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## List of abbreviations

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADR</td>
<td>Alternative Dispute Resolution Mechanism</td>
</tr>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>BIT</td>
<td>Bilateral Investment Treaty</td>
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<tr>
<td>CAO</td>
<td>Compliance Advisor Ombudsman</td>
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<td>CCC</td>
<td>Clean Clothes Campaign</td>
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<tr>
<td>CETA</td>
<td>Comprehensive Economic and Trade Agreement</td>
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<tr>
<td>COP</td>
<td>Conference of the Parties</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>DRC</td>
<td>Democratic Republic of the Congo</td>
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<tr>
<td>DSO/MO</td>
<td>Social Development Department / Civil Society Division</td>
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<tr>
<td>ECA</td>
<td>Export Credit Agency</td>
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<tr>
<td>EI</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<tr>
<td>FGG Alliance</td>
<td>Fair, Green and Global Alliance</td>
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<tr>
<td>FMO</td>
<td>The Netherlands Development Finance Company</td>
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<tr>
<td>FoA</td>
<td>Freedom of Association</td>
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<tr>
<td>FoE</td>
<td>Friends of the Earth</td>
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<tr>
<td>FoEE</td>
<td>Friends of the Earth Europe</td>
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<tr>
<td>FoEI</td>
<td>Friends of the Earth International</td>
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<td>FWF</td>
<td>Fair Wear Foundation</td>
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<tr>
<td>GCF</td>
<td>Green Climate Fund</td>
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<tr>
<td>GSP+</td>
<td>Generalised Scheme of Preferences + Special Incentive Arrangement for Sustainable Development and Good Governance</td>
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<tr>
<td>HRD</td>
<td>Human Rights Defender</td>
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<tr>
<td>ICSR</td>
<td>International Corporate Social Responsibility</td>
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<td>IGJ</td>
<td>Indonesia for Global Justice</td>
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<tr>
<td>IGWG</td>
<td>Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights</td>
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<tr>
<td>IOB</td>
<td>Policy and Operations Evaluation Department of Ministry of Foreign Affairs</td>
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<tr>
<td>ISDS</td>
<td>Investor-State Dispute Settlement</td>
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<tr>
<td>LLMIC</td>
<td>Low and Lower-Middle Income Country</td>
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<tr>
<td>L&amp;A</td>
<td>Lobby &amp; Advocacy</td>
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<tr>
<td>MC11</td>
<td>Eleventh Ministerial Conference</td>
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<tr>
<td>MCD</td>
<td>Mutual Capacity Development</td>
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<tr>
<td>MEP</td>
<td>Member of European Parliament</td>
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<tr>
<td>MIC</td>
<td>Multilateral Investment Court</td>
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<tr>
<td>MICI</td>
<td>Independent Consultation and Investigation Mechanism</td>
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<tr>
<td>MFA</td>
<td>Ministry of Foreign Affairs</td>
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<tr>
<td>NCICD</td>
<td>National Capital Integrated Coastal Development</td>
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<tr>
<td>NCP</td>
<td>National Contact Point</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PCM</td>
<td>Project Complaint Mechanism</td>
</tr>
<tr>
<td>PENGON</td>
<td>Palestinian Environmental NGO Network</td>
</tr>
<tr>
<td>PME</td>
<td>Planning, Monitoring and Evaluation</td>
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<tr>
<td>RCEP</td>
<td>Regional Comprehensive Economic Partnership</td>
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<tr>
<td>RDC</td>
<td>Rural District Council</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>SOMO</td>
<td>Stichting Onderzoek Multinationale Ondernemingen</td>
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<tr>
<td>SP</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>TNI</td>
<td>Transnational Institute</td>
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<tr>
<td>ToC</td>
<td>Theory of Change</td>
</tr>
<tr>
<td>TTIP</td>
<td>Transatlantic Trade &amp; Investment Partnership</td>
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<tr>
<td>TPP</td>
<td>Trans-Pacific Partnership</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>VGGTs</td>
<td>Voluntary Guidelines on the Responsible Governance of Tenure</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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INTRODUCTION

The Fair, Green and Global (FGG) programme involves over 300 civil society organisations worldwide and key national, regional and international networks and their members, including those hosted or represented by FGG Alliance members – ActionAid, Both ENDS, Clean Clothes Campaign (CCC), Milieudefensie/Friends of the Earth (FoE) Netherlands, SOMO (Stichting Onderzoek Multinationale Ondernemingen) and the Transnational Institute (TNI). The FGG Alliance is a Strategic Partner of the Dutch Ministry of Foreign Affairs (hereafter referred to as “the Ministry or "MFA") within its ‘Dialogue and Dissent’ policy framework. The framework focuses on strengthening the capacity of civil society organisations (CSOs) in low and lower-middle income countries (LLMICs) to effectively voice their views and to hold policy makers and companies to account.

FGG works to strengthen civil society actors to advocate and lobby for socially just, inclusive and environmentally sustainable societies using a mutual capacity development (MCD) approach. By this we mean a concerted, global effort to develop the capacities of civil society actors, including FGG members, in many different places using different types of leverage to influence different decision-makers. FGG believes this approach is necessary for breaking down the global, structural and systemic barriers that stand in the way of achieving sustainable development goals and the realisation of human rights. FGG focuses on improving corporate conduct, trade and investment, and financial and tax systems (these three areas correspond to our three ‘Theories of Change’ (ToCs)).

This report presents the main results achieved in 2017, the second year of the FGG Alliance’s programme. It supplements the detailed results reported in IATI and offers a more contextual and analytical perspective. Following a brief discussion of the general context in 2017, we present a ‘bird’s eye view’ per ToC of the context and results, including a quantitative analysis of outcomes achieved. A more detailed discussion of two highlights per ToC is also provided (in boxes). Finally, we reflect on our collaboration with partner organisations, the partnership with the Ministry of Foreign Affairs, and the collaboration between the Alliance members.

TABLE 1. MFA DIALOGUE & DISSENT INDICATORS RELATED TO FGG INDICATORS AND TOTAL FGG RESULTS ACHIEVED IN 2017

<table>
<thead>
<tr>
<th>MFA DIALOGUE &amp; DISSENT CORE INDICATOR</th>
<th>RESULTS ENTIRE FGG PROGRAMME IN 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>DD1: FGG Indicator F</td>
<td>50 laws, policies and norms, implemented for sustainable and inclusive development.</td>
</tr>
<tr>
<td>DD2: FGG indicator</td>
<td>55 laws, policies and norms/attitudes, blocked, adopted, improved for sustainable and inclusive development.</td>
</tr>
<tr>
<td>DD3: FGG indicators A &amp; D</td>
<td>228 times CSOs created space for CSO demands and positions through agenda setting, influencing the debate and/or creating space to engage</td>
</tr>
<tr>
<td>DD4: FGG indicators C &amp; D</td>
<td>219 advocacy initiatives carried out by CSOs, for, by or with their membership/constituency.</td>
</tr>
<tr>
<td>DD5: FGG indicator B</td>
<td>248 CSOs with increased L&amp;A capacities</td>
</tr>
<tr>
<td>DD6: Total # FGG partners</td>
<td>329 CSOs included in FGG programme on 31/12/2017</td>
</tr>
</tbody>
</table>
GENERAL CONTEXT

Social justice organisations and human rights defenders (HRDs), especially women HRDs, continued to face severe repression in many countries in 2017, making it both difficult and risky to do even relatively low-profile work, let alone lobbying and advocacy. In Uganda, the offices of ActionAid and its partner organisation were sieged and equipment confiscated, and staff members subjected to investigation. ActionAid Uganda’s financial accounts were frozen for three months. Although the group managed to continue operations, the restriction posed an obstacle to some of its work. The government of Cambodia closed down CSOs and arrested HRDs, including many labour rights activists (among them CCC partners), while the court dissolved the country’s main opposition party. In the Philippines, the declaration of martial law in May had a chilling effect: human rights abuses are escalating against indigenous people, among others. Assertion of community rights and self-determination – including opposition to development projects within ancestral domains – risks being equated with rebellion against the state.

The last-minute ban by Argentina on participation of civil society groups in the World Trade Organisation (WTO) ministerial, including delegates from TNI, Friends of the Earth International (FoEI) and FGG partners, is yet another deeply disturbing example of shrinking space for civil society. While some delegates ultimately gained admittance (including TNI, thanks to the intervention of the Ministry of Foreign Affairs), the ban is part of an alarming trend. Disdain for multilateralism has accelerated with the radical shift in United States policy (e.g. withdrawal from the Paris Agreement) and rhetoric under the new Trump administration, and parallel moves in many other countries.

The Dutch parliamentary elections slowed down political developments in the Netherlands. The change and formation of a new government, which took more than seven months, stalled the momentum around many issues relevant to all FGG ToCs, including delegates from TNI, Friends of the Earth International (FoEI) and FGG partners, is yet another deeply disturbing example of shrinking space for civil society. While some delegates ultimately gained admittance (including TNI, thanks to the intervention of the Ministry of Foreign Affairs), the ban is part of an alarming trend. Disdain for multilateralism has accelerated with the radical shift in United States policy (e.g. withdrawal from the Paris Agreement) and rhetoric under the new Trump administration, and parallel moves in many other countries.

1. THEORY OF CHANGE 1: IMPROVED CORPORATE CONDUCT

1.1. CONTEXT

Corporations continue to exploit governance gaps and eschew their responsibility to respect human rights. Yet, as we noted last year, support for both voluntary sustainability measures (like the Dutch sectoral agreements) and binding regulation, such as a binding international instrument on business and human rights, continues to grow. The passage of the Child Labour Due Diligence bill (Wet Zorgplicht Kinderarbeid) in the Dutch parliament is part of a promising trend seen across Europe to oblige corporations to conduct human rights due diligence in their supply chains – a critical means for improving respect for human rights in LLMICs, among other countries. Due diligence laws have been adopted in the United Kingdom (2016) and France (2017), and discussed in Germany, Switzerland and Italy. There is also a growing expectation from governments, consumers and citizens for greater transparency about corporate conduct, including the sourcing of goods and corporate influence over policymaking. This can be seen in several exciting results, to which FGG significantly contributed, including the Dutch government’s new ‘legislative footprint’ requirement and a cooling-off period to curb policy makers’ conflict of interest.

1.2. A BIRD’S EYE VIEW ON PROGRESS IN TOC1

PROGRESS ON THE INDICATORS FOR TOC1

In 2017, all results related to corporate conduct outcomes were on or above target, except for one related to policy change of companies (outcome 1Eb). Policy change by companies proved challenging. For example, CCC’s transparency campaign (to move companies to be more transparent and publish their supply chain information) proved to be a grand success, but it turned out difficult to quantify the campaign in terms of results as quite some brands were moved to publish their supply chain data, but not quite up to the standard of the Pledge. Other companies did commit to change their policy, this will be checked in 2018. A considerable pressure was put on brands that did not respond or act. One company, who caved in in early 2018, stated ‘they no longer wanted to avoid the industry trend seeking greater transparency’. By and large, we have achieved more than we foresaw in 2016.
The FGG Alliance contributed significantly to growing support for a United Nations (UN) Treaty on Transnational Corporations and Other Business Enterprises with respect to Human Rights, (hereafter referred to as “UN Treaty”) including by strengthening the capacity of partners and allies to effectively lobby and advocate for the binding instrument. Capacity development around the proposed UN Treaty took place in all regions and at multiple levels, including workshops with communities in Mozambique and Honduras, national meetings in the Philippines and El Salvador, regional workshops in Central America, Latin America, Asia-Pacific, Africa, and Europe, and global webinars and strategy calls.

FGG continued to play a vital role in the Treaty Alliance and the Global Campaign to Reclaim Peoples Sovereignty, Dismantle Corporate Power and End Impunity (the Global Campaign), which produced valuable input, evidence and recommendations on the treaty. FGG members have worked closely with women’s organisations to support inclusion of specific feminist demands in the proposed UN Treaty, producing a joint statement with recommendations. FGG members TNI and FoEI worked with World March of Women and other women’s organisations – members of the Global Campaign – to shape the campaign’s treaty proposal and ensure gender sensitivity throughout. Many of these recommendations were reflected in Ecuador’s comprehensive overview of draft elements of the treaty.

Throughout the year, FGG participated in regular dialogues with the Ministry about the UN Treaty at the national level, but also with the Dutch permanent representation in Brussels and the Dutch mission to the UN in Geneva. On the occasion of the third session of IGWG in October, FGG helped mobilise declarations of support for the proposed treaty from 292 Members of Parliament (MPs) around the world and strong civil society pressure. FGG members FoEI, SOMO and TNI facilitated participation of CSOs from several LLMICs. This included facilitation of the FoEI federation’s input into the IGWG process and a delegation of 40 people from 25 national FoEI member groups at the IGWG session. Lobbying and meetings...
with the European Union (EU) and Member States – by FGG Alliance members as well as Southern partners – helped ensure attendance of the IGWG session by a permanent representative of Europe who engaged in the process. FGG’s work was crucial to a relative positive decision upon conclusion of the third session to move forward with the process.

1.2.2. SECTOR-SPECIFIC ANALYSES OF PROGRESS

■ Garment:

CGC and SOMO booked important results in relation to worker’s safety, freedom of association (FoA), living wage, and supply chain transparency (see box 1). Highlights include advocacy by CCC and partners in Bangladesh for the extension and strengthening of the Bangladesh Accord, resulting in a three year renewal Transition Accord 2018. This is an extension of the Accord I programme and an expansion in scope to home textiles, fabric and knit accessories, and potentially other related industries. The Transition Accord 2018 also covers FoA in its Training and Complaints Protocol in the listed factories and covers workers’ severance payments in Accord-related factory closures and relocations. By the end of 2017, about fifty brands had signed. Significantly, a settlement of US$ 2.3 million was reached in an arbitration case under the Accord, which demonstrates the power of a binding agreement to make a concrete impact on the lives of workers. CCC worked on 34 urgent appeal cases, 20 of which involved FoA violations, including mass dismissals and arrests of human rights defenders. For example, CCC and allies sent letters to brands and embassies calling for release of the director of a partner organisation in Cambodia, and an end to the crack-down on unions in Bangladesh, the release of 34 union activists and workers, and the reinstatement of around 3,000 dismissed workers, which resulted in a positive agreement on the release of the Bangladeshi union activists and workers.

In a clear expression of FGG’s mutual capacity development approach, SOMO and Myanmar organisations Action Labor Rights (ALR) and Labour Rights Defenders and Promoters (LRDP), co-authored an influential report on Myanmar’s garment industry, among the first to link Myanmar factories to Western brands and retailers. The report strengthened the position of the Myanmar organisations to engage with a wide range of stakeholders, including the Dutch brand Suitsupply, which used its leverage to help ensure a fair election process for a Worker Coordination Committee at one of its supplier factories as a result of dialogues with the two groups and SOMO. Advocacy by SOMO and CCC toward the Fair Wear Foundation (FWF), resulted in improvements to its Myanmar policy. Other advocacy and campaigning by CCC members with support of the network toward sectoral and multi-stakeholder initiatives and brands led to positive changes, including three brands joining the Indonesian protocol on FoA and a decision by Nike to open up supplier factories to independent factory inspectors (e.g. the Workers Rights Consortium). CCC East Asia coalition sent letters to brands in China to call for a living wage, and 11,000 people were mobilised to call on Dutch brands and the MFA to ensure a living wage for Indian garment workers.

BOX 1 TRANSPARENCY IN GARMENT SUPPLY CHAINS

Momentum is building for greater supply chain transparency that includes public disclosure of names of production locations. The ability to identify supply chain actors is critical for enabling workers to hold companies accountable for human and labour rights abuses. Starting in 2016, CCC and a broad coalition of allies targeted over 70 apparel and footwear brands by calling on them to sign up to a Transparency Pledge. A follow-up report, Follow the Thread, documented the companies’ responses: seventeen companies promised to publish information on their supply chains in 2017. Among the companies that did not make the pledge, five were chosen as targets for a public campaign (#gotransparent). Nearly 70,000 people signed the petition (translated by CCC East Asia into Chinese) in support of the campaign. As a result of the campaign, one of the key targets, Primark, recently agreed to publish its list of suppliers. The transparency campaign also involved direct outreach to Dutch companies, lobbying toward the European Parliament, and a letter signed by 80 organisations calling on the European Commission to act. In April 2017, the European Parliament adopted a motion demanding mandatory due diligence in the textile sector and mandatory transparency in the supply chain.

■ Land and agriculture:

FGG worked to strengthen the lobbying and advocacy capacities of communities, HRDs and civil society actors to claim their rights and to promote good land use and governance in relation to corporate conduct. Work in 2017 resulted in improvements of government policies. For example, in Bangladesh, ActionAid organised trainings on land rights for human rights defenders and communities leading to the formation of three HRD groups and 23 community groups of people affected by large-scale corporate projects. Among other things, these groups advocated for changes in the Agricultural Land Protection Act and the Acquisition and Requisition of Immovable Property Act. Lobbying on the latter law contributed to improved compensation for loss of land and a broader definition of people entitled to compensation and rehabilitation, although the law is still very weak in terms of protecting people’s interests. Similar work in Kenya and Uganda supported communities to develop and lobby the government for improved policies on, for example, renewal and extension of land leases between companies and the government, the improved operationalisation of community land laws, and an alternative dispute resolution for customary land disputes.

Due to increasing pressure on land, FGG and partners see the urgency to support and create more attention for the successful sustainable and community-driven land use and agriculture practices, such as agroecology, analog forestry and participatory land use planning. In 2017, Both ENDS and partners in Indonesia, Kenya, Cameroon and Zambia further developed work on...
participatory land use planning and the links with agroecology and/or analog forestry. Sustainable land use was incorporated in several Dutch policies, including the Green Deal Voedselbossen and the sustainable forestry sector agreement, among others. FGG also ensured partners’ participation in national and international policy processes, including the United Nations Convention to Combat Desertification Conference of the Parties (COP)13 in Ordos. Both ENDS supported Drynet, a network of 17 Southern and 2 Northern Non-Governmental Organisations (NGOs) working on combating desertification, in developing a joint lobby strategy and participating in the COP. This contributed to several positive results to be included in the Convention’s strategic framework (2018-2020): the inclusion of gender equality and the empowerment of women, girls and youth; the Voluntary Guidelines for the Responsible Governance of Tenure of Land (VGGTs), and a role for CSOs. In another example, FGG member FOEI and partners helped ensure attention in the Committee on World Food Security and Nutrition to sustainable forestry, women’s rights, the rights of forest dependent peoples, as well as the adverse impact of tree plantations on food security. FGG also contributed to more attention to agroecology by the Food and Agriculture Organisation (FAO), as evident in FAO’s plans for an agroecology symposium in 2018.

Minerals, extractives, energy

The FGG Alliance contributed to important results in relation to mineral and energy supply chains this year, including the decision by European energy giant Vattenfall to improve supply chain transparency by publishing a list of its coal suppliers worldwide – a momentous shift in policy. Supply chain transparency – as noted above in relation to garments – is essential for providing adversely affected coal communities a clear route in pursuit of accountability.

On the national level, years of work by FGG partners in El Salvador, including Centro Salvadoroño de Tecnología Apropiada (CESTA)/FoE El Salvador, resulted in the country’s ban on metal mining. In Zambia, South African partner Women Affected by Mining United in Action (WAMUA), visited 200 mining-affected women from 10 districts to share their experience and develop a joint agenda to pursue with duty bearers and corporates. In Zimbabwe, ActionAid and its local partners developed an alternative mechanism to monitor the impact of mining companies’ activities. They trained and supported independent environmental monitors to conduct Environmental Impact Assessments (EIA) and document and report on rights violations by mining companies. They also established a grievance redress platform that provides space for affected communities to voice their grievances with mining companies. As a result of a court case won by ActionAid’s partner organisation, the environment management agency of the government improved its EIA regulations. It now considers the community EIA reports as part of the EIA process to approve mining companies’ plans before they can operate. This has led to more community participation in the EIA processes. One of the mining companies also started organising public consultation meetings to engage communities as part of their EIA.

The FGG Alliance also continues to gather new evidence about the conduct of specific extractive companies, particularly those operating in conflict-affected areas. A report by SOMO examined the conduct of a company exploiting Israeli-licensed offshore gas fields which violates the rights of Palestinian and the possession and exploration of an Israeli-issued license which potentially violates Lebanon’s territorial integrity. In the Netherlands, ActionAid provided input to the 2017 Coal Action Plans, helping to improve the plans’ objectives in relation to human rights due diligence and disengagement from suppliers that are causing adverse human rights impacts, as well as more attention to risks in sourcing coal from South Africa. FGG members SOMO and ActionAid also contributed to improved attention for land and women’s rights in mineral supply chains during the discussions on metal and natural stones in ICSR sectoral agreements. This effort helped inspire inclusion of women’s rights as a theme at the Ministry of Foreign Affairs and the Ministry of Economic Affairs ‘Raw Materials Conference’, as well as at the Organisation for Economic Cooperation and Development (OECD) Minerals Conference.

Grievances and remedy

The FGG Alliance supported communities and strengthened their capacities to pursue remedy for human rights and environmental abuses by companies using a wide variety of mechanisms (see also ToC3 for remedy in relation to development banks). For example, several FGG members supported local partners and communities affected by palm oil expansion in claiming their rights and taking their grievances to the Roundtable on Sustainable Palm Oil and the Inter-American Court of Human Rights. Another example is the complaint to the FWF, mentioned above, which led to improvements in its complaint mechanism and policies in Myanmar. In Kenya, SOMO organised a workshop with community representatives and national experts on different options for remedy for abuses by an agribusiness company. As result of the workshop, the community-based Ndula Resource Centre and 12 communities have been strengthened to set up a support and decision-making structure to pursue remedy and document evidence of violations. Complaints have been filed with the Kenyan Taskforce on Renewal and Extension of Land Leases and the National Land Commission to claim victims’ rights.

With FGG support, CSOs and communities in 9 countries filed complaints via the National Contact Point (NCP) grievance mechanism of the OECD Guidelines for Multinational Enterprises (see Box 2). In addition to supporting specific cases, FGG member SOMO and partners in the OECD Watch network conducted advocacy and lobbying for better NCP policies and procedures. This contributed to the decision by the OECD Ministerial Council to conduct peer reviews of all NCPs by 2023, and improved measures taken by four NCPs. For example, the Swiss NCP is now proactively raising awareness of the OECD Guidelines amongst Swiss companies so that those operating in LLMIC countries will be less likely to breach the Guidelines.
BOX 2 OECD COMPLAINT RESULTS IN MONETARY COMPENSATION TO WORKERS IN THE DEMOCRATIC REPUBLIC OF THE CONGO (DRC)

SOMO and Afrewatch, both members of the international OECD Watch network, supported illegally dismissed workers of a Heineken subsidiary in the DRC in filing a complaint with the Dutch NCP in 2015. The NCP subsequently initiated a fact-finding and mediation process between the company and the former workers, with the parties engaging in direct dialogue at the Dutch embassies in Uganda and France, during the first half of 2017. The Dutch NCP made itself fully accessible to the complainants throughout the process by translating all key documents, organising the mediation process in the region itself and facilitating complainants’ travel so as to enable their direct participation. The NCP’s effort to make the complaint process accessible – a crucial demand put forth by SOMO and Afrewatch – was a key success factor in the case. As a result of the complaint, Heineken agreed to pay the former workers. The complaint marked the first time that monetary compensation was provided to remediate past harms through the NCP procedures. Heineken also agreed to improve its policies for doing business in volatile and conflict-affected countries.

2. THEORY OF CHANGE 2: IMPROVED TRADE AND INVESTMENT

2.1. CONTEXT

The global trade and investment regime continues to perpetuate the imbalance between the rights and obligations of corporations and social and environmental objectives, including the regulatory space for governments to pursue inclusive and sustainable prosperity. Yet, much has changed in the 2017 context. Although the current neo-liberal system gained supporters among some Latin American governments, interest in new and improved approaches to trade and investment is also growing and more countries are rejecting the traditional investment protection system, in other words: the Investor-State Dispute Settlement (ISDS) mechanism. However, the protectionist, nationalist and climate change-denying rhetoric and policies of Trump’s United States make it more difficult to focus attention on alternatives that are inclusive, sustainable and benefit people in LLMICs. The new US position against free trade put a freeze on the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP), and turned attention toward the Regional Comprehensive Economic Partnership (RCEP) in Asia. As noted above, the formation of the Dutch government slowed action on trade in the Netherlands. The restrictions on civil society participation in the WTO provided yet another alarming example of closing space and impeded some FGG plans there. On the positive side, the Dutch government, in close cooperation with the EU, actively supported the participation of civil society representatives in a clear expression of its vision on the role of civil society in influencing policy spaces.

Harmful investments in agribusiness and fossil fuels – operations that are often linked to human rights violations, environmental devastation and climate change – continued at a fast pace. Yet there is growing public attention to the role and responsibility of corporations and investors in tackling the climate crisis, curbing carbon emissions and phasing out fossil fuels. Achieving the Paris Agreement commitments is increasingly seen as important and urgent, and provides a good hook to advocate for policy changes of governments, institutions and companies required to achieve this.

2.2. A BIRD’S EYE VIEW ON PROGRESS IN TOC2

PROGRESS ON THE INDICATORS FOR TOC2
In 2017, all results related to trade and investment were on or above their midway (2016-2017) target, with the exception of grievance mechanisms introduced or improved by governments for communities negatively affected by trade and investment (outcome 2.A.b.). A reason for this was that some of the mechanisms, despite progress, are not yet in place. This was the case for the expected result around the development of guidelines for Alternative Dispute Resolution Mechanism (ADR). ADR is widely used but there are no guidelines to guide the processes. ActionAid initiated discussions with the National Land Commission to develop the guidelines. This work could not be counted as a result, because the mechanisms were not yet officially accessible in 2017. However, the results for mechanisms that guarantee access for civil society to decision-making processes (outcome 2Aa), developed alternatives (outcome 2C), agenda setting (outcome 2D), and policy change (outcome 2E) were significantly higher than aimed for.
TABLE 3. MFA DIALOGUE & DISSENT INDICATORS RELATED TO FGG INDICATORS AND FGG RESULTS ACHIEVED IN 2017 TO IMPROVE TRADE AND INVESTMENT

<table>
<thead>
<tr>
<th>MFA DIALOGUE &amp; DISSENT CORE INDICATOR (RELATED TO FGG INDICATOR(S) FOR TOC2; IMPROVED TRADE AND INVESTMENT)</th>
<th>FGG RESULTS IN 2017 FOR TOC2; IMPROVED TRADE AND INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>DD1: # of laws, policies and norms, implemented for sustainable and inclusive development (2.E.)</td>
<td>5 mechanisms, policies and regulations were implemented and enforced by national, regional and international government bodies to ensure policies related to trade and investment advance policy coherence for development in LLMICs.</td>
</tr>
<tr>
<td>DD2: # of laws, policies and norms/attitudes, blocked, adopted, improved for sustainable and inclusive development (2.E.)</td>
<td>9 mechanisms, policies and/or regulations were improved or introduced by national, regional and international government bodies related to improving policy coherence between development and trade and investment policies in LLMICs.</td>
</tr>
<tr>
<td>DD3: # of times that CSOs succeed in creating space for CSO demands and positions through agenda setting, influencing the debate and/or creating space to engage (2.A.a., 2.A.b., 2.B.)</td>
<td>4 mechanisms were put in place or improved by governments that guarantee access for civil society to democratic decision-making processes related to trade and investment, in part as a result of engagements by the FGG Alliance. Also, 2 effective legal and other grievance mechanisms were adopted or improved by governments via which CSOs and communities can resolve grievances with governments and companies related to trade and investment and claim their environmental, human and worker rights. Contribution to a total of 40 proposals for improvement to policies related to trade and investment being discussed by national, regional and international government bodies and/or by private policy makers, in academia, public agenda, media and social movements.</td>
</tr>
<tr>
<td>DD4: # of advocacy initiatives carried out by CSOs, for, by or with their membership/constituency (2.C., 2.B.)</td>
<td>10 alternative approaches to the current trade and investment regime were developed, piloted and/or promoted with CSOs in LLMICs. These related to alternative climate and energy policies; natural resource management and land governance; and trade and investment negotiations. Contributed to a total of 40 proposals for improvement to policies related to trade and investment being discussed by national, regional and international government bodies and/or by private policy makers, in academia, public agenda, media and social movements.</td>
</tr>
<tr>
<td>DD5: # of CSOs with increased L&amp;A capacities (2.B.)</td>
<td>Strengthened the capacities of 59 CSOs in LLMICs which as a result took initiatives that demonstrated they were able to better lobby and advocate for improved policies related to trade and investment.</td>
</tr>
<tr>
<td>DD6: # of CSOs included in SPs programmes (Total # of FGG partners (based on # partners in our partner database at of reporting) - N.B. not separated per ToC)</td>
<td>On the 31st December 2017, the FGG Alliance had a total of 329 partner organisations in its partner database. These are partner organisations with whom we have a strong working relationship (not always financial) around the globe.</td>
</tr>
</tbody>
</table>

2.2.1. TRADE AND INVESTMENT AGREEMENTS AND INVESTOR-STATE DISPUTE SETTLEMENT

The FGG Alliance made considerable progress in mutually strengthening civil society actors’ capacity – especially their access to policy makers – to lobby and advocate for improved trade and investment agreements that facilitate, rather than hinder, the ability of governments to advance socially and environmentally sound policies. For example, a publication co-authored by Indonesian partner Indonesian partner Indonesia for Global Justice (IGJ) and FGG members SOMO and TNI significantly increased awareness among CSOs in Indonesia and Europe about human rights in relation to the Indonesia-EU Comprehensive Economic Partnership Agreement. A statement calling for a moratorium on recent ISDS cases against the government of Colombia. The increased awareness resulted in stronger advocacy, as evident Agreement (FTA) negotiations and implementation. In Sri Lanka, as a result of lobbying by CCC’s trade union partners in the country, the Trade Minister promised to ensure that at least 50 per cent of the benefits of the GSP+ status will go to workers. The government also committed to allowing trade union access to export processing zones, as well as to a revision of the labour law. Lobbying by CCC and trade union allies in Europe contributed to endorsement by Members of European Parliament (MEPs) of the Sri Lankan trade unions’ road map for ensuring that workers will effectively benefit from GSP+ status. CCC organised the visit for two MEPs to Sri Lanka, and lobbied the EU for better implementation.

Activities in Myanmar, co-organised by TNI, led to increased knowledge of the dangers of ISDS by members of several CSO networks in Myanmar. These TNI partners were subsequently approached by MPs from a Myanmar political party and actively engaged the Myanmar Investment Commission. Several knowledge-building activities (e.g. seminars, trainings) were conducted for CSOs in Latin America, including a seminar in Colombia focused on recent ISDS cases against the government of Colombia. The increased awareness resulted in stronger advocacy, as evident
in the statement of La Jornada Continental, a regional-wide CSO meeting attended by some 3,000 people in Uruguay in November, which referenced investment and trade agreements. Important policy results achieved this year include the decision by Ecuador to terminate all of its Bilateral Investment Treaties (BITs), a decision that strengthens momentum for alternatives (TNI headed the independent commission tasked with auditing all of the country’s BITs).

The FGG Alliance also supported the work of CSOs in analysing EU Economic Partnership Agreements (Vietnam, Sub-Saharan African countries) and on building capacity to lobby and advocate around RCEP. In relation to the latter, FGG followed up on important groundwork laid in 2016 by further building partners’ knowledge and connecting them to various civil society coalitions at national and regional levels, including the regional membership of the FoE network. FGG members TNI, SOMO and FoEI organised webinars and adaptations of materials on RCEP for audiences in India, Myanmar, Indonesia and Korea, including translations of the December 2016 report *Hidden Costs of RCEP and Corporate Trade Deals in Asia*, co-authored by FGG Alliance partners and members TNI and FoEI. This work enabled FGG partners to effectively voice their concerns about ISDS in the RCEP negotiations. The FGG Alliance also supported civil society actors in LLMICs to participate in activities related to the WTO Eleventh Ministerial Conference (MC11) in Argentina, including research on new issues proposed to be negotiated at the WTO ministerial, like investment facilitation, and civil society events organised outside the MC11. FGG also took part in the Dutch delegation of the WTO as a CSO observer. A new report on ISDS cases against Latin American countries was launched during the MC11 and received great traction.

The FGG Alliance helped influence the EU’s reconsideration and rejection of ISDS in 2015, which led to the current proposal for a Multilateral Investment Court (MIC). FGG members’ Milieudefensie, TNI, FoEI, SOMO and Both ENDS work was instrumental in 2017 in strengthening knowledge and critical analysis about the proposed MIC, which fails to address the fundamental problem of giving corporate investors greater rights than governments and citizens. FoE Europe (with WeMove EU) gathered over 300,000 petitions against the EU proposal for a MIC. Among other activities, the FGG Alliance organised a public forum involving European Commission staff and other international experts in Brussels, which was attended and viewed online by more than 500 people. FGG helped influence the position of MEPs and trade unions on the MIC. To add to legal analysis on the issue of investor protection, FGG member Friends of the Earth Europe (FoEE) successfully pushed for the Belgium government to submit a case to the European Court of Justice to judge whether the Investment Court System in the Comprehensive Economic and Trade Agreement (CETA) and the EU-Vietnam agreement is compatible with European law.

FGG lobbying regarding lack of transparency around the revision of the Dutch model BIT contributed to a resolution by the Dutch parliament urging publication of the new model BIT and calling for parliamentary debate on the topic. FGG contributed to some improvements to the proposed model BIT, including exclusion of letterbox companies, inclusion of certain obligations for investors, and stricter rules on arbitrators. The FGG Alliance also succeeded in putting ‘treaty shopping’ on the government’s agenda.

**BOX 3 SUSTAINABLE ALTERNATIVES TO DUTCH POLICY ON TRADE AND INVESTMENT**

FGG members Both ENDS, SOMO and Milieudefensie took part in the newly created Trade Policy Advisory Group to the Dutch Ministry of Foreign Affairs, which critically assesses the government’s positions on trade and investment policy. As part of the Advisory Group, FGG members advanced alternative proposals, including by co-authoring a position paper (as Trade Policy Advisory Group members) on strengthening the Trade and Sustainable Development chapters in European trade and investment agreements, and contributed to a parliamentary hearing on trade policy. Milieudefensie also launched an Alternative Trade Agenda with recommendations and specific policy proposals.

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**2.2.2. INVESTMENT POLICIES (CLIMATE, ENERGY, FOOD AND AGRICULTURE)**

FGG partner organisations continued to push for more sustainable, inclusive and just national and international investment policies affecting climate, energy, food and agriculture (see box and also work mentioned in ToC1). In Mozambique, a national network of CSOs supported by the FGG Alliance, succeeded in pressuring the government to launch a new consultation process to ensure local communities’ and farmers’ input into revision of the law on Agriculture, Food Security and Nutrition. In Kenya, ActionAid and partners supported the residents of Marereni, a salt mining area, to engage with their County Government and press for investment codes to regulate investments in the county.

The FGG Alliance also raised awareness of the adverse impacts of current energy practices and the investments that perpetuate them. This included research, awareness-raising, lobbying and advocacy on human rights and environmental abuses in the mining of minerals for wind turbines (cases included copper in Zambia and cobalt in the DRC) and gas extraction (cases included the eastern Mediterranean and the EU’s ‘Projects of Common Interest’ in many LLMICs). FGG members organised a statement signed by over 100 organisations, including CSOs from Ghana, Togo, Niger, Nigeria, South Africa, Mozambique, El Salvador, Argentina, Uruguay, Bangladesh, Malaysia and Philippines, calling on the EC not to invest in gas projects. FGG also supported partners in organising local events as part of FoE International’s days of action to draw attention to the negative impacts of dirty energy, the urgency to demand climate justice in addressing the climate crisis and to transition to a new environmentally and socially just energy system. Examples include actions and public events in Indonesia.
against coal; in El Salvador against biofuels; in Togo against oil.
In Palestine, following up on successful lobbying for modifications
to national bylaws in relation to incentives for investment in the
clean energy sector, FoEI’s partner Palestinian Environmental NGO
Network (PENGON), mapped and promoted clean energy initiatives
and worked with 15 communities and 13 municipalities to develop
their technical capacities to manage and maintain solar units,
events focused on clean energy. Lobbying efforts by PENGON on
mainstreaming gender in energy management also produced good
results: the Ministry of Women’s Affairs subsequently invited the
Palestinian CSO to give input on a guidance manual on this.

**BOX 4 BUILDING PRESSURE FOR DIVESTMENT FROM FOSSIL FUELS**

The FGG Alliance succeeded in increasing pressure on
diverse powerful actors – including the Amsterdam city
port, Shell, and ABP pension fund – to phase out investment
in fossil fuels, emphasising consistently both the general
urgency to act on climate change while highlighting the
detrimental impacts of the exploitation, transport and use
of fossil fuels on local communities. ActionAid co-organised
a cruise through the port of Amsterdam (Europe’s second-
largest coal port), which drew public and media attention
to the port’s role in coal supply chains (e.g. Colombia and
South Africa). The cruise featured a representative from
FGG partner WAMUA, who brought attention to the human
rights impacts of coal in Caroline, South Africa (ActionAid
supported WAMUA in documenting the case and training
women in the community to stand up for their rights,
including bringing their case to court, which ultimately
ruled in their favour). Both ENDS focused attention on
heavy investment in fossil fuels by ABP pension fund and
Dutch ECAs (ToC3 work), including an analysis of the impacts
of ABP fossil fuel investments on local communities. A report and seminar on the topic resulted in parliamentary
questions and motions for transparency on ECA support for
fossil fuels and for phasing out fiscal incentives for fossil
fuels. A new Milieudefensie campaign focused on Shell’s
continued lack of policy coherence: its proclaimed support
for sustainability is contradicted by ongoing investment in
fossil fuels and lobbying against sustainability policies (e.g.
the Paris Agreement). In a promising development, the
Dutch NCP accepted the first ever OECD complaint – filed by
FGG member Milieudefensie – concerning the climate change
impacts of a bank’s (ING) investments (ToC1 work).

### 3. Theory of Change 3: Improved Financial and Tax Systems

#### 3.1. Context

The risky conduct of the financial sector is returning to full speed
as the memory of the global financial crisis fades. The role of
the private sector in public sector activities like development,
infrastructure, and public services is growing. At the same time,
there is increasing scepticism and outright opposition to this
trend, especially at the local level. As noted above, there is
growing attention to the human rights, social and environmental
responsibilities of financial actors, including both public and
private financial institutions. Although concrete action to make
financial flows ‘Paris-proof’ is still lacking, the issue is climbing
up the political agenda. Tax justice remains high on the public and
political agenda; the extent of the problem was yet again made
clear with the publication of the Paradise Papers, the latest chapter
in global tax avoidance scandals.

#### 3.2. A Bird’s Eye View on Progress in ToC2

**Progress on the Indicators for ToC3**

In 2017, all results related to financial and tax systems
outcomes were on or above target, with the exception of the
effective legal and other grievance mechanisms adopted or
improved by corporations and/or financial institutions and
development banks (outcome 3Ab). Under-achievement
was recorded on this outcome because there was a lot of
resistance in the mining sector. For example, in Zambia,
FGG partner ActionAid together with implementing
partners, did some work around facilitating and advocating
for effective legal and other grievance mechanisms, but
mining companies acted reluctant to formalise these
mechanisms. A number of feedback meetings was initiated
with mining companies but these could not be reported as
legal mechanisms. Currently, CSR is not obliged by law and
so mining companies still hold on to exclusive power to
implement CSR practices. ActionAid has managed to hold
meetings with the Zambia Environmental Management
Agency (the key link in this area), with the communities
and mining companies. The tripartite approach seems
to be working well in terms of strengthening grievance
mechanisms. Still, unexpected progress was made
particularly in relation to capacity strengthening (outcome
3B) and agenda setting (outcome 3D).
TNI supported the union to set up maintaining public control of a public utility that provides telecom, and public policy makers, and/or in academic, public, media and social movement arenas. 42 proposals for improvement of financial, tax and spending policies were discussed with private and public policy makers, and/or in academic, public, media and social movement arenas.

42 proposals for improvement of financial, tax and spending policies were discussed with private and public policy makers, and/or in academic, public, media and social movement arenas. 42 alternative proposals to financial and tax and spending policies were developed, piloted, and promoted with CSOs in LLMICs. 42 proposals for improvement of financial, tax and spending policies were discussed with private and public policy makers, and/or in academic, public, media and social movement arenas.

FGG increased the capacities of 31 CSOs and communities in LLMICs that lobby and advocate for improved financial, tax and spending policies, based on increased skills, knowledge or network contacts.

On the 31st December 2017, the FGG Alliance had a total of 329 partner organisations in its partner database. These are partner organisations with whom we have a strong working relationship (not always financial) around the globe.

### Table 4. MFA Dialogue & Dissent Indicators Related to FGG Indicators and FGG Results Achieved in 2017 to Improve Financial and Tax Systems

<table>
<thead>
<tr>
<th>MFA Dialogue &amp; Dissent Core Indicator</th>
<th>FGG Results in 2017 for ToC3: Improved Financial and Tax Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>DO1: # of laws, policies and norms, implemented for sustainable and inclusive development (3.F.a., 3.F.b.)</td>
<td>2 mechanisms for improved financial, tax and spending policies were implemented and enforced by national, regional and international government bodies. Also, 4 concrete steps were taken by public financial institutions, to prevent and mitigate adverse impacts of their investments.</td>
</tr>
<tr>
<td>DO2: # of laws, policies and norms/attitudes, blocked, adopted, improved for sustainable and inclusive development (3.E.a, 3.E.b.)</td>
<td>In 8 instances, actual measures were taken by national, regional and international government bodies to ensure financial, tax and spending policies advance socially just and sustainable development in LLMICs. Furthermore, 6 policies were improved or introduced by public financial institutions and private actors on accountability, transparency and safeguards, or investment policies adopted that advance socially just and sustainable development in LLMICs.</td>
</tr>
<tr>
<td>DO3: # of times that CSOs succeed in creating space for CSO demands and positions through agenda setting, influencing the debate and/or creating space to engage (3.A.a., 3.A.b., 3.D.)</td>
<td>19 mechanisms were put in place or improved by governments and/or financial institutions and developments banks that guarantee access for civil society to (democratic) decision-making processes related to finance, tax and spending, in part as a result of engagements by the FGG Alliance. We also contributed directly to 2 grievance mechanisms being adopted or improved by financial institutions, such as in Zambia, where a mining corporation set up a platform to share and discuss information on its activities and tax payments. 42 proposals for improvement of financial, tax and spending policies were discussed with private and public policy makers, and/or in academic, public, media and social movement arenas.</td>
</tr>
<tr>
<td>DO4: # of advocacy initiatives carried out by CSOs, for, by or with their membership/constituency (3.C., 3.O.)</td>
<td>42 alternative proposals to financial and tax and spending policies were developed, piloted, and promoted with CSOs in LLMICs. 42 proposals for improvement of financial, tax and spending policies were discussed with private and public policy makers, and/or in academic, public, media and social movement arenas.</td>
</tr>
<tr>
<td>DO5: # of CSOs with increased L&amp;A capacities (3.B.)</td>
<td>FGG increased the capacities of 31 CSOs and communities in LLMICs that lobby and advocate for improved financial, tax and spending policies, based on increased skills, knowledge or network contacts.</td>
</tr>
<tr>
<td>DO6: # of CSOs included in SPs programmes (Total # of FGG partners (based on # partners in our partner database at time of reporting) - N.B. not separated per ToC.)</td>
<td>On the 31st December 2017, the FGG Alliance had a total of 329 partner organisations in its partner database. These are partner organisations with whom we have a strong working relationship (not always financial) around the globe.</td>
</tr>
</tbody>
</table>

### 3.2.1. Public Revenue and Tax, Public Spending and Services

FGG member TNI, supported FoE Nigeria and the Nigerian Our Water, Our Rights Coalition in its campaign to preserve informal access to and usage of public water services in Lagos. Central to the campaign, which expanded to 20 communities in 2017, were people’s testimonies about experiences with water shortages, contaminated water, and difficulties – especially for women and children – in getting drinking water. Thanks to the campaign, FoE Nigeria and the Coalition successfully stopped a legislative proposal that would have restricted and criminalised public access to water. They also succeeded in convincing the government to abandon its plan for the wholesale privatisation of the Lagos water infrastructure. A similar achievement was secured in the municipality of Cali, Colombia, where a local public sector union, with assistance from TNI, successfully made the case for maintaining public control of a public utility that provides telecom, energy and water services. TNI supported the union to set up a public-public partnership with a Uruguayan national public enterprise to facilitate reforms in the public interest.

Progress on tax justice was made at the local level in Southern Africa. In Zimbabwe’s Mutoko Rural District, ActionAid partner Zimbabwe Environmental Law Association (ZELA) initiated community interface meetings with businesses and the local government, which led the Rural District Council (RDC) to adopt the practice and organise the meetings itself. During the meetings, the RDC’s budget was discussed, so that communities could hear which mining companies had outstanding tax payments to the RDC. As a result of the exposure, several local granite mining companies entered into debt payment plans with the RDC, which ultimately helped improve social service delivery in the district. In Uganda, lobbying by ActionAid partners toward the Ugandan Ministry of Finance, Planning and Economic Development contributed to a framework for renegotiation and negotiation of old and new Double Taxation Treaties. The framework, which aims to minimise revenue loss for the country, was developed and adopted by the Cabinet. In the Netherlands, FGG Alliance members continued to draw attention to the adverse impacts in LLMICs of Dutch tax policies (see Box 5). For the first time in history, measures to tackle tax avoidance became part of the agreement of the coalition government.
The FGG Alliance supported partners in Zambia in their efforts to advocate for improved accountability of the mining sector, including putting an end to tax avoidance by mining companies. (Zambia’s recent discussions with the International Monetary Fund about a debt package may have contributed to the more constructive debate in 2017 about improving accountability, transparency and the contribution of mining companies to the development in Zambia). ActionAid Zambia trained CSOs (106 participants) to monitor Zambia’s mineral value chain, enhancing participants’ understanding of obstacles and options for achieving accountability. The training also fostered valuable dialogue between participants. In one of the important mining districts, as a response to lobbying and advocacy by ActionAid Zambia and its partner there, a major mining corporation set up a platform to share and discuss information on its activities and tax payments. The platform includes the local government and a local civil society group that represents the area’s mining-affected communities. On the national level, ActionAid continues to support the Zambia Tax Platform which has become an alternative platform for monitoring government policies on taxation. In the Netherlands, ActionAid raised awareness about the negative impacts of a proposed tax treaty with Zambia, which provides ample opportunity for multinationals to avoid taxes. Although the treaty was subsequently ratified, ActionAid’s lobbying and its briefing paper on the topic inspired five proposed motions and questions in plenary and renewed the discussion on the impact of Dutch bilateral tax treaties.

### 3.2.2. IMPROVING THE RECORD OF PUBLIC FINANCE

The FGG Alliance contributed to several significant results in 2017 in relation to the practices and policies of development banks, including some cases of (limited) remedy for adversely affected local communities. Positive results were achieved this year regarding a complaint filed in 2015 by the Asociación Montelimar Bendición de Dios (AMBED) in Nicaragua, with support from FGG member SOMO, to the Compliance Advisor Ombudsman (CAO) of the International Finance Corporation regarding its investment in a Nicaraguan sugar producer. In a first agreement as part of the CAO’s dispute resolution process, the sugar company agreed to make provisions for livelihood support and enhanced health services for its former workers. FGG members SOMO and Both ENDS supported partners in Senegal in filing a complaint with the Netherlands Development Finance Company (FMO), the African Development Bank (AfDB) and the West-African Development Bank (WafDB) on behalf of communities impacted by plans for a coal-fired power plant, which will harm fisherwomen and contribute to coastal erosion and air pollution. While the AfDB and WafDB complaints have yet to bear fruit, an FMO complaint mechanism report was published in November. Significantly, FMO visited and engaged with local communities, and agreed to support a facilitator to help ensure the fair distribution of resettlement funds. As a result of the complaints, the company agreed to change the design of the project to prevent thermal pollution into the ocean. The withdrawal of FMO from the Agua Zarca project in Honduras was an important milestone, as well as the bank’s decision to develop its new sustainability policy based upon public consultations. The FGG Alliance organised the input of several LLMIC-based partners, which contributed to FMO’s stronger policy commitments on human rights (e.g. pilots and risk assessments).

Advocacy by FGG member FoEE resulted in improvements to the Project Complaint Mechanism (PCM) of the European Bank for Reconstruction and Development, including increased independence. The PCM will now report directly to the Board of Directors Audit Committee, which will now consider every compliance review report produced by the PCM, as well as receive quarterly reports from the PCM. The President of the European Bank for Reconstruction and Development also publicly committed to a substantial review of the PCM. The Inter-American Development Bank implemented improvements to the Independent Consultation and Investigation Mechanism (MICI), its accountability mechanism. The MICI established a new External Consultative Group in response to recommendations made by FGG Alliance members and partners. SOMO partner FUNDEPS, based in Argentina, was selected to be one of the CSO representatives on the external consultative group. FGG also supported FUNDEPS, as well as partners from Senegal, Colombia and the Philippines, to participate in the International Advocates Working Group, a coalition of organisations working to improve the grievance mechanisms of development banks. The groups participated in a global strategy meeting in California.

In the framework of the Fair Finance Guide, Milieudefensie wrote a report on deforestation and land grabbing in the palm oil sector which aimed at policy change of the ten largest insurance companies in the Netherlands. As a result, one company already committed to a portfolio that does not contribute to deforestation, and set out to propagate deforestation-free investment policies in the sector. FGG achieved another milestone in an ECA case in Suape, Brazil. Through both ENDS’ continuous pressure on Van Oord and the NCP in Brazil, Van Oord initiated a mediation process. Beyond this, ECA Atradius Dutch State Business took steps to improve its disclosure and CSR policy.

The FGG Alliance also worked to enhance local actors’ decision-making in and access to climate finance funding via the Green Climate Fund (GCF). Advocacy by FGG member Both ENDS and several partners for improved access and involvement for gender and women’s organisations resulted in acknowledgement by the GCF that ‘decision-making and implementation must be genuinely gender sensitive and responsive to women’s needs. Women’s voices
and leadership is critical to ensure this happens’. Both ENDS and FGG partners continued to monitor projects submitted to the GCF and to support the accreditation and participation of local CSOs in the GCF. For example,Both ENDS supported a small-grants fund in Micronesia to attend a board meeting, which contributed to the group’s successful accreditation in 2017.

FGG partners in India and Indonesia were supported to research and lobby for an improved international framework for the financial sector. Analysis by the organisations were used in different international advocacy forums, including through the finance working group of the Civil20, the formal collective voice of civil society toward the G20. In its capacity as a member of the European Commission’s High-Level Expert Group on Sustainable Finance, SOMO ensured that the Group’s interim report included proposals for conducting an environmental and social impact assessment of proposed financial legislation. SOMO also mobilised CSOs to participate in the Expert Group’s consultation process.

**BOX 6 STRENGTHENING THE VOICES OF JAKARTA’S FISHING COMMUNITIES REGARDING DUTCH DEVELOPMENT FINANCE**

FGG partners in Indonesia joined FGG members Both ENDS, SOMO and TNI in research, advocacy and lobbying for more socially responsible and environmentally sustainable alternatives to the Masterplan for National Capital Integrated Coastal Development (NCICD), supported by the Dutch government. The FGG report *Social justice at bay* showed how the NCICD plan would threaten the coastal environment and the livelihoods of local fishing communities, while failing to address land subsidence, the main cause of Jakarta’s water problem. Also, a study was conducted on the impact of the NCICD project especially on women, which seems severe as women play a central role in the local fishery sector. FGG engaged in intensive dialogue with the Ministry of Foreign Affairs in the run up to the publication of the *Social justice at bay* report and helped foster contact between local CSOs and the Dutch Embassy in Jakarta. FGG also supported the Coalition to Save Jakarta Bay in bringing its concerns to decision-makers in the Netherlands: a representative of the Coalition participated in the opening session of the annual Eurodad conference, held in The Hague and co-hosted by FGG members. The session focused on Dutch development finance and helped raise awareness about the NCICD project’s failure to meet Dutch human rights and sustainability criteria. FGG work on NCICD has led to a higher prioritisation of local participation, waste water management and land subsidence in the design phase of infrastructure masterplans. As a positive sign, the FGG Alliance has been asked by the Ministry to give input on the participatory process around the development of a similar master plan for Manila Bay.

**4. REFLECTION ON COLLABORATION AND PARTNERING**

**4.1. COLLABORATION WITH PARTNER ORGANISATIONS**

**MUTUAL CAPACITY DEVELOPMENT**

In 2017, FGG’s main aim has been to strengthen and develop CSOs’ (including FGG members’) capacities to lobby and advocate. With over 300 local partner organisations in the programme, FGG members and partners were involved in multiple forms of mutual capacity development (MCD).

For FGG members, working with Southern partners and being engaged in joint work often leads to developing capacities such as local knowledge. Understanding the local context is crucial in order to strengthen our lobby and advocacy abilities and therefore leads to better lobby and advocacy results. For our partners, MCD can also lead to more knowledge and other capacities. For example, MCD can result in getting a seat at the table at an important international policy consultation. This was the case when the FGG Alliance supported strong and substantial participation of Southern member groups at an IGWG session discussing a possible UN Treaty that would formalise business responsibilities of businesses to protect human rights, in October 2017. This included advocacy meetings with their governments and the EU, presenting case studies, strategizing, involvement in the facilitation group, media work and outreach work. By ensuring these spaces, a safe environment was facilitated in which groups that were ‘new’ to the process, were able to contribute to the campaign in support of the UN treaty.

In 2017 the FGG programme was also strengthened by cross-country learning between countries in the Global South. For instance, ActionAid Zambja staff, together with three partner community based organisations and community members, went on a learning exchange visit to Kenya. Here, they strengthened their knowledge on approaches for reaching the most marginalized community groups, especially women, and how to engage them in strategizing, lobbying and advocacy. A more elaborated insight on MCD between FGG members, the Ministry and its local partners, can be found in a qualitative analysis (Annex 2 of this report).

**4.2. PARTNERSHIP WITH THE MINISTRY OF FOREIGN AFFAIRS**

2017 saw a deepening of the relationship between the FGG Alliance, its global partners, and the Ministry both in the Hague and its embassies. Efforts to ensure better communication between embassies and the Alliance and its partners have succeeded, with FGG partners attending several meetings for strategic partnerships in various locations such as Central America and Myanmar. It is also clear that the efforts have led to more understanding in various embassies of the global and somewhat complex nature of the FGG Alliance, which has in previously posed a challenge to regular communication and attendance of meetings.
The engagement between the FGG Alliance and counterparts at the Civil Society Division (DSO/MO) of the Ministry of Foreign Affairs, is still very satisfactory with regular formal and informal contacts. Several DSO staff members were able to visit FGG partner organisations, among others in Myanmar (during a joint visit with FGG) and Pakistan. Relations with other departments are also strong although contacts are not always as regular as both sides would like. During the Advisory Group’s stay in the Netherlands in June, a dialogue was organised that was well attended by members of different departments of the Ministry. Expert meetings that were originally foreseen for late 2017 have been postponed until after the policy dialogue early 2018.

For FGG members, the partnership with the Ministry also provides space for mutual capacity development. From conversations between staff at the Ministry and FGG Alliance on trade and investment, this mutual strengthening of capacities is evident. For the FGG Alliance, MCD with the Ministry led to an enhanced understanding of policy processes on FGG-related topics in the Netherlands. For the Ministry, the work of FGG members, has led to more knowledge, followed by an increase in leverage within relevant departments within the Ministry. This, for example can put a certain case or topic more easily on the agenda.

4.3. COLLABORATION WITHIN THE FGG ALLIANCE

ORGANISATION OF THE ALLIANCE, PLANNING, MONITORING AND EVALUATION (PME)

In the beginning of 2017 the FGG Alliance piloted a new structure of team meetings meant to foster collaboration and allow for meaningful reflection during the reporting phase and joint planning in the fall. This structure, consisting of seven thematic clusters, proved to work better than previous set-ups based on our PME framework. The teams have solidified and there is now more familiarity among the wider FGG team and with the programme cycle that accompanies such a large initiative.

One recurring moment in this cycle is the Annual Meeting which again took place in June, gathering 100 people working on the FGG programme and connecting them to our Advisory Group consisting of representatives of our global partner organisations. Together, we explored the themes of Human Rights Defenders, Gender, and the trend towards authoritarianism. It was a fun and useful day geared toward reflection, as well as defining actions and changes in our programme. At the meeting, FGG launched a publication on our MCD approach. The publication sets out the principles underlying our approach and describes concrete examples focusing on the six capacities that our joint work contributes to and which are also essential for effective lobbying and advocacy.

In the second half of 2017, a start was made with a with a mid-term evaluation. An external reference group was formed consisting of a member of the Policy and Operations Evaluation Department of MFA (IOB), an academic and an evaluation consultant, and together with them, an internal reference group formulated and published an extensive Terms of Reference. The aim of the evaluation, which began in 2018, is to test several assumptions underlying the FGG Theory of Change by focusing on three main themes: shrinking civic space and our response (through six country studies); the effectiveness of our MCD approach and joint lobbying and advocacy (through four cases); and collaboration in the Strategic Partnership (at three levels: among FGG members, with the Ministry, and with partners).

GENDER

One of the focal points of 2017 was to integrate gender further in our work through several activities. One was organising so-called gender ‘roadshows’, a get-together with FGG members to increase knowledge and awareness among colleagues about gender. The ‘roadshows’ have contributed to increased capacity and energy among FGG staff members on promoting gender equality throughout the work. Furthermore, during our annual meeting, gender was one of the three main topics and all 90+ participants were involved in a session on gender. Based on those sessions, we have written a number of ‘do’s & don’ts 1-pagers’ to assist colleagues in being attentive to gender-related issues in e.g. communications, gender as a theme in the cooperation with partner organisations, and developing gender-specific policy recommendations. In addition, in recent months we have made preparations for a number of gender analyses of various themes within our program. We want to implement this in the coming months, where necessary with external expertise and support.

5. CONCLUSION

The FGG Alliance is pleased to have built momentum and pushed key issues on to or higher up the agenda in 2017. This includes action on climate change, momentum to tackle tax avoidance (including the key link to financing the achievement of SDGs), recognition of the need for trade and investment that promotes societal interests, and growing expectations for companies to abide by human rights guidelines as momentum builds towards a binding treaty. In 2018, FGG will seize concrete opportunities stemming from these positive trends, while remaining attentive to challenges, including ongoing repression of CSOs which often comes as a backlash to increased levels of organisation.

In its second year, the FGG-II programme and organisational set-up were further consolidated and many results were achieved in all areas of our ToCs, more than foreseen during the first year of the programme, when the 2016-2017 targets were set. Within the strategic partnership, the FGG Alliance is increasingly capable of linking its work with partners to international policy dialogues, pushing for coherence for development in discussions such as those around the SDGs. Meanwhile, these joint efforts have MCD effects for the civil society organisations on different sides of the globe. We look forward to strengthening this work in increasingly challenging circumstances for civic space and in engagements with our new Minister for Foreign Trade and Development Cooperation.