cities - was particularly underlined. The audience welcomed references to human rights, decent work and peace and security made by the Communication. Yet the Communication was seen as paying inadequate attention to the issue of women and youth entrepreneurship.

<b>Trade Unions</b>	Ms. Marita González from CGTR Argentina highlighted that the majority of the 200 respondents to the consultation organised to give inputs to the Communication were big companies. She questioned the paradigm that private sector is the engine of growth because any development also needs a strong and committed state; and she has <b>the impression that the views of the PFD members are not fully reflected</b> in the <u>consultation report</u> despite their written contributions.
<b>Cooperatives</b>	Mr. Manuel Marino from the International Cooperative Alliance Americas appreciated the references to women and informal economy in the Communication, as well as the recognition of cooperatives as "people focused entities." He expressed regret that the youth issue is not really considered and agreed with the Trade Union perspective that <b>the role of multinational and big companies is overstated</b> in the document. <i>"Improving the financial capacities of cooperatives can help improve their business model,"</i> he concluded.
<b>Local Governments</b>	Mr. Rolando Rodríguez, Mayor of Cartago and chairman of the union of local governments in Costa Rica (UNGL), insisted on the <b>concept of decent work</b> , and the need to consider decentralization policies when assessing the contribution of the private sector. This applies particularly to the extractive industries that often do not pay attention to the local communities and only pay taxes to national authorities, which seems unfair to local and regional representatives. <i>"There is a need to empower local authorities and provide them with technical assistance to allow them to have a better understanding of the complexity of the contractual arrangements under public-private partnerships (PPP),"</i> according to the mayor. He added that the economic model for micro-enterprises and informal sector companies requires more attention considering its relevance for job creation.

In conclusion to the exchanges, Mr. Baglio, head of unit (DG DEVCO. B2 Civil Society and Local Authorities) committed to organizing a more in-depth discussion on the Communication on private sector development around the next PFD meeting, to be held on 1-2 October, 2014, in Brussels.

### Section 1.2. The Post-2015 agenda

The EU shares the view that a “World free of poverty” should be possible by 2030, provided development efforts are more efficient, more equitable, and more focused. This is at the heart of the EU position, put forward by the new 2013 Communication “A decent Life for all: from vision to collective action”. This new Communication, which further elaborates on the the vision embracing the principles of universality, transformation and accountability set fowrad in the preceding Communication “A decent life for all”, formulates a number of concrete proposals, including key priority areas and a call for collective action, through the Global Partnership for Development.<sup>1</sup>

The discussions that followed the presentation touched upon the issue of financing for development, CSOs and LAs' contributions and access to on-going negotiations and the question of localising the post 2015 agenda.

<b>CSOs</b>	Mr. Miguel Santibanez, from ACCION/La Mesa, argued that <b>CSOs should be fully brought on board to make sure that citizen rights are protected and that any attempts to undermine them are denounced by CSOs</b> . He also expressed CSO concerns around financing, as there seems to be less and less reference to the 0.7% GDP commitment by developed countries for development cooperation. With regard to fiscal justice, CSOs will require support given the difficulty they face in participating in the negotiations on development finance to be held as of July 2015. The same applies to Latin America CSOs' participation in the coming climate negotiations in the framework of the Conference of the Parties in Lima (COP14) and in Paris (COP 15) and in the Habitat III conference that will close the Post-2015 Agenda UN cycle of conferences. Mr. Miguel Sanchez finally raised some doubts about the success of such a scattered agenda.
<b>LAs</b>	As Chair of FLACMA, Ms. Milagro Navas called attention to the importance of LAs to <b>turn the global agenda intentions into action, and to promote people-centred policies</b> . <i>“There is a need for collaborative governance in order to guarantee delivery to the people,”</i> she argued. “The Millennium Development Goals (MDGs) have had difficulties translating goals and targets into tangible results wherever LAs are not part and parcel of their implementation. Hence the urgent UN call to localise the Sustainable Development Goals (SDGs). Another reason why local challenges must be recognized is that 80% of Latin America's population live in cities, and 30% of Latin America's city dwellers live in areas without basic services. Therefore the work of local governments should focus on fighting poverty, reducing the fragmentation of society, and building inclusive cities. There is a need to integrate a territorial perspective in all development strategies, to better consider rural/urban relations and participatory approaches to development that are highly local by nature, she concluded.

A final statement was made by Mr. José Dallo (Policy Advisor to the UNDP Team for the Post-2015 Agenda), emphasizing the need for a global common vision and agenda, building on the lessons learnt around the implementation, governability and accountability of the Millennium Development Goals (MDGs). The new agenda should also balance universality with country differences, integrate the cultural dimension and promote synergies across actors, including partnerships with CSOs and a stronger engagement with the private sector. Hence the integration of all of these topics in global conversations spearheaded by the UN on the future development agenda.

<sup>1</sup> <http://www.un.org/millenniumgoals/global.shtml>

### Section 1.3. Localising the Post-2015 agenda

Co-led by [UNDP](#), [UN Habitat](#) and the [Global Task Force of Local and Regional Governments \(GTF\)](#), the consultation on [localising the Post-2015 Agenda](#) aims at stimulating national and territorial dialogues on the means of implementing the future development agenda. It entails a series of events and initiatives, including: e-discussions; national and local dialogues in 15 pilot countries; and regional and global dialogues and events, such as this regional PFD gathering.

The need to localise the framework has been expressed since the very outset of the post-2015 consultations. As recalled by Mr José Dallo Policy Adviser in UNDP's Post-2015 Team, Ms. Lurdes Gomez, Policy Officer, UNDP Office in New York and Mr. Edgardo Bilsky, Coordinator of the GTF, it was strongly expressed in the thematic and national consultations that made up the first stage of the post-2015 consultations. *"We have learned from the pursuit of the MDGs and realisation of the key role played by local governments in delivering on both local and national objectives. We need local target setting that complements and feeds into national development strategies,"* they said.

In the [debate](#) that followed the presentation, participants stressed the rights-based approach that should underpin the new framework and reiterated the need for broader and more ambitious partnerships across actors and sectors, building up on the existing success stories. In the words of a LA representative: *"We need to avoid working in silos and close the coordination gaps. Right from the beginning, large pacts are required between central and local governments and involving CSOs, too."* Inequality, particularly flagrant in Latin America and the Caribbean, the need for strengthened accountability systems as well as adapted financing mechanisms - including the role played by the private sector - were other key topics addressed by the audience. Finally, sustainability and the preservation of local resources were also seen as central in the new agenda.

### Section 1.4. The State of Programming 2014-2020

The final item concerned the state of [EU programming \(2014-2020\)](#), presented by Mr. Angelo Baglio, after which Ms. Nuria Rodriguez Aller (DG DEVCO C3 Financial Instruments) outlined the contours of the EU [blending](#) mechanisms, combining EU grants with other public and private sector resources such as loans and equity in order to leverage additional non-grant financing. Ms. Rodriguez recalled the combined nature of the instrument, which allows a strategic use of EU grant money, hence unlocking additional financing for important investments in partner countries of the EU.

In the debate that followed the [presentations](#), many participants raised concerns about the design and implementation of the blending mechanisms in the Latin American context. Improved governance and accountability mechanisms were broadly discussed and comments regarding transparency in the blending decision making processes and international human rights standard were made.

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#### The experience of Peru and Nicaragua

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The EU delegation for Peru confirmed that [LAIF \(Latin America Investment Facility\)](#) proved to be successful. The representative of the EU delegation for Nicaragua argued that the EU plays the role of watchdog most of the time to keep human rights concerns on the agenda of the projects.

## Session 2. Looking at the regional focus

Shifting the focus from the global scene to the regional perspectives of EU cooperation, session 2 revolved around the EU regional programs in Latin America and the Caribbean, their past and future. Mr. Jose Gonzalez y Gonzalez (DG DEVCO. Regional Programs Latin America and Caribbean) provided a succinct, comprehensive overview of the past cooperation instruments and programmes, including bilateral, continental, regional and thematic programmes. Between 1994 and 2013, 1,053 million euros have been invested in the continental programme, in a wide variety of sectors, ranging from social cohesion, regional integration, research and higher education to sustainable development and climate change. Euroclima, a climate change program of 17 million euro, was particularly emphasized, stressing its twofold strategy (i.e. working in mitigation as well as adaptation).

Mr. Ernesto Raez Luna, responsible for the working group ahead of the COP 20 (20th Conference of the parties on climate change) brought the Peruvian perspective to the climate change debates. Conscious of the need to bring all relevant actors to the discussion table, the government is promoting a multi-stakeholder engagement model to foster dialogue and participation from all stakeholders (including private sector, civil society, local authorities) around global and national climate policies. Mr. Juan de los Santos, Mayor of Santo Domingo Est and, Ms. Rocio Valdeavallano from the Movimiento Ciudadano para el Cambio Climatico, brought respectively the visions of LAs and CSOs vis-à-vis such a fundamental global challenge. The question "*Are we willing and capable of addressing it so not to compromise the future of our generations to come?*" floated in the air during the plenary discussion that followed.

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## Session 3. CSO and LA Thematic Programme

Day 2 opened with a summary of the new EU policy framework. "*The Communication on local authorities adopted by the EU is a commitment to foster a territorial approach to development. The fact that 2/3 of the population in Latin America will live in cities, gives them (LAs) even more responsibilities as the closest public authorities to the people.*" With these words, LAs welcomed the new Communication on LAs issued by the EC, which joins the Communication on CSOs in development, as a direct output of the Structured Dialogue and following consultations. Both EC policies, fully endorsed by the Parliament and Council, insist on the need to put in place an enabling environment, and require the inclusion of LAs and CSOs in the definition of the development and cooperation agenda in partner countries. They also call on the EC to transform its instruments and programmes (a process that is currently underway), including the CSO and LA thematic programme, as explained by Ms. Elena Asciutti (DG DEVCO /B2).

<p><b>The new thematic programme CSOs and LAs 2014-2020</b></p>	<p><b>Key features:</b> The sole EU actor-based, demand-driven programme targeting CSOs and LAs, particularly in partner countries. Of a global nature, it remains independent (not requiring any governmental consent) and acts in synergy with other thematic and geographic programmes. The programme supports the right of initiative of CSOs and LAs, aims at supporting multi-stakeholder and multi-layer strategies, pays special attention to capacity development and will make use of a diversified set of modalities, in an effort to better cater to CSOs and LAs' needs.</p> <p><b>2014-2020 Budget:</b> 1.907 M euros, with 970 M euros for the period 2014-2017</p> <p><b>Priorities:</b> (i) Country level (65-75%); (ii) Strengthening regional and global CSOs and LAs networks (5-10%); (iii) DEAR (development Education and awareness raising) 10-15%; (iv) support measures (2,5-5%)</p>
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CSO Roadmaps are a key component of the Communication on CSOs in development. Currently developed across countries and regions (see [Voices and Views on EU Country Roadmaps to engage Civil Society](#)), and conceived as a shared tool between the EC and Member States to translate the ambitions of the Communication at country level, Roadmaps call for a stronger political and more diversified role of EUDs in their engagement with CSOs. In other words, *“they encourage EUDs to go beyond the financial and operational dimensions of EU support, based on a deeper understanding of the CS landscape,”* as stressed by Ms. Beatriz Sanz-Corella, team leader of the Roadmap facility. Roadmaps entail a number of stages - from evaluating the state of local civil society and the current level of EU engagement, to setting EU priorities and actions, and finally, monitoring - and are being developed taking into account the views of civil society. They will be regularly updated and, where appropriate, made publicly available. The first generation will cover the period of 2014-2017, and the second period is expected to start in 2018.

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### The Roadmap in Peru

**Ms. Malin Liunggren Bacherer**, Thematic programs, EU Delegation, Peru, shared the experience of Peru. In 2013, a CSO working group was created with EU member state representatives from Belgium, Finland, Germany, Spain, and the UK. A CS workshop increased understanding of the CSO landscape whilst an independent assessment was carried out to capitalise on past EU engagement practices. The process is fairly advanced and once approved, the document will be disseminated among the CSOs in Peru. Challenges identified so far include: keeping the process as multisectorial as possible; selecting the right actors to dialogue with; and adopting the partnership logic to go beyond the traditional donor-recipient logic. Also, the process is time consuming whilst many CSOs are eager to see things happening quickly on the ground.

**Ms. Josefina Huaman** from the Association National de Centros (ANC) testified that the **process derives from the dynamic of the Peruvian CSO environment**. There is a need to address policy and strategy, she added before stating: *“The EU now recognizes that CSOs are an integral part of the development of the country in their own right, as acknowledged in Busan. CSOs contribute to strengthening democracy and many of the innovative policies were built from CSO experience as they play a vigilant role in rethinking the development model.”* She cited the climate change debate as a practical example and encouraged her colleagues to strive for better procedures and start from a more optimistic vision of the institutional environment. Last but not least, there is a need for CSOs to recognize the value of dialogue space in building an enabling environment for CSO action.

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A dynamic debate followed the presentations. Amongst the key points raised by the audience were: the need to better define the notion of the enabling environment (including the criteria to measure it); the issue of legitimacy of CSOs invited to take part in the dialogue; and finally the question of policy coherence and CS involvement in EU programme definition, implementation and monitoring. Mr. Angelo Baglio responded to all questions and advised participants to consider the EU approach as a process, which will be enriched by the experience gathered from the field work, including CSOs and LAs' efforts.

Guided by this joint aspiration to turn the forum into a genuine space for dialogue, the session evolved into a set of workshops, organised around the “World Café methodology. Through a series of iterative conversations led by a group of CSO and LA table hosts, participants were invited to share their insights into the issues of: policy dialogue for better governance; the role of CSOs in holding governments accountable; and perspectives towards more inclusive and sustainable growth. Specific aid modalities, tailored to the needs of the different sectors (i.e. families of actors) were also addressed.<sup>2</sup>

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<sup>2</sup> A more comprehensive synthesis of the outcomes of these debates can be found in Annex 1, available in Spanish.

<b>Theme 1 - Policy dialogue for better governance</b> <b>Key message</b>	<p>When engaging in policy dialogue, attention should be paid to diversity at all levels (regional/country context, on the one hand, and the type of actors, on the other hand) and fighting obstacles, such as the lack of trustworthy information and corruption. Whenever CSOs, as legitimate actors, engage in disclosing information on state interventions in a transparent manner, progress is made. PFD members were encouraged to strive for results-oriented systems that are based on accurate information gathering. Truly co-created public policies, including participatory budgets, need to be further enhanced.</p>
<b>Theme 2 - The role of CSOs in holding governments accountable</b> <b>Key message</b>	<p>In an effort to hold governments accountable, participants propose further support to civic education initiatives, particularly at the local level, as well as to both territorial and supra-national dynamics already in place in order to generate "autonomous voices." As one participant said: "We need to promote open, triangular dialogue and go beyond (subregional) state consultations when drafting budgets and policies." The group also agreed that inspiration for new ways of dialogue could be found in their region (e.g. Mesodiálogo in Guatemala, South-South cooperation) as well as within the EU (Social-Economic Councils and the Agenda 21, for example).</p>
<b>Theme 3 - Inclusive and sustainable growth</b> <b>Key messages</b>	<p>Reconsidering the current development paradigm ("growth is not development") from a human rights perspective was the key message agreed by participants. Giving women, youth and ethnic groups access to universal rights in order to overcome inequality in practice was also strongly stressed. Participants put emphasis on the implementation and monitoring of policies from a bottom-up approach, to avoid "only having the perspectives of the capital." Multiple and even dissonant voices need to be brought on board, and more efforts put in ensuring policy coherence among the development, trade and environmental agendas.</p>

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### **Concluding remarks**

*The concluding session offered a space for CSOs and LAs to reflect upon the rich discussions held during the 2-day event and share final messages.*

*Ms. Lucy Garrido from Articulación feminista Marcosur spoke on behalf of CSOs, and stressed once more the need for a profound rethinking of the development paradigm, from a human rights-based perspective and as a collective responsibility. She concluded by recalling the words of the Latin American feminist organisations at the 20th anniversary of the Cairo Conference. “We are here to imagine and realize what we dreamed. Imagine a world where equality is possible. Imagine collective subjects with resilience and autonomy to define their own priorities and projects. Imagine a world with all rights for all women, for all people. Imagine it. And now, let's do it*

*together.” And she continued, “We hope that with this invitation to the PFD we are all making a big step towards this dream.”*

*Mr. Gustavo Petro Urrego, Mayor of Bogota, proposed a new urban paradigm for the 21st century, entailing a whole new set of production, consumption and coexistence patterns. “We need a human city. One that is respectful of social diversity and which can generate options for change,” he said. The mayor also made a call to promote cities’ networking and exchange initiatives, and grant them more space in the regional and global fora where relevant development debates are taking place. “A parliament of cities. This is what we should aim for,” he concluded.*

*You can also check out the agenda, presentations and background documents here.*

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