

GAGGA input to online consultation on new Dutch foreign trade and development cooperation policy

Question 1 of 10

Nexus between development cooperation and foreign trade

Through their trade, investment and market position, Dutch businesses can play a key role in tackling some of the major challenges facing the world today. The focus of Dutch policy vis-a-vis the private sector will be on the 'twin transitions' of digitalisation (including artificial intelligence) and sustainability – both of which will be key to achieving the Paris and Glasgow climate goals in the years ahead. We must achieve these goals not only in the Netherlands, but across the world as a whole. While Dutch expertise and investment funding are in great demand, we also see that more may be needed when it comes to getting Dutch companies involved in these transitions in low- and middle-income countries.

1. How can we increase the involvement of Dutch companies in the twin transitions in low- and middle-income countries?

- First of all, make sure all Dutch companies supported by the Dutch government build on expressed needs and already existing initiatives when it comes to these transitions in low or middle-income countries, and work together with grassroots organisations who are well aware of specific contextual issues and opportunities.
- Actively support – financially and via economic diplomacy - innovative Dutch companies who explicitly focus (as part of their mission, vision and entire operation) on sustainability and a just transition.
- Meanwhile, minimally assure all Dutch companies supported by the Dutch government do not hinder or negatively impact these transitions and respect international climate, human rights and environmental protection obligations (Paris agreement, OECD Guidelines, UN Guiding Principles). Gender equality and women's right should be a key focus in the CSR regulation within the Netherlands and at EU level.
- Support digital security: Digitalisation provides opportunities to further increase interaction between people. It enables them to connect and it can facilitate spaces for movements to strengthen collaboration on social transformation. Digitalisation however also includes digital security risk. Partners GAGGA works with increasingly face threats, attacks, and pushback online. This is especially true for feminist activists and Women Environmental Human Right Defenders. The security risks are growing exponentially and are further perpetuated by technology. They need support in analysing and mitigating these risks. Dutch companies could play an important role in supporting digital security.
- Address the digital gap: It is crucial to recognise the digital gap as a new form of social inequality derived from the unequal access to new technologies, by gender, geography, or social class. Dutch companies can play a part in the just transition to ensure digitalisation is accessible to everyone equally.

Question 2 of 10

The Netherlands has a long tradition of public-private partnership. As the global challenges grow ever bigger, it is important to deepen and accelerate these partnerships. The Sustainable Development Goals were presented in 2015 as a plan of action for governments, companies, knowledge institutions and private individuals to achieve sustainable development worldwide.

2. How can government, the private sector and knowledge institutions work together better to achieve the Sustainable Development Goals?

- Ensure a coherent implementation of *all* SDGs: The SDGs are an important overarching framework recognising the multi-faceted character and challenges of sustainable development. Achieving these goals is however voluntary and allows for cherry-picking by each country. This may result in policies effectively contributing to e.g. food, water or energy goals, but at the same time (unintentionally) exacerbating gender inequalities or decreasing resilience to climatic changes. A coherent implementation of all SDGs recognises that achieving gender equality and empowerment of all women and girls (SDG 5) or strengthening resilience and adaptive capacity (SDG13.1) are an intrinsic part of the entire SDG agenda.
- Actively listen and seek cooperation with civil society, including locally- rooted environmental justice and women's right groups in both contributing to the SDGs, and monitoring and evaluating the actual impacts of Dutch policies in the achievement of the SDGs: Not only governments, the private sector and knowledge institutes play a crucial role in the achievement of the SDGs. So does civil society at large, including climate, environmental justice and women's rights groups. Civil society organisations played a fundamental role in the creation of the SDGs and are an indispensable partner in achieving it. They also are crucial to enhance effectiveness of public-private partnerships by holding them accountable. GAGGA for example constitutes a very large network of women-led groups in many countries worldwide, who experience the impacts of policies first-hand and have crucial knowledge and ideas to contribute on how to best achieve the SDGs.

Question 3 of 10

The Netherlands has had an action plan on policy coherence for development since 2016. The aim of policy coherence is to reduce the negative effects on developing countries caused by policies in areas other than development, and to strengthen synergies and cooperation. The action plan, which was revised in 2018, identifies five Dutch policy themes that can enhance developing countries' opportunities for development: (1) combating tax avoidance/evasion, (2) development-friendly trade agreements, (3) a development-friendly investment regime, (4) more sustainable production and trade, and (5) combating climate change.

3. How can the Netherlands' efforts to achieve policy coherence for development be further strengthened or enhanced?

- Recognise the intrinsic link between the worldwide climate crisis, loss of biodiversity and continuing gender inequality, and ensure policy coherence in addressing these policy themes. Specific recommendations include:
 - Ensure Dutch and international trade, agricultural and investment policies are fully aligned with the Paris agreement, and Dutch commitments to global gender equality. This means: cease all (export) support to oil- and natural gas-related projects, and make companies liable and hold them to account if they violate human rights, including women's rights. Make companies' CSR obligations binding, voluntary mechanisms have proven to be ineffective.
 - Commit, via Dutch policy and programming, to the meaningful involvement of women within decision-making processes of international climate and biodiversity conferences in United Nations (UN) and European Union (EU) agencies. Besides appointing Gender Focal Points at Ministries, gender experts should be engaged at all levels of policy development and decision-making.
 - Prevent Dutch and international climate policies and programmes from having negative effects on the resilience of people and ecosystems, and from reinforcing or aggravating existing power imbalances and exclusion mechanisms. Explicitly follow up on the concrete recommendations of the scientists aligned with the IPCC and IBPES in their important plea to Tackling Biodiversity & Climate Crises Together

(https://ipbes.net/sites/default/files/2021-06/20210609_workshop_report_embargo_3pm_CEST_10_june_0.pdf). For instance, protecting and restoring carbon- and species-rich ecosystems, and bolstering sustainable agricultural and forestry practices. Plus, preventing false climate solutions such as monocultures, the planting of trees that are not indigenous to regions - often also causing land grab and human rights violations.

- Make sure that climate finance is accessible to local communities and women in all their diversity, who work on ecosystem conservation and restoration, and effective climate initiatives, and protect and support the efforts of women environmental and land rights activists.
- See also https://gaggaalliance.org/wp-content/uploads/2021/11/GAGGA_Call-to-Action_Nov-2021.pdf ; <https://gaggaalliance.org/report-intrinsically-linked-gender-equality-climate-and-biodiversity/> ; and https://www.bothends.org/uploaded_files/document/Trade_differently_.pdf

Question 4 of 10

Foreign trade

International trade and investment are crucial to prosperity and jobs in the Netherlands. International trade accounts for a third of our national income and is linked to a third of our jobs. But our international competitiveness faces risks posed by the twin transitions (digitalisation/innovation and climate/sustainability) and the shifting geopolitical balance of power. It is therefore vital for the Netherlands to strengthen its earning capacity, both now and in the future.

Strategic and sustainable trade policy

Other states are also anticipating the above-mentioned transitions and geopolitical shifts, and are adjusting their national and international policies accordingly, for instance by pursuing their international objectives through more aggressive economic diplomacy and the use of economic instruments of power. The Netherlands cannot afford to fall behind. Our country's interconnections with the rest of the world are both greater and more fragile than ever. The Netherlands will therefore focus on strategic and sustainable trade policy as part of its coherent foreign policy.

4. How can the government strengthen Dutch companies' sustainable earning capacity abroad?

- Ensure companies build on expressed demand and needs of local people and communities, which will increase ownership and long-term viability and sustainability of their operations. This means the steps and principles of free, prior and informed consent (FPIC) are followed and includes a strong gender perspective.
- Assure companies operate in a sustainable way (do no harm) with a focus on long-term sustainability and equality (do more good) which will ensure international competitiveness in the long run.
- Support companies by collecting best practices in addressing inequalities and integrating short and long term sustainability considerations, and ensure sustainability and gender standards are strict requirements for Dutch private sector support, via mechanisms of RVO or FMO. Income inequality, unequal labour participation and unequal economic growth is harmful to everyone, including companies that do business abroad.
- Ensure female entrepreneurs and gender experts are part of Dutch trade mission delegations, and local female entrepreneurs, companies and civil society organisations, including women's rights organisations are consulted and engaged in these missions.

Question 5 of 10

Themes and sectors of the future

The focus of companies, governments and knowledge institutions is changing in light of the global transition to ensure a bright future for current and future generations.

5. In which themes or sectors do you see opportunities for international enterprise?

There are many opportunities in the global transition to just and sustainable energy and food systems. Strengthen and build on existing initiatives in these fields by involving entrepreneurs from and based in the Global South, women's groups, farmers cooperatives, and innovative Dutch companies, banks or knowledge organisations amongst others. The Dutch government can support these transitions via innovative financing mechanisms, economic diplomacy, and facilitating demand and opportunity-driven partnerships.

Question 6 of 10

Public-private cooperation and role of SMEs

A successful approach to international trade requires cooperation between the public, companies, civil society and government. It is also useful to align with market demand. What would help companies, and SMEs in particular, to increase their export performance and innovative capacity?

6. How can the government better support companies (and SMEs specifically), that are doing or wish to do business abroad?

a. What type of support do companies need in order to achieve international success in the areas of digital innovation (innovation partnerships) and sustainability?

The government can provide:

- Clear frameworks for sustainable and inclusive businesses, including via CSR legislation
- Support in building best practices around digital innovation, human rights protections, sustainability and just transitions, to compete effectively and sustainably in the international market.
- Support in linkages between companies and civil society to ensure their (potential) operations are based on and tailored to local needs. Dutch embassies have key role here, as they can provide connections, information and context analysis that allow Dutch companies to invest, based on local demand and without risks or negative impacts.

b. For what countries, regions or markets should the government provide private sector support?

c. What type of trade promotion activities should the government stop doing?

Promotion of all trade which revolves around fossil fuel or fossil fuel related activities, or activities leading to exacerbated inequalities, human right violations or environmental damage.

Question 7 of 10

Dutch development cooperation activities

The Netherlands is actively pursuing a number of policy themes in the area of development cooperation. For example, we're investing in efforts to advance the Sustainable Development Goals (SDGs), reception in the region, access to vaccines, and climate adaptation and mitigation. The Netherlands will continue its efforts in areas where progress is being made and will focus on its strengths, such as linking diplomacy and development. For more information about Dutch development policy, go to www.nlontwikkelingssamenwerking.nl.

7. In your opinion, what are the Netherlands' strengths when it comes to development cooperation? In which policy themes could the Netherlands play a leading role?

1. The Netherlands plays a crucial role as one of the world's leaders in advancing women's rights and gender equality. However, women-led groups remain grossly underfunded and women's rights are under constant attack. Also, while Dutch or international policies and funds have strong gender policies in place, they are often not effectively implemented, or the leveraging of private sector interests may receive priority over gender equality considerations. The IOB evaluation of July 2021 concluded we did not achieve our gender goals in climate finance between 2016-2019

https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2021Z16496&did=2021D35504

In the new policy framework, the Dutch government has an opportunity to continue to play a visible, leading role in the protection of women's rights, in supporting and promoting accessible and flexible funding for women's rights organisations across all thematic policy areas, and in ensuring specific and mandatory gender performance targets of funds and programmes are being met. We can also lead in supporting evaluations on how funds and programmes have actually improved the lives and socio-economic position of women. This type of analysis is rarely conducted, and yet is crucial both in terms of accountability and for learning purposes.

2. We also much welcome the leadership of the Netherlands when it comes to adaptation to climate change, and recommend to continue to play this role, with a specific focus on funding and promoting *locally-led adaptation* <https://www.wri.org/initiatives/locally-led-adaptation/principles-locally-led-adaptation>

Local communities often form the last buffer against destructive logging and conversion of forest to other land uses <https://www.wri.org/insights/forests-ipcc-special-report-land-use-7-things-know>. Many of the women-led CBOs among GAGGA's primary stakeholders (young, rural and Indigenous women) are directly dependent on forests for their food, energy, and health. They are also the ones who are at the forefront in the protection of land rights and forests from commercial agriculture, extractives, or large-scale dams. Based on their profound knowledge of the local biodiversity, they also restore degraded or destroyed forest and agricultural landscapes. These practices provide crucial gender-just climate solutions.

Question 8 of 10

Innovative development cooperation

Dutch international cooperation is flexible and knowledge-intensive. We are also innovative, developing new ways of working and new types of partnership that are subsequently adopted or scaled up by others, like the European Commission and the World Bank. In this respect, Dutch international cooperation is like a creative and knowledge-intensive incubator. We are a relatively small donor, but as an EU member state and through bilateral aid we can make EU aid more visible and generate additional, relevant capital flows.

8. In what other ways and areas could Dutch development cooperation innovate more?

1. There are various valuable attempts to enhance Southern leadership and 'shift the power' in Dutch development cooperation. The Power of Voices programme is a good example of the Dutch government taking this serious. We are seen as thought leaders in this respect by other donors. GAGGA is however still one of only two of the Power of Voices partnerships with a Southern lead, and upfront requirements related to focus areas and funding can stand in the way of real power shifts. The Netherlands can step up her ambitions by ensuring more partnerships are led from the Global South, and mechanisms are in place to ensure Southern partners have true voice and agency in shaping priorities and programmes. The Netherlands could for example set an ambitious target of 50% of consortia in the next round of Power of Voices to be led by Global South-based organisations and and by actively engaging communities in funding and investment decisions that affect them.

2. There is also enormous potential in further developing and supporting innovative finance mechanisms, to ensure funding reaches Southern innovators and supports existing efforts in the food or energy transition, leading to structural or systemic changes. For example, actively promote and support national and regional funds. These funds are in direct contact with, and successfully provide flexible small scale funding support to local organisations. The funds can act as perfect intermediaries between large international funds and the grassroots level. Their unique role is increasingly being recognised and supported by the philanthropic community, <https://www.bothends.org/nl/Actueel/Nieuws/Welverdiende-erkenning-voor-small-grants-funds/>; <https://gaggaalliance.org/who-we-are/#our-approach-section>; <https://www.bothends.org/en/Our-work/Dossiers/Small-Grants-Big-Impacts/>

Question 9 of 10

A bold donor

Dutch international efforts can be characterised as bold because we link financial investment to diplomatic efforts and expertise. We will continue our work on themes where we have always added value: sexual and reproductive health and rights (SRHR), water, food security, and security and the rule of law. We will also make better use of the diplomatic weight of the EU. To ensure we achieve the SDGs by 2030, we will invest in systemic change, i.e. tackling the structures that maintain poverty and inequality.

9. In what ways or areas could the Netherlands, as a donor, be even bolder?

1. The Netherlands can be bolder and use its role as a donor and in diplomacy **to urgently** address shrinking civic space and protect (women) environmental human rights defenders. We see an especially important role for Dutch embassies, for example in struggles where (women) human rights defenders are confronting land grabs or oil or gas-related projects. There is currently a tension in many Dutch embassies between their role in protecting human rights and promoting Dutch trade interests. We can be bolder by taking a leadership role in promoting human rights and increasing the amount of funding committed to this work.

2. The Netherlands can also be bolder in supporting a just transition, notably by connecting Northern and Southern practitioners and thought leaders working on true innovations addressing the root causes behind poverty, inequality and biodiversity loss.

Question 10 of 10

General closing question

10. Are there any other points that you believe should be included in the new policy document?

1. We would much welcome explicit next steps in the analysis, development and implementation of a Dutch Feminist Foreign Policy. Several countries including Canada, Chili,

Sweden and France, already have such a Feminist Foreign Policy, and Germany is following their lead. In these times of increasing misogyny, nationalism, populism and militarism, a strong countermovement is desperately needed. Feminist Foreign Policy is a political framework that addresses unequal power relations underlying gender inequality and other forms of discrimination, oppression and insecurity, and is key in ensuring policy coherence.

2. We are also seeing continued impacts from COVID on our partners, also in relation to civic space (e.g. using the pandemic to restrict civic space and push through mining projects without proper consultation). The pandemic brought many root causes behind inequalities to the fore. Meanwhile women-led organisations played a crucial role in ensuring resilience and autonomy in the face of the pandemic <https://gaggaalliance.org/the-autonomy-and-resilience-fund-transforming-fear-into-hope/> theglobalresiliencefund.org. We recommend the new policy will explicitly focus on the continued impacts of COVID, addressing vaccine inequality and ensuring a green and just recovery.