



# TUDCN WORKING GROUP ON EU DEVELOPMENT POLICIES AND ADVOCACY

16-17 FEBRUARY 2017 – CSC, RUE DE TRÈVES 31, BRUSSELS

## MEETING REPORT

The meeting documents are available online: <http://www.ituc-csi.org/tudcn-eu-wg-meeting-brussels-16-17>

Members of the TUDCN Working Group on EU Development Policies and Advocacy gathered in Brussels on 16-17 February 2017, including ETUC Confederal Secretary Liina Carr. The meeting also counted with the participation of Jeroen Kwakkenbos (Eurodad).

### THURSDAY 16 FEBRUARY 2017

#### MORNING SESSION: UPDATES ON WG WORK AND ADVOCACY PRIORITIES FOR 2017

The meeting opened with welcome remarks by TUDCN Coordinator Paola Simonetti. Joan Lanfranco presented the advances in the work of the TUDCN Working Group on European Union (EU) policies during the period 2016-2017. He highlighted the main points of the new European Consensus on Development and the timeline for its adoptions, the EU Global Strategy, the implementation of the 2030 Agenda in Europe and the TUDCN SDG leaflet, the Global Partnership for Effective Development Cooperation (GPEDC) Second High Level Meeting (HLM2) and the role of the private sector in development. Joan then updated on the state of the negotiations of the new EU Consensus on Development and the most relevant issues at stake. The upcoming events for the WG are the TU-DAC Forum and Global meeting of the EU Policy Forum on Development. He also introduced the SDGs reviews that will take place in the next United Nations Economic Commission for Europe (UNECE) Regional Forum in which the following countries will report: Belgium, Cyprus, Czech Republic, Denmark, Italy, The Netherlands, Luxemburg, Portugal, Slovenia and Sweden. The Goals to be reviewed will be: Goals 1, 2, 3, 5, 9 and 14. These Goals will be also reviewed in the next High Level Political Forum (HLPF), where the above-mentioned countries will also report. He put forward the relevant dates and events until July 2017: Financing for Development Forum, EU Partnership Forum, European Development Days and upcoming EC consultations.

Diego López González presented the progress on the work on social dialogue in development and the future steps on research were put forward highlighting that during this year the research will focus on social dialogue in the informal economy. The need for the TUDCN to take on the discussion on social dialogue in development with the employers was highlighted, to support the affiliates positioning at national level within development policies.

Karine Debroey (CSC-AVC, Belgium) presented the issues related to the assessment of the ACP Cotonou agreement. She focused on the criticism of the agreement as a trade agreement for liberalisation, in which there was not enough focus on the times and process of structural transformation for a progressive removal of tariffs, and the development processes. After 2020 the

Cotonou agreement will be reviewed, the EU needs to have a common position for the new post-2020 Agreement. She also went over the ITUC and ETUC priorities to be included in this agreement. There will be an African-EU summit in Abidjan in November 2017 and TUDCN should start preparing for a CSO preparatory meeting and eventually a trade union preparatory meeting. An advocacy paper will be drafted to prepare negotiations on post-2020 ACP. This will be a focus at the TUDCN General Meeting in Lomé, 19-21 April 2017.

#### AFTERNOON SESSION: FOCUS ON EU EXTERNAL FINANCING INSTRUMENTS

Joan introduced the EU public consultation on the mid-term review of the Multi-annual Financial Framework (MFF) and the external financing instruments and the new MFF from 2021. He went through the different components of the Development Cooperation Instrument (DCI), the European Development Fund (EDF), European Neighbourhood Instrument (ENI), the European Instrument for Democracy and Human Rights (EIDHR). This was followed by group work in two groups, one discussing on the DCI and ENI, and the other on the EDF and EIDHR.

Main conclusions of the working groups were that the TUDCN EU WG will work on the public consultation on external financing instruments on basis of three premises: specific support for social partners, more recognition of trade unions in the realm of human rights instruments, better understanding of EU delegations of social dialogue and increased dialogue with trade unions. The next global meeting of the EU Policy Forum on Development will feature a session on the MFF, where trade unions will voice out these priorities. Work can also be done at EESC level. In some EU countries, social partners have formed alliances to safeguard development funding (e.g. Denmark and the Netherlands). This will be discussed at the next EU WG meeting.

#### FRIDAY 17 FEBRUARY 2017

#### MORNING SESSION: ODA AND PRIVATE SECTOR

The session started with a presentation by Jeroen Kwakkenbos (Eurodad) on the EU External Investment Plan (EIP) and its link to modernisation of ODA rules at the OECD-DAC, which touches upon private sector instruments. The key issues at stake are that guarantees seem to be more attractive for middle-income countries, therefore neglecting low-income countries; there is potential resurgence of tied aid. This will be an issue to discuss at the 3<sup>rd</sup> OCDE-DAC and Trade Union Forum in Paris, 20-21 March 2017.

The EIP is framed under three pillars: Investment Fund, Technical assistance and cooperation programmes and political dialogue. The investment fund would be used to support guarantees to reduce risk. This is counted as ODA and relates to the ODA modernisation process at the OECD-DAC which includes the inclusion of private sector instruments within ODA. The discussion at the DAC is particularly relevant to the existence of the investment fund. Other key issues at stake are how guarantees: create incentives for enterprises to invest in middle-income countries rather than low-income countries, which are more risky for companies; the potential resurgence of backdoor tied aid to promote the interests of national companies in partner countries and to increase market share in

these countries; and how to account for these flows, as quantitatively donors just count all the funds, but qualitatively, they just count the part that is actually going to development.

Thierry Aerts (FGTB Belgium) presented on private sector support by the European Investment Bank (EIB). Thierry outlined the advocacy avenues for trade unions at the EIB, namely 1) due diligence: ILO core conventions (although only some convention are red lines, e.g. not freedom of association but yes child labour), based on information given by the beneficiary (not directly checked on the ground), weak involvement of CSOs (weak consultation of CSOs, lack of information and transparency); and 2) complaint mechanisms: on the bank's actions, not the companies, they are not anonymous, there is mediation and or sanctions and possibilities to appeal. Other potential advocacy avenues include national members contacting their members seating at the EIB Board of Governors and ministries of finance. More accountability is needed, particularly through social dialogue. TUDCN will prepare a standard letter that affiliates can use at country level to start advocacy and lobby with their governments.

Gemma Arpaia (ISCOS Italy) presented on *Casa de Depositi e Prestiti*, the new Italian development finance institution (DFI). Their proposed lending criteria for private sector constitutes a good example to device an own trade union assessment criteria of business in development, on which TUDCN is working. Concerning tax haven, they abide to the OECD blacklist and certification of fiscal compliances process, and non-financial information they have to provide. Concerning sanctions, there will be a mechanism of claims and the sanction will be that the public funding will be stopped and there will have to be reimbursement of the funds.

#### MORNING SESSION: ODA AND PRIVATE SECTOR

ETUC Confederal Secretary Liina Carr outlined the main issues that link with TUDCN work, namely on trade and sustainable development, migration, EU budget and MFF, the post-Europe 2020 Strategy and the involvement of Business Europe in development debates.

Paola Simonetti outlined the main points of the meeting and the action points until the rest of 2017:

1. New European Consensus on Development: TUDCN will put forward advocacy and key asks enshrined in the TUDCN policy paper. Advocacy is also needed with national governments, and any feedback on this is appreciated.
2. 2030 Agenda/SDGs: TUDCN will continue working on a methodology to shadow monitor implementation of the 2030 Agenda trade union priorities. A small delegation will attend the UNECE Regional Forum on SDGs: and its CSO preparatory forum.
3. EU Multiannual Financial Framework review: trade unions will push for a specific instrument on social dialogue and the support to social partners, for which the main advocacy targets are the European Commission, the European Parliament and the employers, hand in hand with the EESC.
4. Private sector in development: this is core business for the TUDCN and information needs to be shared among members on the different modalities of relation and partnership with private sector at national level. Selected employers' (Denmark, Netherlands) can be invited to the next EU WG meeting. ODA modernisation is a very technical and complex issues, also given that they are taking

place behind closed doors. The TU-DAC Forum can be used to convey some key messages with national delegates. TUDCN will elaborate specific criteria for private sector engagement by donors. The next EU WG will discuss the draft of this criteria. Regarding the European Investment Bank, the European Parliament and the EIB Board of Governors will be main advocacy targets. A standard letter that affiliates can use at country level to start advocacy and lobby with the governments will be prepared.

5. Post-Cotonou: TUDCN will develop an advocacy paper to prepare for the 5<sup>th</sup> Africa-EU Summit and for official negotiations.
6. Agenda items for the next TUDCN General Meeting: discussion on effective development cooperation at 2018 ILC, SDGs regional forums, EU-Africa summit and post-Cotonou.
7. The next TUDCN EU WG meeting will take place on 27-28 September 2017.



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