



## **TUCP APPLICATION 2017-2020**

Juni 2016

**Mondiaal** **FNV**

# TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b>	<b>1</b>
<b>1. GENERAL INFORMATION</b>	<b>2</b>
<b>2. INTRODUCTION</b>	<b>3</b>
<b>3. LESSONS LEARNED TUCP</b>	<b>4</b>
<b>4. CONTEXT ANALYSIS WORLDWIDE TRENDS</b>	<b>9</b>
<b>5. PROGRAMME - SOCIAL DIALOGUE</b>	<b>12</b>
5.1. Introduction Social Dialogue	12
5.2. Context Analysis Social Dialogue	13
5.3. Theory of Change Social Dialogue	19
<b>6. PROGRAMME - HIGH RISK VALUE CHAINS</b>	<b>19</b>
6.1. Selection of High Risk Value Chains	19
6.2. Construction	21
6.3. Shipbreaking	26
6.4. Agriculture	29
<b>7. STRATEGIES ADDRESSING HIGH RISK VALUE CHAINS</b>	<b>35</b>
<b>8. COUNTRY AND REGION SELECTION</b>	<b>38</b>
<b>9. RISKS AND RISK MANAGEMENT</b>	<b>42</b>
<b>10. ALLIANCES</b>	<b>45</b>
<b>11. PROGRAMME MANAGEMENT: MONITORING &amp; EVALUATION</b>	<b>47</b>
<b>12. PARTNERSHIP POLICY</b>	<b>50</b>
<b>13. CHRONOLOGY OF ACTIVITIES MONDIAAL FNV 2017 (TUCP)</b>	<b>53</b>
<b>14. LIST OF ABBREVIATIONS</b>	<b>54</b>

## **ANNEXES (separately)**

Annex 1 Statutenwijziging FNV Mondiaal, mei 2016

Annex 2 Procedurebundel. Procedures projectcyclus FNV Mondiaal, oktober 2014

Annex 3 Interne beheersing Mondiaal FNV

Annex 4 Contextanalysis Social Dialogue, april 2016

Annex 5 Baseline study for the Trade Union Cooperation Program 2017-2020:

    Country-sector interventions along global value chains, mei 2016

Annex 6 Budget Mondiaal FNV 2017-2020

# 1. GENERAL INFORMATION

<b>a. Name of organisation</b>	Mondiaal FNV
<b>b. Address</b>	Naritaweg 10 1043 BX Amsterdam
<b>c. Phone</b>	003120-5816656
<b>d. E-mail</b>	mondiaal@fnv.nl
<b>e. Director(s)</b>	Mondiaal FNV has an executive board with three members: Chairman Mr. L.R.M. Hartveld; Treasurer/General Secretary Mr C. van der Veer and Secretary to the board Mrs. D.A. van Unen
<b>f. Contact person for this application</b>	Mrs. D.A. van Unen e-mail: dian.vanunen@fnv.nl Phone: +31 20 581 64 87 GSM: +31 62 478 85 20
<b>g. Applicant's bank and bank account number (IBAN)</b>	NL23 SNSB0635018683
<b>h. Applicant's total annual budget</b>	in 2016, €8,071,300 TUCP €1,500,000 Strategic Partnership €2,187,000 FNV solidarity- & other funds
<b>i. Grant amount requested</b>	€26,587,000 total, 2017: €6,644,000 2018: € 7,470,000 2019: €6,644,000 2020: €5,829,000
<b>j. Name of the programme</b>	TUCP application 2017-2020 Mondiaal FNV
<b>k. In what countries will the activities be implemented?</b>	Ghana and Ivory Coast Region East Africa: Kenya Uganda Tanzania Rwanda Burundi Ethiopia  Indonesia Bangladesh Region South(East) Asia: India Pakistan Myanmar Nepal  Colombia Peru

Several low income countries on the DGGF /PSD list 2016 may be added following value chains and joint social dialogue programmes.

## 2. INTRODUCTION

**In this new TUCP programme Mondiaal FNV continues to support trade union partners in low and middle income countries enabling them to play their part in negotiation and dialogue, and contributing to the realisation of decent work: employment, fundamental rights at work, social security and social dialogue.**

The programme is based on two thematic pillars:

**1. improving social dialogue at national and regional level and**

**2. improving working conditions in high risk value chains.**

Democracy and its associated rights of freedom of organisation and expression go hand in hand with the right to organise in trade unions which, supported by their members, have the power and freedom to negotiate freely with employers on better working conditions and a living wage, the quality of labour, sustainable employment and the creation of a social safety net offering social security.

Respect for trade union rights is the basis for initiating any social dialogue and the success of such dialogue stands or falls with the capacity, the representativeness, legitimacy and willingness to negotiate on the part of the social partners. Our programme aims to improve social dialogue, be it bi-partite or tri-partite, at national and regional level by capacitating trade unions in becoming stronger social partners and by working together with other stakeholders such as national employers' organisations and embassies in creating an enabling environment for such dialogue to take place in.

As the world economy is increasingly becoming a global economy, workers increasingly form part of global value chains characterised by a complexity of players, running across a large number of countries and sectors. In these value chains workers are often largely invisible as traditional employer relationships are fading away. Mondiaal FNV selected three sectoral global value chains in which we support partners across regions in their efforts towards creating decent jobs and defending fundamental workers' rights: the construction value chain, agriculture value chain and shipbreaking value chain. The two strategies on social dialogue and high risk value chains were chosen in consultation with the Ministry of Foreign Affairs and based on:

- The experiences with the approach in the Strategic Partnership process to improve labour conditions and workers' rights in readymade garment supply chains in South and Southeast Asia and East Africa, the covenant process in different sectors and accompanying activities along value chains by FNV partners in the present TUCP;
- Harvesting experiences in national Social Dialogue processes/projects in Peru and the East African Region in cooperation with DECP and the Danish employers' organisation and trade unions;
- Oral report and draft country report of Bangladesh of the (first) findings of the current TUCP evaluation.

Two thorough studies were carried out on Social Dialogue (Annex , Context Analysis Social Dialogue, by Mink-A, April 2016) and a country sector analysis in different value chains (Annex Baseline study for the Trade Union Cooperation Program 2017-2020: Country-sector interventions along global value chains, by Profundo, May 2016).

The strategies were both elaborated and refined through an intensive consultation process with a four-day expert meeting combining the knowledge and experience of Mondiaal FNV sector experts and experts from FNV partner organisations from Latin America, Asia and Africa covering the sectors that feature in the high risk value chain covenant process.

This document presents our programme . It starts by presenting the main lessons learned (chapter 2) through the current programme, followed by an analysis of relevant worldwide trends (chapter 3). After this, the two programme pillars are described in more detail, social dialogue (chapter 4) and global value chains (chapter 5) , followed by the strategy chosen (chapter 6) and the countries and regions that were selected along with the reasoning behind the selection (chapter 7). The last chapters of this programme document are dedicated to among other issues the risk analysis (chapter 8) and a description of alliances in which Mondiaal FNV takes part (chapter 9).



# 3. LESSONS LEARNED TUCP

MONDIAAL FNV WILL TAKE THE FOLLOWING LESSONS INTO THE NEXT PROGRAMME PERIOD.

## 1. ATTENTION FOR THE INFORMAL SECTOR

**Lesson learned:** Informalisation and flexibilisation of work are increasingly an obstacle for trade unions in their organising efforts. The informal economy, when connected to a supply chain, should be considered part of that supply chain to avoid marginalisation of trade unions.

**Background:** A common line in all Mondiaal FNV programmes is the increased attention for informal economy issues. Increasingly informalisation and flexibilisation of work are an obstacle to obtaining decent work. The ILO definition is taken as reference point for Mondiaal FNV: informal economy “refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or they are not covered in practice, which means that – although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs” (ILC, 2014)<sup>1</sup>. The distinction between formal and informal work is not always easy to make, for example between self-employed and flex workers in a value chain. Many of the actions of FNV and partners are taking place on this dividing line and focus on aspects of wage, job and social security and decent work conditions.

The effects of ‘precariousness’ of labour relations, increasing unemployment and expansion of the informal economy are a development faced by all FNV partners: they face increased challenges to organising workers and to maintaining their position in the tripartite social dialogue. This was also one of the conclusions of the external end evaluation of the TUCP 2013-2016: especially in sectors such as construction and agriculture, the part of the value chain with many informal workers should receive ample attention.

Another area where TUCP partners sometimes, but not always, achieve results, is influencing changes in labour legislation on informal work. A large part of the workers in the informal sector comprises women, who are facing multiple challenges.

In its future work, Mondiaal FNV will align with the ILC ongoing debate surrounding the informal economy, where it is important to link informal parts in the value chain to the integrated value chain. Furthermore, best practices like StreetNet as an international informal sector network will be exchanged with other partners.

## 2. FINANCIAL AND SOCIAL SUSTAINABILITY

**Lesson Learned:** Capacity building is most effective when financial and social sustainability are included as key strategic goals

**Background:** The challenge for FNV partners not to continue to be dependent on donor funding for their core activities, remains an important and more outspoken goal of capacity building. Besides the importance of a proper financial management system, meeting accountability requirements towards the membership (fees) and other external donors (funds), trade unions should organise their core activities proportionally in accordance with their core income. This may entail working plans containing fewer activities/services, reducing trade union staff in combination with customers/clients paying for their services or generating income from being a partner in CBAs. There are some good practices of partners raising their core income by increasing paid membership, e.g. Ghana TUC. Financial guidance projects have been finalised with the support of FNV, resulting in management letters from South Africa partners expressing progress on sustainable financial management. There is also a contradiction to be noted; by increasing informal sector worker memberships, the sustainability of a federation is reduced (construction unions in India), because of their low and unstable income.

<sup>1</sup> Labour Markets, Institutions and Inequality: Building just societies in the 21st century (2015): [http://www.ilo.org/global/publications/books/WCMS\\_346629/lang--en/index.htm](http://www.ilo.org/global/publications/books/WCMS_346629/lang--en/index.htm)

The same is true for migrant workers: the more migrant workers in a sector, the more difficult to achieve sustainability.

- Recurrent regional follow-up workshops on financial sustainability leading to strategy revision by partners and the development of a sustainability policy are initiated by Mondiaal FNV.

### 3. CAPACITY BUILDING, FOLLOW-UP ON THE 5-C WORKSHOPS

**Lesson learned:** There is a causal relationship between social sustainability and financial sustainability. Social sustainability leads to a raised profile of a trade union, increased trade union membership and more participation and activism of its members.

**Background:** Every new partnership of Mondiaal FNV starts with a 5-C workshop, assistance and guidance on the set up or improvement of a financial management system.

The 5-C analysis is taken into account in the planning of the first project, particularly regarding the strategy on capacity strengthening.

There is and was considerable interest in and appreciation of the 5-C instrument.

The financial aspects (in terms of collection of the membership dues, financial independence) were often prioritised and from 2014 onwards there has been a considerable amount of explicit attention given to financial workshops.

Social sustainability is linked to financial sustainability. It defines to what extent a trade union receives recognition by a community of workers for whom this trade union acts as their representative in terms of their rights/employment rights, interests and values. The members accordingly also appreciate the added value of the trade union. Our hypothesis is that there is a causal relationship between social sustainability and financial sustainability. In general social sustainability leads to a raised profile of a trade union, increased trade union membership and greater participation and activism of its members. These factors all have a positive impact on the financial sustainability of a trade union and are in accordance with expectations on the bargaining power of a union in the institutional and political playing field.

Special attention should be paid to including women workers, and to taking away barriers that prevent them from becoming members of a trade union.

### 4. PROGRAMME APPROACH

**Lesson Learned:** There is no universal model for a programme approach at national level. What form the programme will take will depend very much on the local situation. There are however a few known success factors.

**Background:** Mondiaal FNV started with a so called 'programme approach' about ten years ago, initially in Latin America and later in programme countries in the regions. In the current programme (2013-2016) the programmatic approach has been given even greater emphasis, one reason being because of the selection of less countries than was the case before.

The basic idea behind the programme approach was to have a more coherent programme, instead of different single projects with different partners, to add synergy and improve national/regional cooperation. The intention was also to give more ownership to the partners and establish long-term cooperation between FNV and the partners. During the course of the past ten years we have seen that the programme approach has been responsible for more efficient learning and synergy between different partner organisations, for example on capacity building regarding sustainability, but also on implementing 5-C analysis, joint monitoring and learning on the basis of shared objectives and activities.

We have learned that there is no universal model for a programme approach at national level. However, some key success factors may be identified:

- It is very helpful if a natural 'leader' is in place, for example a national centre, accepted by the different players. In some countries there is a (lot of) proliferation of trade unions and this generally hampers the cooperation and coordination;

- Another success factor is a certain degree of maturity among the trade union organisations so that they are not too vulnerable to political tensions;
- Trust is a key ingredient. Both between the partners in a programme, as well as between Mondiaal FNV and the partners. This can be developed by starting with joint training on neutral topics such as LFA and outcome mapping (as has been done in Colombia and Indonesia) and gradually become more complex and political such as a joint campaign on the effects of free trade agreements (Colombia) or a joint campaign on complying with labour rights in the RSPO (Indonesia);
- A long-term and stable cooperation is necessary, with ownership of the local partners and flexibility. When the situation changes, there needs to be space to change the plans and adapt the priorities;
- The programme must provide added value for the majority of the partners, as opposed to single bilateral projects with Mondiaal FNV;
- A well-functioning independent expert ('FNV consultant') is able to play a very important role in the process as a resource person, a trainer as well as a guide and expert. He/she must give the lead to the partners and remain neutral in supporting and facilitating the processes.

A programme approach in a country may contribute to the development of social dialogue practices. An important condition for an effective social dialogue at local, national or regional level is a common agreement by different partners on sector transcendent issues and the setting of common priorities. The need for a coordinated approach on social and labour issues and agreement on these labour issues at stake is part of the setting of common priorities and joining forces for social dialogue.

## 5. FOCUS ON OUTCOMES

**Lesson learned:** Thematic overlap between PRAs, the breaking down of complex processes into smaller steps and the fact that some outcomes are the result of several partners working on a similar issues make it at times difficult to decide where to register the different results, causing a misrepresentation at outcome level. The monitoring protocol has been adapted to avoid this in the future.

**Background:** The reporting on outcomes and outputs follows the priority result areas, as agreed in the latest TUCP framework. The monitoring experience shows us that for partners and consultants the thematic overlap between PRA I (Food Security and Safety), III (Decent Work), IV (Informal Economy) and V (Gender) makes it at times difficult to decide where to record the different results. For example, ensuring that a labour law is implemented so that people are able to exercise their right to negotiate and improve their living and working conditions can be seen as a result under "I.3 Regulations are applied by authorities to protect trade unions workers" or "III.1 Labour legislation is effectively implemented". Or when companies and trade unions enter into a CBA with gender clauses (such as improved maternity leave) this may be recorded under "III.4 Companies provide decent employment" and again "V.2 Companies improve working conditions for women".

Subsequent aggregation and presentation of results (e.g. for a dashboard in the monitoring protocol) in certain cases creates a false impression of tangible results and might suggest we lack outcomes. This has been reformulated in the last revision of the MP, to a more logical construction.

Mondiaal FNV has been focusing on changing legislation as a first step towards improving the living and labour conditions of male and female workers. Looking back there has been too much emphasis on the process of changing legislation. Outcomes on legislation have been broken down into steps towards changing legislation in the Monitoring Protocol. Whether those steps help in clarifying achievements towards changing legislation remains unclear. Sometimes attention towards a labour issue produces an apparent aggravation of the issue; e.g. closer monitoring leads to higher rates of reported accidents at the workplace, gender violence, violations of labour law.

Several outcomes in the TUCP are a result of various projects at country level. So focusing on concrete results of a single project might not always lead to visibility of the related outcome. An example is the issue of the reduction of outsourcing. All the partners in Colombia are focusing on this issue, some partners by studying the phenomena, publishing examples in which other organisations try to improve CBAs, others by influencing and preparing legislative proposals.

## 6. ATTENTION TO GENDER

**Lessons learned:** Gender should receive more specific attention both at project proposal level and at assessment level.

**Background:** In September 2015 an external consultant briefed Mondiaal FNV on their advances and shortcomings with respect to gender policies. From her analysis Mondiaal FNV learned that the strong points in project support are that the quantitative participation of women and achieving quotas receives a considerable amount of attention; gender is always integrated into CBA negotiations and some partners integrate gender into their constitutions and in their analysis. The shortcomings she detected are that too little gender-specific information is found in project proposals, there is a lack of an integrated approach and that partners have too little gender-specific expertise. She also concluded that the assessments of the gender component in proposals needs more systematisation, and policy officers need to exchange more best practices regarding gender. Three best practices were discussed: the country programme in Peru, where the gender commission defined clear criteria, the agricultural labourers union APVVU in India, which actively monitors all members on gender-positive behaviour and the GUF UNI, which in Latin America is strong in analysis and gender in CBA applications.

Based on this learning exercise, the following changes have been taken, or will be taken:

- In new TUCP projects, clear performance indicators will be formulated on gender;
- The motivation and knowledge on gender on the part of the Mondiaal FNV team has been and will continually be revived;
- Gender has been made better and more prominently visible in 5-C;
- Additional gender courses for Asian partners will be organised;
- Gender will be an integral part of the programme of the Global Exchange week of 2016;
- Specific expertise on gender will be mobilised (e.g. a special consultant has been employed with a strong focus on gender, for example in Peru and Colombia);
- Partners, consultants, Mondiaal FNV colleagues are more attentive to visibility and to gender in project summaries and reports;
- Gender plays an important role in the Strategic Partnership with FWF, CNV and the Ministry. Equal rights for women is also one of the priority areas of Dutch development cooperation policy.

## 7. CLOSER COOPERATION WITH FNV AT DIFFERENT LEVELS

**Lesson learned:** The work of Mondiaal FNV will have greater impact when connections are sought within the FNV organisation at an early stage and continuously from then on.

**Background:** In the past four years we have established closer cooperation and greater coherence between the work of Mondiaal FNV and the international and sectoral work of FNV National Centre and the (former) FNV Unions. This cooperation took place in different forms: by means of exchange visits, rank and file members from FNV and from our partner unions shared experiences and best practices; trade union officials and rank and file members provided various types of training of partner unions in the south; training materials such as instruction films on OHS were jointly developed and joint lobby and campaign activities were carried out in the Netherlands.



The cooperation within FNV has increased since the merger of FNV in 2014 in which the biggest unions Abvakabo, Bouw and Bondgenoten merged with the national centre FNV into one single organisation. The international work of the formal unions (now called sectors) is at present part of the International Team of the FNV. Mondiaal FNV also participates in the International Team. This is a new development. The International Team is the central place for coordination between the work of the FNV at European and international level, such as in the ILO, ITUC and the OECD, the work in the sector internationally, mainly through our participation in the Global Unions and the international cooperation of Mondiaal FNV and the FNV itself.

Mondiaal FNV also manages the projects financed by the FNV solidarity funds and has a close connection with the groups of active members in each sector, among them the FNV women's committee. Mondiaal FNV also supports these groups and offers training.

Since the process of the CSR Covenants started, even closer synergy was needed between the 'day to day' trade union work in the Netherlands and the work abroad. At first Mondiaal FNV needed to persuade the managers of certain sectors to participate actively in these processes.

It took awareness raising amongst FNV rank and file and professional trade union colleagues to demonstrate the interconnectedness of all the different levels. It is not always obvious to all levels within the FNV that an international focus is necessary: for our colleagues abroad as well as for the interests of our own members in the Netherlands. Mondiaal FNV organised meetings, trainings, manuals & other materials to promote coherence and synergy and this process is still evolving and needs ongoing attention. There is an involvement of more members from different sectors in projects financed by the TUCP, which also improved synergy.

#### **Lessons learned:**

- To contact different levels of the FNV (national and sectoral) at an early stage;
- To inform and engage the rank and file at an early stage;
- To look for synergy between the national interests and the international interests as much as possible;
- To facilitate these processes but leaving the responsibility at the respective FNV level(s).

#### **CLOSER COOPERATION**

In the Moroccan trade union Fédération Nationale du secteur Agricole FSNA women are in the forefront. Supported by funds from the agricultural sector of FNV, women that are working in various agricultural activities such as strawberry pickers, shrimp peelers, became strong enough to negotiate their rights. They managed to secure a wage increase, safer transport, a safer workplace because they have greater knowledge of pesticides, maternity leave and breastfeeding facilities. Since the women still do not have a fixed contract it remains risky to raise their voice.

## 4. CONTEXT ANALYSIS WORLDWIDE TRENDS

**On a global scale we can identify general economic and political trends that have an impact on the work of the trade unions and partner organisations to strive for sustainable development and decent work for all. The importance of decent work in achieving sustainable development is highlighted Goal 8 of the Sustainable Development Goals which aims to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.**

Of course the impact will not be the same in every country or every sector. The more specific context analysis of chosen high risk sectors and of the activities and strategies regarding social dialogue will be dealt with in the following chapters.

### ECONOMIC GLOBALISATION AND INTERNATIONALISATION

Globalisation has been progressing forcefully and has shaped a global economy that is characterised by jobless growth; by delocalisation, outsourcing, subcontracting of labour and increasing fragmentation of production, leading to ever more complex global value chains (GVCs), as well as a rampant informalisation of labour, especially in low and middle income countries.

Imposed structural adjustment and austerity policies have weakened the capacity of the state. Systemic failures of the financial system have greatly harmed the global economy<sup>2</sup> and practices such as tax evasion and tax avoidance, have led to a decrease of state revenues and thus resources, necessary i.a. for the delivery of public goods and a sustainable and inclusive society.

International trade agreements such as TTIP and CETA are under discussion; the Trans Pacific Partnership was signed recently, and the number of (regional) trade agreements is growing. These ‘deep and comprehensive’ free trade agreements (DCFTA) are especially targeting so-called ‘behind the border’ obstacles to trade, meaning national regulations for the protection of consumer safety, labour rights or the environment. Many DCFTAs also include investment and controversial investment protection mechanisms.

Regional economic blocs are growing in importance and become global players itself. For trade unions this means that they should also increase their focus on cooperation at these regional levels (for example: ASEAN, EAC, CAN), as well as at the national level.

All this has led to the overall decline of the labour share in World GDP to the benefit of “the 1%”; hence a weakening link between work and income can be seen<sup>3</sup>.

### INEQUALITY

Moreover, this ‘race to the bottom’, based on worldwide social dumping, has led to increasing inequalities, growing exclusion and precariousness.

In many countries, the unemployment rate of especially young people, is very high. For people who do have jobs, job security, reasonable and safe working conditions and social protection are deteriorating, rather than improving. People work for long hours without decent work, without earning a living wage, without (social) security, leading to vulnerability to the poverty trap<sup>4</sup> when losing their jobs or becoming injured. ‘This increasing inequality is also of concern to the Ministry of Development Cooperation of the Netherlands, which mentions in its priority policies that only inclusive economic growth will benefit the very poor.’

<sup>2</sup> The Stiglitz report: Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System, September 21, 2009 [http://www.un.org/ga/econcrisissummit/docs/FinalReport\\_CoE.pdf](http://www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf)

<sup>3</sup> The Labour Share in G20 Economies, Report prepared for the G20 Employment Working Group, Antalya, Turkey, 26-27 February 2015. <https://www.oecd.org/g20/topics/employment-and-social-policy/The-Labour-Share-in-G20-Economies.pdf>.

<sup>4</sup> Working poverty reduction stalled, Global Employment Report, ILO 2014 [http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_234030/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_234030/lang--en/index.htm)

The minimum wage level is far below the level of a living wage and doesn't provide sufficient income to maintain a family. Women are even more vulnerable as they, more often than men, work in the informal economy and are paid less for similar work.

Over the last two decades, women's significant progress in educational achievements has not yet been reflected in consequent improvements in labour market positions. In most regions of the world women are still more likely to be unemployed, to work in the informal economy, to have less opportunities, to accept lower quality jobs and to be lower paid.

The unequal distribution of unpaid care and household work between women and men and between families and the society is an important determinant of gender inequalities at work.<sup>5</sup> Another strongly gender-based problem is violence (against women) at the work floor.

Globalisation; demographic pressure; armed conflicts and political repression, and the impact of climate change, will encourage ever more people to cross borders in search of security. The lack of decent jobs at home force even more people to migrate to other countries. Migrant workers contribute to economic growth and development in countries of destination, while countries of origin greatly benefit from their remittances and the skills acquired during their migration experience. Yet, the migration process implies complex challenges in terms of governance, migrant workers' protection, migration and development linkages, and international cooperation.<sup>6</sup> At the moment, migration is one of the most burning issues world wide. Migration is also considered one of the priority issues of the Ministry of Development Cooperation. As part of the International Public Goods (IPGs) approach, a coherent policy on migration will contribute to more equal development.

Over the last decades, a lot of attention has been given to the eradication of child labour. Especially since the adoption of the ILO convention 182 on the worst forms of child labour in 1999. At global level we have seen an increase in attention to the problem of child labour and of programmes dedicated to the eradication of child labour. However, according to estimates by the International Labour Organisation (2014), still some 168 million children are being employed worldwide. Although the majority of the child labourers work in agriculture, child labour is also linked to international supply chains (for example in mining and textile).

## GOVERNANCE

We take note of the 'global governance gap': whilst companies operate at a global level and supply chains are becoming more complex and more international, there is no global governing body to establish binding mechanisms at international level. At the contrary, the growing power of global corporations and an increasing influence of those corporations on national policies and international regulations reduces further the regulating power of national states over transnational capital. The implementation of, and compliance to, national laws is deficient. Extraterritorial jurisdiction by national governments is generally lacking. The importance of regional and transnational structures has increased, but the capacity of those structures is rather limited.

Instead of legally binding mechanisms, voluntary principles are growing in importance, like the OECD guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights. These initiatives can have an impact through their mechanisms for monitoring, complaints and remedy, but are generally considered 'soft law' since they cannot be enforced legally. In the same time the acceptance of the OECD guidelines and the UNGP has grown and governments and other players have promoted the guidelines and connected them to foreign policy instruments and private sector instruments, like for example the Netherlands' government did. 'Due Diligence', as a fundamental part of the UNGP, provides unions and CSOs with an important tool for discussion and cooperation with companies throughout the value chains.

The number of voluntary certification schemes, multi-stakeholder initiatives and other CSR programs also increased rapidly over the last decade<sup>7</sup>. The multiplication of schemes and initiatives is watering down the impact they can

<sup>5</sup> Women at work, ILO, 2016 [http://www.ilo.org/gender/Informationresources/Publications/WCMS\\_457086/lang--en/index.htm](http://www.ilo.org/gender/Informationresources/Publications/WCMS_457086/lang--en/index.htm)

<sup>6</sup> See: <http://www.ilo.org/global/topics/labour-migration/lang--en/index.htm>

<sup>7</sup> 2016 ITUC Report Scandal, inside the global supply chains of 50 top companies, page 7: The corporate social responsibility business has a turnover of US\$80 billion [http://www.ituc-csi.org/IMG/pdf/pdffrontlines\\_scandal\\_en-2.pdf](http://www.ituc-csi.org/IMG/pdf/pdffrontlines_scandal_en-2.pdf)

have (fewer participants per scheme). In addition, CSR programmes are still seen by some trade unions as an excuse for companies to stay away from meaningful social dialogue with trade unions. However, increased interest in CSR issues also provides opportunities to trade unions.

## ROLE AND POSITION OF TRADE UNIONS

Worldwide unemployment has grown<sup>8</sup>. It is estimated that over 600 million new jobs need to be created by 2030, just to keep pace with the growth of the global working age population. That's around 40 million per year. We also need to improve conditions for the some 780 million women and men who are being employed without being able to lift themselves and their families out of USD 2 a day poverty<sup>9</sup>.

The solidarity in the world of labour is strong and the protest against growing inequality is on the rise and civil society is able to use the opportunities of technology to be connected internationally (see below). The awareness of increasing inequality and the risks imposed are also growing in international organisations like the OECD, the World Bank and the IMF. This awareness helps to create new opportunities.<sup>10</sup>

Promoting decent work in global value chains (GVCs) is on the agenda of the ILO for the coming years. And in the Dutch context accountability for workers' rights in value chains is being formalised through a process promoting sector covenants addressing international CSR risks. The ILO recognises that GVCs have contributed to economic growth, job creation, poverty reduction and entrepreneurship and that they can be an engine of development. At the same time, failures at all levels within global supply chains have contributed to decent work deficits for working conditions such as in the areas of occupational safety and health, wages, working time, and which impact on the employment relationship and the protections it can offer. Such failures have also contributed to the undermining of labour rights, particularly freedom of association and collective bargaining. Informality, non-standard forms of employment and the use of intermediaries are common. The presence of child labour and forced labour in some global supply chains is acute in the lower segments of the chain. Migrant workers and homeworkers are found in many global supply chains and may face various forms of discrimination and limited or no legal protection.<sup>11</sup>

The intricacy of the GVCs severely complicates the work of trade unions. Global Union Federations play an important role in international value chains. Global Framework Agreements (GFAs) between Global Union Federations and multinational companies have evolved qualitatively. Recent ILO research<sup>12</sup> points out that GFAs can help to develop social dialogue at the global level, but also 'downstream' in the GVC. Traditional forms of organising alone do not apply any longer. Respect for trade union rights has to be defended and safeguarded. New challenges require new answers to the changing environment. For this reason Mondiaal FNV focuses on working in international value chains, which crosses the 'traditional' economic sector boundaries and national borders, working with workers outsourced by agencies and brokers, working with people working in the informal economy, focussing on creating space for the development of social dialogue.

In the past years a lot of attention has been paid to gender and the membership and leadership of women in trade unions has increased. But it is still a challenge for trade unions to become more inclusive and to organise more women, young people, migrants and minority groups, and to stimulate them to become leaders and include their issues in the struggle for respect of labour rights.

Worldwide consumer awareness is on the rise. Companies are being criticised for not acting in conformity with CSR norms and labour standards, making them eager to become members of CSR initiatives or multi-stakeholder platforms. People worldwide are becoming aware of the informalisation of the economy and the consequences this can have on people's lives. Although this does not always produce a quick fix, it does create good soil for the improvement of labour rights through trade union pressure and social dialogue.

<sup>8</sup> [http://www.ilo.org/global/about-the-ilo/multimedia/audio/WCMS\\_234025/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/multimedia/audio/WCMS_234025/lang--en/index.htm) Global Employment Trends 2014, Economic growth leaves jobs behind

<sup>9</sup> <http://www.ilo.org/global/topics/sdg-2030/lang--en/index.htm>

<sup>10</sup> For example: <http://www.oecd.org/social/inequality.htm> or <https://www.imf.org/external/pubs/cat/longres.aspx?sk=42986.0>

<sup>11</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_489115.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_489115.pdf)

<sup>12</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_489115.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_489115.pdf)



# 5. PROGRAMME - SOCIAL DIALOGUE

## 5.1. INTRODUCTION SOCIAL DIALOGUE

**"In a world of growing interdependence and complexity and the internationalization of production, [...] social dialogue and the practice of tripartism between governments and the representative organizations of workers and employers within and across borders are now more relevant to achieving solutions and to building up social cohesion and the rule of law through, among other means, international labour standards"<sup>13</sup>.**

Decent work is based on a human rights driven development vision in which women and men have the opportunity to obtain decent and productive employment in conditions of freedom, equality, security and human dignity. It is an enabling factor for social justice, economic performance and governance. It aims at covering all workers without distinction.

Decent work – and social dialogue as a means to achieve the decent work objectives – is explicitly included, as an instrument for development cooperation, in the UN Agenda 2030 as the Sustainable Development Goal (SDG): Promote inclusive and sustainable economic growth, employment and decent work for all.

Social dialogue gives both workers and employers the right to organise and to participate in decisions that affect their lives, guaranteeing equal opportunities and equal treatment for all. Social dialogue contributes to shaping national policies and development strategies, ensuring that such policies and strategies are appropriate, fair and legitimate. The International Labour Organisation has been tripartite in set-up from the outset. But also other international institutions, including international financial institutions have increasingly recognised the importance of the participation of social partners in the promotion of economic development and poverty reduction strategies and have underlined the importance of effective social dialogue in responding to the economic crisis<sup>14</sup>.

<sup>13</sup> Declaration on Social Justice for a Fair Globalization, adopted by the International Labour Conference at its Ninety-seventh Session, Geneva, June 2008

<sup>14</sup> IMF-ILO joint conference, Oslo, joint statement of 13 September 2011

Luis Salazar (left), president of the largest employers' organisation in Peru SNI, and Carmela Sifuentes, president of the largest Peruvian trade union federation CGTP, visiting the FNV in October 2014



In this 2017-2020 TUCP programme, social dialogue is both an objective and a means:

1. It is an objective in itself, as part of the four coherent and interrelated objectives, of the ILO Decent Work Agenda (and SDG 8);
2. It is a "how to" instrument for the realisation of the other Decent Work Agenda objectives and beyond: it is a key instrument for achieving ownership, democratic participation and fair implementation of sustainable development strategies.

### **'SOCIAL DIALOGUE' IS A KEY PRIORITY, A CENTRAL INSTRUMENT FOR TRADE UNIONS, TO OBTAIN DECENT WORK FOR ALL**

In ITUC's development agenda as well as for the Trade Union Development Cooperation Network (TUDCN) Social Dialogue is a centrepiece. TUDCN defines Social Dialogue as a means to achieve the SDGs throughout the whole Agenda 2030 (the UN 2030 Agenda for Sustainable Development). It plays a key role in the annual Trade Union-DAC Forum of the OECD-DAC. And for ITUC/TUDCN Social Dialogue, is a crucial element in the Global Partnership for Effective Development Cooperation (GPEDC) as a longstanding practice of multistakeholder dialogue.

Mondiaal FNV uses the ILO definition of social dialogue: "All types of negotiation, consultation or information sharing among representatives of governments, employers and workers or between those of employers and workers on issues of common interest relating to economic and social policy."<sup>15</sup>

Often, social dialogue is seen as a tripartite national level dialogue. However, social dialogue exists at different levels, from company level, to sectoral, national, regional, local and also international level. It may be tripartite, bipartite or multi-stakeholder: in some cases other parties are also involved, such as civil society organisations, churches, academics. Collective Bargaining Agreements at company, sectoral, national or global level are also part of the social dialogue and very important tools for trade unions.

Social dialogue may be institutionalised, with established rules and procedures. It can also be informal and unstructured. It ranges from national dialogue institutions, collective bargaining agreements, to recommendations, et cetera.

Social dialogue processes may discuss 'narrow' labour issues, like wages or working hours, but also broader issues like the development agendas of countries, environmental issues. Social dialogue can also play an important role in (post)conflict resolution.

#### **The benefits of social dialogue are<sup>16</sup>:**

- Social Dialogue prevents conflicts and brings social peace: the 2015 Nobel price award for the social dialogue quartet in Tunisia was one of the latest public recognitions of the importance of social dialogue in ensuring social peace and preventing conflicts in transition periods;
- Social Dialogue legitimises and gives ownership to citizens over public policies, and enhances participative democracy based on accountability, transparency and policy oversight;
- It is a platform of recognition, a space wherein labourers, socially and economically marginalised groups in society, are represented, and must be taken seriously. Other mechanisms enabling workers' voices to be heard in society are generally non-existent, or not really effective. Especially in the cases of the absence of properly functioning democratic structures. It offers empowerment of workers;
- Social Dialogue ensures inclusive development through equitable and balanced policies, promoting gender equality and anti-discrimination principles;
- Social dialogue guarantees the quality of economic and social policy formulation and implementation through the input of the real-economy actors;
- Social dialogue leads to improved productivity and decrease in work related accidents;
- Social dialogue allows finding strategies for the formalisation of informal economy and promoting jobs-rich economic growth;
- Social dialogue allows the development of well-functioning social protection systems to be guaranteed;

<sup>15</sup> An extensive reference document on the state of play concerning social dialogue is the latest ILO report on the matter: ILO: Social Dialogue Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization: *Report VI International Labour Conference, 102nd session, Geneva 2013*

<sup>16</sup> The benefits of social dialogue referred to have been taken from the Context Analysis Social Dialogue, by Jan Dereymaeker for Mondiaal FNV. See annex 4

- Social dialogue is able to contribute to redistribution policies through improving fiscal and taxation systems;
- Well-functioning labour markets and progressive social and economic policies need a strong multi-stakeholder governance framework based on social partners' participation;
- Social dialogue provides an enhancing environment for foreign direct investments. *(A recent study finds a clear correlation between the FDI and well-functioning labour markets with strong unionisation.)*<sup>17</sup>;
- Social dialogue contributes to poverty reduction strategies and enables the development effectiveness principles;
- Social dialogue with informal economy workers prevents criminalisation of a sector.
- Social dialogue leads to less inequality;
- The ILO, OECD and the IMF, as well as academic research, refer to the correlation between social system/social dialogue and the increase of inequalities and point to the crucial role of social dialogue to fight inequalities<sup>18</sup>.

## 5.2. CONTEXT ANALYSIS SOCIAL DIALOGUE

As the ILC report 2013<sup>19</sup> shows, the nature, structure and scope of social dialogue has evolved differently in different parts of the world: whilst regression is generally more evident in the highly industrialised countries and regions, on the contrary, progress seems to be taking place in the emerging economies/middle income countries. Progress or evolution has rarely been observed in the LDCs.

### GOVERNMENTS

Governments do play a key role in the agenda setting of the social dialogue institutions: the functioning depends to a great extent on the activity, or the inactivity, of the government. Governments value social dialogue processes differently. In a large number of countries, governments are not promoting social dialogue and are not at all interested in the participation of the unions, the employers' organisations or both of them. In other countries, governments see social dialogue as the only way forward towards sustainable, inclusive growth and social cohesion.

### EMPLOYERS' ORGANISATIONS

Although globally employers' organisations can be highly influential, in parts of the world organisations of employers are weak and divided, and their objectives in social dialogue are often more inspired by promotional interests than by common interests of economic and social policy. Organisation at sector level is often weak as well and bypassed by corporate interest outside of the scope of the traditional employers' organisation. SMEs and the informal sector are barely represented within employers' organisations. However, in some countries and regions, such as Peru and East Africa, employers' organisations do show interest in social dialogue as a means for economic growth.

### TRADE UNIONS

Trade union organisation shows a great variety as well. In many countries unionisation has declined over the last decade or two or levels of organisation were low already. In some countries unions do better and within countries some do much better than others. Trade unions vary as well in their role in society, in structure, in approach and in ideology. Traditional trade unions may have difficulties in representing vulnerable categories of workers including women, migrant workers, workers with disabilities, ethnic minorities, tribal and indigenous peoples, rural and agricultural workers, domestic workers, workers in export processing zones (EPZs), workers in the informal economy, and workers in non-standard forms of employment. The capacity in terms of economic and labour market analysis and policy preparation is often weak or non-existing in non-industrialised countries.

### TRENDS IN INDUSTRIAL RELATIONS THAT ARE HAMPERING SOCIAL DIALOGUE

- In a lot of countries, a tradition of dialogue and mutual respect is still lacking;
- Growing decentralisation/"privatisation" of collective bargaining towards the workplace/ enterprise;
- Increasing flexibility and/or "casualisation" in contracts, wages, working conditions, subcontracting and interim contracts;

<sup>17</sup> <http://www.voxeu.org/article/why-are-unionised-countries-often-successful-attracting-foreign-direct-investment> (2011)

<sup>18</sup> Labour Markets, Institutions and Inequality: Building just societies in the 21st century (2015): [http://www.ilo.org/global/publications/books/WCMS\\_346629/lang--en/index.htm](http://www.ilo.org/global/publications/books/WCMS_346629/lang--en/index.htm)

<sup>19</sup> See SOCIAL DIALOGUE Report ILC 2013: [http://www.ilo.org/ilc/ILCSessions/102/reports/reports-submitted/WCMS\\_205955/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/102/reports/reports-submitted/WCMS_205955/lang--en/index.htm)

- Declining unionisation and the erosion of collective bargaining;
- Widening income inequality and a declining wage share in many countries' GDP;
- SME are generally out of the picture (employers and trade unions);
- Transnational social dialogues and new kinds of partnerships, beyond the traditional national social dialogue structures emerge;
- The expansion and "consolidation" of the informal economy, with a large number of women workers;
- Shifts from binding to voluntary agreements.

## **TRENDS IN INDUSTRIAL RELATIONS THAT ARE FAVOURING SOCIAL DIALOGUE**

Social dialogue, as many other elements of social development, has been influenced profoundly by the globalisation and the ongoing financial and economic instability and crisis. However, in areas of Asia, Africa and South America, (and to a certain extent the Arab region), legislation has improved and new labour relations systems have been established.<sup>20</sup>

## **REGIONAL SPECIFICITIES**

Within the various regions where Mondiaal FNV is active, social dialogue shows many similarities, but also several specific characteristics among the continents can be seen.

Lack of capacity of trade unions to participate in social dialogue mechanisms is a common problem in Latin America, Africa and Asia, and this low capacity is especially eminent for informal sector workers and women. This results in low participation of trade unions in social dialogue. In Latin America also employer associations are not well represented, except for Peru, in Asia employers form a very powerful and unified stakeholder in social dialogue, whereas in Africa improved bilateral relations between employers and trade unions can be seen. In all three continents a lack of political will, even resulting in criminalization of labour conflicts as mentioned for Latin America, is existing. It is positive that in many countries in these three continents, social dialogue mechanisms are in place, sometimes at national level and sometimes at regional and continental level, as for example in Africa and Asia. The mechanisms are not always strong and effective, like in Latin America and Asia, and implementation often falls short, but also opportunities can be seen, such as the potential to contribute to resolving conflicts in the region for African countries, and the role of social dialogue in the peace process in Colombia.

## **5.3. THEORY OF CHANGE SOCIAL DIALOGUE**

The scheme on the next page reflects a general theory of change on social dialogue. For the respective countries and regions, there are different levels of development of the social dialogue and various strategies will be elaborated, relevant to the context as mentioned briefly above.

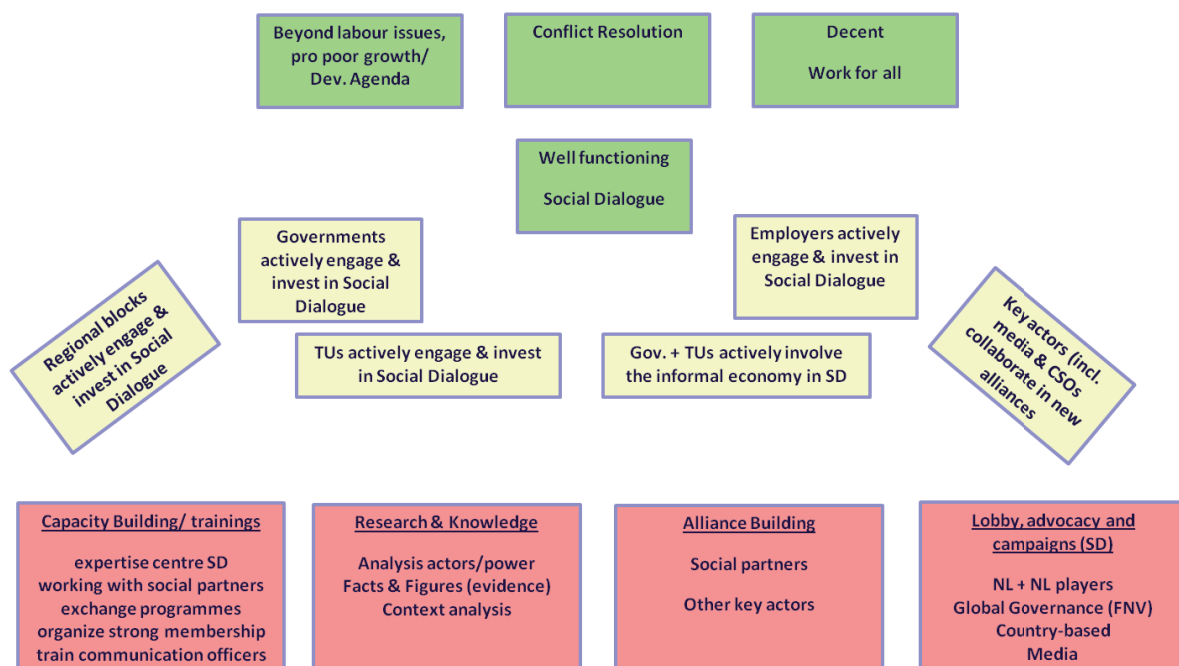
## **IMPACT LEVEL**

A well-functioning social dialogue is the basis for the formulation of a broad inclusive pro-poor development agenda, either at national or international level. Part of this agenda is the promotion of decent work for all, with the focus on the core labour issues, such as living wages, no discrimination and child labour, freedom of association and collective bargaining, good health and safety, social security for workers, reasonable working hours et cetera. A broader agenda includes topics such as the formalisation of the informal sector, vocational training and education, and a social protection floor. In some situations the dialogue also has a function in (post) conflict situations, as previously in Tunisia, currently in the peace-process in Colombia, and potentially in East Africa.

A well-functioning social dialogue means: institutionalised, properly funded, representative, with an implementation and a monitoring-mechanism. It also includes a common view of different parties on the value of social dialogue.

<sup>20</sup> ILO: Social Dialogue Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization: Report VI International Labour Conference, 102nd session, Geneva 2013, (pages 37-42)





## OUTCOME LEVEL

We distinguish six major actors, whose active engagement and investments are required to achieve a well-functioning social dialogue: international and multilateral organisations, governments, employers' organisations, trade unions and other key actors (media, CSOs, others) and regional economic communities. Considering the large percentages of informal sector and/or non-organised workers, these groups should also be represented in social dialogue at all levels.

## GOVERNMENTS ACTIVELY ENGAGE AND INVEST IN SOCIAL DIALOGUE

- Governments should promote and support social dialogue at all levels, invest in it, and establish mechanisms to implement and monitor agreements. In a lot of cases, a dialogue exists, even if institutionalised, but agreements in the dialogue have not been implemented and/or are not being monitored. Furthermore, governments should be present at the appropriate level, in the appropriate ministry/department which is actually in power and capable of implementing agreements;
- Governments should provide proper information and statistics that are needed for fact-based discussions in national as well as regional social dialogue;
- Governments should promote social dialogue in international forums such as the ILO, the UNHRC, the OECD, the G20 et cetera;
- The Netherlands government should promote social dialogue in international forums as well as through embassies in the different countries;
- The Netherlands governments should ensure that its policies across ministries and departments favour meaningful social dialogue;
- Governments should be aware that the informal sector is included.

## REGIONAL ECONOMIC COMMUNITIES

- Governments should promote and support social dialogue at the level of regional economic communities, by investing in it, establishing mechanisms and facilitating the participation of the social partners to join at this level.

## EMPLOYERS' ORGANISATIONS ACTIVELY ENGAGE AND INVEST IN SOCIAL DIALOGUE

- For employers' organisations, to effectively participate in social dialogue, a mandate and representativeness is needed. If the informal sector or SMEs are not represented, other means should be explored;
- Employers' organisations should have an interest in dialoguing broader developmental issues of the country and look beyond their own (short term) interests;

- In collective bargaining settings, employers should provide unions with the relevant information on the economic situation of the company.

## **TRADE UNIONS ACTIVELY ENGAGE AND INVEST IN SOCIAL DIALOGUE**

- The outcomes for trade unions are similar to those for employers' organisations, with an emphasis on representativeness, including women and other vulnerable groups, addressing broader subjects than bread and butter.

## **INFORMAL SECTOR**

- Primarily, the informal sector should be represented by the employers' organisations and trade unions, but often this group of workers is not represented sufficiently, and clear employers are not detected. Because of the fact that in many countries informal sector workers or unorganised precarious workers form the majority of the workforce, it is important to look for (new, alternative) strategies to include these groups in the dialogue processes. This can be done by building alliances with informal sector workers groups and/or by organising union campaigns. In the absence of clear employer-employee relations it is important to seek dialogue with district and local governance structures.

## **OTHER KEY ACTORS**

To build a broad basis for social dialogue, especially when the process is focusing on a broader development agenda, it may then be necessary to include a broader group of actors in certain social dialogue processes and alliances with other stakeholders need to be built.

## **OUTPUT LEVEL**

We consider four main 'strategies' for social dialogue:

'Capacity building and training', 'research and knowledge building', 'alliance building' and 'lobby and campaigns'. These strategies do not of course stand alone. A synergy between the different approaches will be needed and will improve the output. The priority will be dependent on the local situation.

## **CAPACITY BUILDING**

For a well-functioning social dialogue capacitated partners are essential. Key activities are: training of trade unions in the functioning of social dialogue processes; and building the capacity to propose, to negotiate, to organise, to include informal and non-organised workers, women as well as men, and to build alliances.

Mondiaal FNV, in cooperation with FNV, will offer expertise through the promotion of exchange of knowledge and experience between partners (with the Netherlands as well as south-south). We will cooperate with our Scandinavian partners, with DECP, the SER and the STAR (Stichting van de Arbeid) in order to establish a coordinated action.

## **RESEARCH AND KNOWLEDGE**

Social dialogue only functions well if the debate and negotiations are executed on the basis of proper analyses with accurate information and adequate statistics of the socio-economic situation of the country, sector or region. Proper stakeholder analyses are also needed. In a lot of countries, insufficient information is provided by the governments or the companies. Unions need the capacity to obtain proper data as a basis for good proposals.

The provision of relevant data and the sharing of information will also be part of the cooperation with DECP, SER, STAR and our Scandinavian colleagues.

## **ALLIANCE BUILDING**

Depending on the topics of the dialogue and the level of the dialogue, alliance building with other relevant organisations, such as CSOs and research institutes, is valuable. Especially where unions do not properly represent groups of workers, for example women, informal workers and migrants, either building alliance with other groups and/or organising more of these workers within the unions may be relevant.

Alliances between different unions (or different union federations) acting in a single dialogue process, are also important.

Depending on the power balance in a country, building alliances between unions and employers' organisations to be able to exert more influence on the government may be essential. In many countries and regions, however, the governments and employers' organisations tend to be allies, leaving the unions in a minority position. Strengthening the position of unions is important and alliance building can be an option, depending on the local situation. Building alliances will be a key part of the work of FNV and the partners. In many situations, building trust amongst the different partners is essential as a first step in establishing a culture of dialogue.

## **LOBBY, ADVOCACY AND CAMPAIGNS**

In countries where social dialogue hardly exists and the union members and other parties are unaware of the possibilities of social dialogue, awareness-raising is necessary.

Lobby and campaigning will also be part of the overall strategy to establish a functioning social dialogue system. It can strengthen the position of unions during a social dialogue process, giving the union more negotiation power. It can also be a tool of a broader alliance.

The media in many countries are not well informed about the possibilities offered by social dialogue processes, and so in some cases specific media-targeted actions will be necessary.

In the Netherlands and internationally, FNV and Mondiaal FNV will lobby to support social dialogue as an important mechanism in foreign policy instruments, in the Sustainable Development Goals (SDGs), and at the ILO and OECD. The initiatives on 'IMVO Convenanten' (International CSR Covenants), can be regarded as a social dialogue process in itself, since it is also a platform for multi-stakeholder initiatives. However these covenant processes may also promote the establishment of social dialogue throughout the value chain of so-called 'high-risk sectors' as a means and an objective. FNV will work closely together with the different sectors at FNV and the FNV International Team to promote social dialogue as a means and a result in those processes.

## **SUSTAINABILITY**

With respect to sustainability, social dialogue will only be effective if we take into account political, social, financial and institutional sustainability of trade unions at country level. These forms of sustainability can be reached by contributing to different aspects of the trade union organisations, such as: financial independence, representation of as much as possible of special groups in membership, solid legal position of trade unions, strong track record in collective bargaining, gender sensitivity of trade unions, recognition of trade unions by the workers in general as representing their voice, respect by other institutional actors such as employers' organisations, local authorities, media and political parties.

## **ASSUMPTIONS**

A well-functioning social dialogue prevents social unrest in companies and is therefore able to benefit workers, companies and the economy in general.

Quality of information as well as the capability of trade unions to be an effective partner in social dialogue are critical for the effectiveness of social dialogue, hence the importance of proper research and systematic knowledge building as well as capacity building in trade unions.

### **SOCIAL DIALOGUE**

In Peru the first steps to come to a meaningful social dialogue were taken in 2014 when a delegation of employers and trade union representatives visited FNV in Amsterdam. Their aim to learn more about social dialogue resulted in the Amsterdam Agreement. Two years after this visit both parties frequently enter into dialogue. One concrete result is the CBA of Camposol, in which amongst others fixed employment after four years, wage increase and medical care are included.

# 6. PROGRAMME - HIGH RISK VALUE CHAINS

**The modern global economy is characterised by increasing fragmentation of production and ever more complex global value chains (GVCs). The global and regional structure of employment, working conditions and workers' rights are seriously affected. The intricacy of the GVCs severely complicates the work of trade unions. Mondiaal FNV selected three global value chains in industry sectors with high risks for malpractices in Corporate Social Responsibility (CSR) in general and for violation of Core Labour Standards in particular.**

Mondiaal FNV selected high-risk sectors and value chains in which we support partners across regions in their efforts towards creating decent jobs and defending fundamental workers' rights. The sectors selected are the construction value chain, the shipbreaking value chain and the agriculture value chain.

## 6.1. SELECTION OF HIGH RISK VALUE CHAINS

Three value chains in industry sectors with high CSR risks were selected to form the basis of the TUCP programme 2017-2020. This is also following one of the recommendations of the end term evaluation of the TUCP 2013-2016. In the draft country report of Bangladesh is stated that it is better to focus on fewer sectors while increasing the depth of the involvement.

**The selected high CSR risk value chains are:**

- 1) Construction
- 2) Shipbreaking
- 3) Agriculture

**The value chains were selected on the basis of the following criteria:**

1. The sectors chosen are high-risk sectors as identified by the Dutch CSR sector risk assessments and international CSR covenant process;
2. The selected countries are listed on the 2015 Dutch Good Growth Fund (DGGF) country list;
3. The country (sub)sector combination needs to have a strong economic linkage with the Netherlands;
4. Country (sub)sector combinations where Mondiaal FNV already has a partner, were given preference, but this is not an exclusive pre-condition;
5. Status of workers' rights: based on the 2015 ITUC Global Rights Index, only countries with Rating 5, 4, 3 and 2 have been considered;
6. The country should have relevance in terms of products imported into the Netherlands, projects carried out by Dutch companies or financial (investment) relationships;
7. Potential for the involvement of the Dutch union base.

A more detailed analysis on the selection in combination with a country and region analysis can be found in chapter 8. Additionally to the three value chains chosen, within the programme Mondiaal FNV aims to create space for cross sectoral connections. For example, we see good opportunities for connecting the transport sector to the three supply chains chosen as an integral part, as well as financial and public services, highlighting the role of finance and investments and public infrastructures throughout the value chain.





Migrant workers in Doha, Qatar



## 6.2. CONSTRUCTION

### 6.2.1. INTRODUCTION CONSTRUCTION

The value chain of the construction industry is relatively complex, and is characterised by the following elements: all materials produced within the supply chain are brought to the site where the building takes place, resulting in one single product, and it is a temporary supply chain that includes many different actors. The lower end of the value chain consists of companies producing materials for construction, with suppliers ranging from private companies funded by foreign investors to locally owned private companies. Objects produced by the construction sector vary from buildings to large infrastructural projects such as dams, roads, and metros. The presence of multinational companies in these large infrastructural projects is increasing, as well as investments from International Financial Institutions (IFIs). Despite the contribution of the construction sector to economic growth and the creation of job opportunities, several labour-related problems within the sector can be identified, which are presented below.

### 6.2.2. CONTEXT ANALYSIS CONSTRUCTION

#### CASUALISATION AND INFORMALISATION

World wide the construction sector is a big employer, 7% of the labour force works in construction; in developing countries this percentage is even higher because the work is less mechanised. Infrastructural projects provide employment opportunities, but this employment is usually insecure due to the temporary nature of those projects and the rush for quick profits at the expense of workers. Within construction, as in other sectors, a lot of the work is outsourced to subcontractors. This leads to “casualisation and informalisation” of the work, causing job insecurity and lack of access to social security for a large part of the workforce. In several countries, self-employed and informal workers gather every morning at contact points across cities and offer their services to potential employers. With these kinds of employment patterns, often even at one site, several contractors and subcontractors employ the project workforce.

#### PUBLIC PROCUREMENT

Large infrastructural projects are increasingly funded by Multilateral Development Banks (MDBs). MDBs have set goals and adopted guidelines to promote economic growth and decrease the numbers of people living in extreme poverty. Some Development Banks, such as the Asian Development Bank (ADB), formally adopted International Core Labour Standards (CLS), implying CLS should be integrated in the design and formulation of its loans. Since the projects are financed with public funds from developed countries, public procurement processes should be transparent, and social standards should be included in bidding documents. In practice, however, this is usually not the case. Companies that are awarded those projects repeatedly violate core labour rights, and the practice of subcontracting is aggravating this problem.

Trade unions face several challenges in confronting violations of labour rights in projects funded by MDBs. Firstly they have insufficient insight into bidding procedures, causing them to miss opportunities for action. In addition, unions often lack the capacity, in terms of staff and technical knowledge, to effectively influence those processes. Lastly, there are no formal structures within MDBs to ensure involvement of trade unions in the process of bidding procedures, and there are no proper complaint mechanisms functioning, to address violation of core labour rights by companies funded through those institutions.

#### MIGRANT WORKERS AND OTHER PRECARIOUS GROUPS

The construction sector is characterised by high numbers of internal and external migrants. For many migrant workers, construction work is their point of entry, since for unskilled, landless, labourers this is generally the only option.

Construction workers are often recruited from rural areas on a seasonal basis, to return to agricultural work during harvest season. In some countries in Africa, the construction work will then be taken over by women whilst the men attend to the agricultural work.<sup>21</sup>

<sup>21</sup> ILO, The construction industry in the twenty-first century: Its image, employment prospects and skill requirements, October 2001

In the Middle East the construction sector relies heavily on migrant workers, especially from countries in South Asia, such as Nepal, Bangladesh, India and Pakistan. Qatar for example has more than 1.7 million migrant workers, 90% of the labour force, and although exact numbers are impossible to give, it is estimated that one third of them works in construction. General working conditions in this sector in the Middle East are appalling, and with the exception of Bahrain, it is not permitted to form unions in any of the countries in the Gulf Cooperation Council.

The majority of migrant workers are not covered by collective bargaining agreements, social protection schemes or even existing labour laws, resulting in poor working conditions and a hazardous working environment. In addition, migrant workers are often unaware of their rights in the employment countries. This is aggravated by the fact that many migrant workers are undocumented. Migrant workers, and especially undocumented workers, often suffer from severe discrimination, resulting in consequences ranging from unequal pay for equal work, to human trafficking and forced labour. Workers returning to their countries of origin injured or with work-related illnesses often lack the financial means and legal support to fight for compensation. When migrants return to their countries of origin, they are often deprived of pension and have no savings left.

Apart from the migrant workers there are several other groups of workers that are subjected to discrimination at work in the construction sector. In most countries, construction jobs are undertaken almost exclusively by men. In some countries, however, women play an important role at the lower end of the value chain. Women are generally paid less than men for similar work, and sometimes they are not on the pay roll at all, but increasing input for their family-unit whilst their men are on the payroll. Child labour is also prevalent in the sector, for example in brick kilns, stone quarries and cement manufacturing. The main causes for child labour in construction are poverty and limited access to quality education. Discrimination based on caste or ethnicity also occurs in the construction sector.

## **HEALTH & SAFETY**

The construction sector is one of the sectors with the highest number of accidents and work-related illnesses. At least 108 thousand workers are killed on site every year, accounting for 30 per cent of all fatal injuries.<sup>22</sup> Many hundreds of thousands suffer injuries and health problems.<sup>23</sup> Common health problems are musculoskeletal disorders due to carrying heavy weights, hearing loss from experiencing significant noise levels, skin diseases from handling dangerous substances, and respiratory diseases such as silicosis, asbestosis and cancer caused by exposure to vapours and fumes. The high rates of accidents and illnesses are partly due to the outsourcing of labour, which is associated with high numbers of labour turnover and low levels of training. Moreover, labour subcontracting diffuses the responsibility for health and safety. In addition, in many developing countries labour laws on health and safety are poorly implemented, and labour inspection of sites is rare.

## **RIGHTS**

Due to the precarious situation of many workers in the construction sector, their low literacy and bare awareness of labour rights, and language problems for migrants, workers often do not claim their rights. In combination with inadequate labour laws and existing laws not being monitored and implemented properly, this leads to high incidences of violations of those rights. For example, in many countries, governments are complicit in abuses by Multinational Corporations (MNCs), giving MNCs unwritten relaxation in law enforcement and concessions when it comes to adhering to national labour laws.

## **TRADE UNIONS**

Even though the growth of the construction sector can contribute to membership growth of unions, it remains difficult for unions to organise and especially to retain members because of the temporary nature of, and high turnover within, the sector, as mentioned previously. The informalisation and “casualisation” within the sector further complicate building up a sound membership base. In addition, employers in the construction sector, in particular those from Asian countries like India and China, often do not respect the right to freedom of association. In some cases, deals are made between governments and companies whereby companies are exempted from laws on the right to

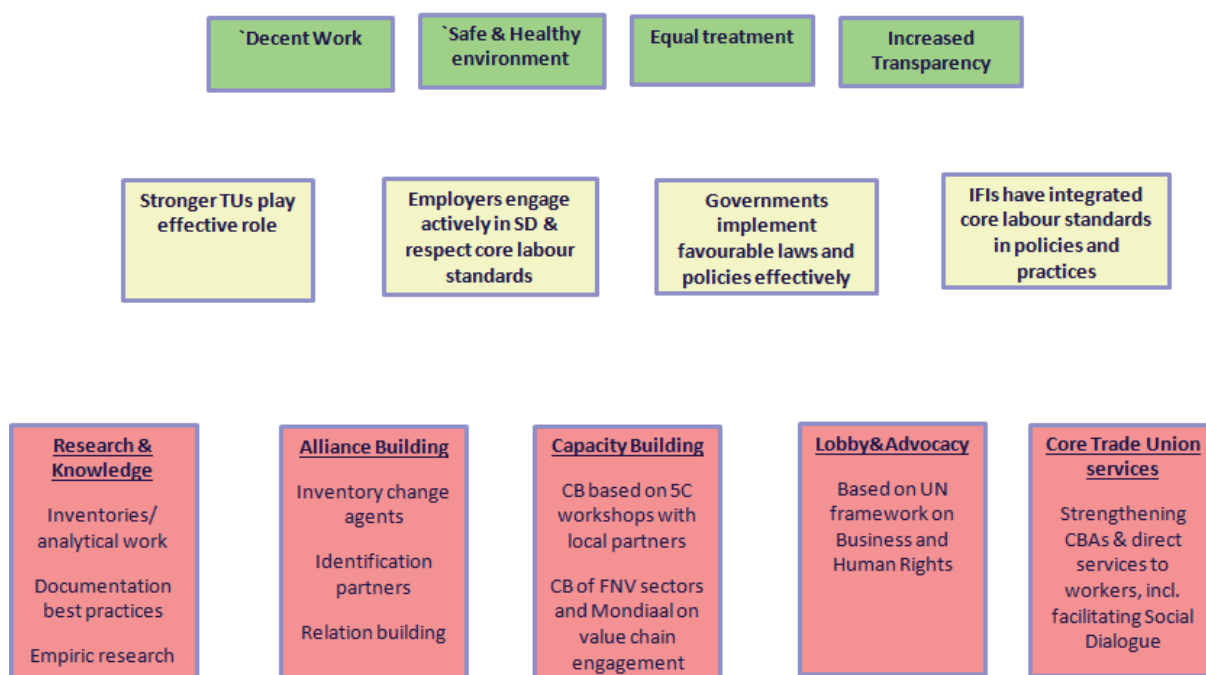
<sup>22</sup> <http://www.bwint.org/default.asp?Issue=OSH&Language=EN>, viewed June 9th, 2016

<sup>23</sup> ILO, Safety in numbers: Pointers for a global safety culture at work, 2003

freedom of association. Apart from difficulties in organising members, the complex employment patterns pose severe challenges to collective bargaining at the company and sector level. The specific issues around migratory labour are also difficult to tackle, but some Asian unions, together with BWI, have attempted to establish mutual recognition of membership for cross border workers or legal assistance for their members, and to raise awareness amongst workers of their rights in the employment countries before migration.

### 6.2.3. THEORY OF CHANGE CONSTRUCTION

The theory of change described below is the general theory for the construction sector. Specific theories of change for selected countries or regions will be developed at a later stage.



### IMPACT

The programme has four main goals that can be described briefly as: decent work, a safe and healthy working environment, equal treatment, and transparency.

Decent work implies that workers in the construction sector earn a living wage, have access to social security benefits, have longer term job security, enjoy the right to freedom of association and collective bargaining, and that child labour is abolished. This implies that trade unions have the capacity to effectively organise and bargain collectively, employers have good practices, governments implement proper labour laws and regulations, and foreign investors have proper investment policies. The abolishment of child labour goes hand in hand with access to education for all children.

A safe and healthy working environment encompasses the absence of casualties and work related illnesses. This implies that proper laws and regulations on health and safety exist and are being monitored and implemented, which also implies labour inspection should be functioning. It also implicates that workers are aware of risks and take measures to prevent accidents and diseases; and employers across the value chain implement adequate policies on health and safety, and ensure implementation of those policies.

The third goal, equal treatment, relates to non-discrimination with special reference to migrant workers, women, ethnic groups and casts. This means equal opportunities in achieving jobs at all positions, equal wages and benefits for equal work, no bullying or gender based violence, and equal treatment of all workers at the work floor.

The fourth goal is transparency. This requires governments to publish procurement documents, companies to be transparent about subcontracting processes and agreements, and MDBs to be clear on investment policies and practices.

## OUTCOMES

The outcomes that the programme is aiming to achieve in order to contribute to the abovementioned project goals can be categorised per actor.

**Trade unions:** Trade unions are capacitated to play an effective role within the construction value chain to defend the interest of workers, including undocumented and documented migrants, women, and informal workers.

**Employers:** Employers engage actively in social dialogue, and respect core labour standards, with a special focus on respecting the right to freedom of association, policies and practices on organisational health and safety, and equal treatment of all workers.

**Governments:** Governments effectively implement laws and policies that are favourable to workers within the construction sector. This entails having functioning labour inspection and full transparency about public procurement processes.

**IFIs, and especially MDBs:** IFI's and MDB's have integrated core labour standards in their investment policies and practices for projects in the construction sector, and enable trade unions to be involved in the monitoring of these rights.

## ASSUMPTIONS

These outcomes are based on the assumption that the involvement of the Dutch government will help influence IFI policies and IFIs will be responsive to international political and consumer pressure. In addition it is assumed that knowledge is critical and required in order to know where IFIs may be influenced and by whom.

Qatar has a migrant population of 1.2 million, mostly from Asia. Hundreds of thousands of them are building sport and housing facilities for the 2020 World Cup, in very inhumane circumstances. In 2014 a migrant worker died every two days. The Global Union BWI (Builders and Woodworkers International) with the support of FNV, is trying to improve working conditions. Some modest results have been achieved: for a minority of the workers housing conditions have improved, the first steps have been taken to change the much criticised sponsor system that bonds labourers to their employers, and illegal organising is taking place. In addition, although 100 of the 800 migrants were subsequently deported, the first ever strike in Qatar took place in 2015.







## 6.3. SHIPBREAKING

### 6.3.1. INTRODUCTION SHIPBREAKING

Shipbreaking is the last phase in the life of large vessels. When vessels can no longer be used and their End of Life has arrived, they are sold to be demolished in countries where steel and scrap prices are high, labour costs are low and beaching possibilities are favourable. The largest number of ships is currently broken in south Asia, China and Turkey. The total value chain of ships is complex and starts at the wharfs, where the ships are built. A finished vessel will be bought by a shipping company and will usually change hands and flags several times before the End of Life has been reached. Investors, owners, shipping companies and insurance companies are important stakeholders. After their End of Life ships are sold to cash buyers who sell them to shipbreaking yard owners. When the ship is broken into pieces, everything is sold for recycling to downstream industries such as rerolling factories where steel is turned into building materials. In Bangladesh around 75% of all raw materials used in construction are provided by shipbreaking. The smaller parts of the ships and everything that is part of the equipment, is also recycled and sold in small shops near to the shipyards.

### 6.3.2 CONTEXT ANALYSIS SHIPBREAKING

#### GLOBAL CONTEXT

Because of the favourable conditions, 80% of all shipbreaking takes place in India, Bangladesh and Pakistan. The largest number of ship-breaking yards in the world can be found here: out of the 700 ships offered for breaking, annually between 180 to 250 ships are broken in Bangladesh and 350 to 450 in India. Because of the labour intensive nature of the work, large numbers of workers are involved. In India it is estimated that between 30,000 and 60,000 workers are involved in shipbreaking, in Bangladesh 30,000 workers are directly employed and around 50,000 workers are indirectly employed in this sector. In Pakistan around 15,000 shipbreakers can be found. It is difficult to give exact figures of the size of the labour force because the number of ships offered for beaching is highly dependent on the economic situation of the country. In the first place the demand for metal scrap that is used in the construction sector is a determining factor: the economic growth in for example Bangladesh increases the demand for steel that the country itself lacks. Secondly, international rules and regulations play a role: in 2015-2016 the number of single hulled tankers offered for breaking increased sharply because of the international regulation that single hulled tankers must be phased out by 2015, and only double hulled tankers will be permitted.<sup>24</sup>

#### MIGRATION, AND WOMEN'S PARTICIPATION

The high level of fluctuations in the labour force is also caused by seasonal internal migration. In Bangladesh for example, 95% of all shipbreakers are agricultural workers, who migrate from their agricultural region in low season, because of lack of employment. The workers, predominantly male, sometimes migrate with their family to the shores of Chittagong in Bangladesh, or the shores of Alang in India. Sometimes only the men migrate, leaving their wife and children behind. Migration of whole families often results in child labour, if children cannot go to school, and migration can have a negative impact on food security if farmers can no longer till their lands. Labour tasks are highly segregated in shipbreaking; recently migrated male unskilled workers will do the pulling, more skilled male workers are involved in cutting and breaking and women will do the recycling of smaller items. Adolescents are also involved in the lighter tasks of shipbreaking.

#### LABOUR CONDITIONS

Pictures of enormous ships on Asian beaches, broken with bare hands, are well-known. It is clear that labour conditions in the shipbreaking sector are far from ideal. Shipbreakers usually work without any kind of contract and the wages that are paid are low. There is a large gap between a living wage and the wages actually paid in shipbreaking.<sup>25</sup>

<sup>24</sup> <http://www.imo.org/en/OurWork/Safety/Regulations/Pages/OilTankers.aspx>

<sup>25</sup> In India, the general labour regime stipulates a minimum monthly remuneration of INR 4160. In contrast, the ship-breaking yards stipulate a minimum monthly remuneration that varies from INR 1500 to INR 3500 per month.(-) The minimum living wage in India is INR 8100. Comparing the minimum gross wage for the metal workers INR 1500, workers receive a wage equivalent to 18.5% of the minimum required for a living wage. Profundo, sector study, page 178

The occupational Health and Safety conditions are also very bad. The older ships, in particular, are full of hazardous materials that are not always clearly listed. Low awareness, lack of adequate training concerning the risks and insufficient government regulations are resulting annually in explosions and fatalities. Between 2008 and 2014, 124 fatalities and 161 severely injured workers were counted in Bangladesh, as a result of accidents such as using cutting torches in environments filled with gas.<sup>26</sup> Asbestos and other chemical substances will kill shipbreaking workers in the longer run.<sup>27</sup> Often Personal Protection Equipment is not provided by the employer, causing injuries that could have been avoided. The long distances to hospitals and clinics, and the lack of transportation further aggravates the OHS situation. Labour conditions are also poor in the downstream shipbreaking industries. An example is the rerolling industry where workers melt steel in open fires, with very little protection.

## TRADE UNIONS

Experience gained in supporting unions in India and Bangladesh shows that organising shipbreakers is very complicated. One reason is the fact that most workers migrate to the shipyards in the agricultural low season. Furthermore, national labour laws do not create an enabling environment for freedom of association. Registering trade unions in, for example, Bangladesh is extremely difficult, and only yard level unions have up to now been permitted. Legal obstacles are put in the way of the creation of cluster unions. India, where Mondiaal FNV has been supporting global union IndustriALL in organising shipbreakers for more than 10 years, is one step ahead. Here, independent federations may be registered or shipbreakers unions may be linked to existing metal workers' federations. Where shipbreakers are organised in unions, clear achievements can be noted: in Alang, India, wage levels increased after a huge strike, and compensation was paid to widows and orphans of deceased workers. In Bangladesh three federations/organisations are combining efforts and support shipbreaking unions from their own perspective.

## SOCIAL DIALOGUE

Shipbreaking is characterised by many different stakeholders, in civil society as well as in governmental and private spheres. This gives opportunities for an effective social dialogue, but can also be a hindrance. In civil society a large divide can be seen between environmental organisations aiming at a complete ending of the beaching of ships, and labour-related organisations and trade unions that aim at safeguarding employment and aim at more decent work. The various government institutions that are involved, such as labour ministries, transport ministries, the ministry of industry and labour inspectorate, sometimes have different approaches which influences their role in social dialogue. Some are more labour-friendly, some more industry-oriented. The existence of laws, rules and regulations relating to shipbreaking differs per country, but a common characteristic is their non-implementation. The private sector, finally, can be divided into ship owners, yard owners, maritime boards and cash buyers, playing different roles in social dialogue mechanisms. A specific role is played by financial institutions who provide funds for investments and insurance of ships. Lobby and advocacy stimulates these institutions to engage in due diligence to avoid labour rights violations when their ships are broken. According to the Norwegian investor KLP, shipowners increasingly feel the *'responsibility for sustainable shipbreaking, the so-called "from cradle to grave" approach, and contribute directly or indirectly to the human rights and environmental risks posed by shipbreaking practices in the terms of OECD guidelines and the UNGP', 2016.*<sup>28</sup>

## REGIONAL AND INTERNATIONAL ORIENTATION

Because of the high mobility of the shipbreaking sector (ships can easily move to places where breaking conditions are the most favourable) and the clear links between Western countries, where ships are built and capital is invested in shipbuilding and sea transport, and southern countries where ships are demolished, social dialogue at international as well as regional level is important. In this respect it is important to mention the clear link with the Netherlands, and more specifically with Dutch investors. A financial relationship has been found between Dutch financial institutions and 24 shipping companies with Bangladesh connections and 23 shipping companies with India connections.

<sup>26</sup> Figures provided by OSHA in 2015

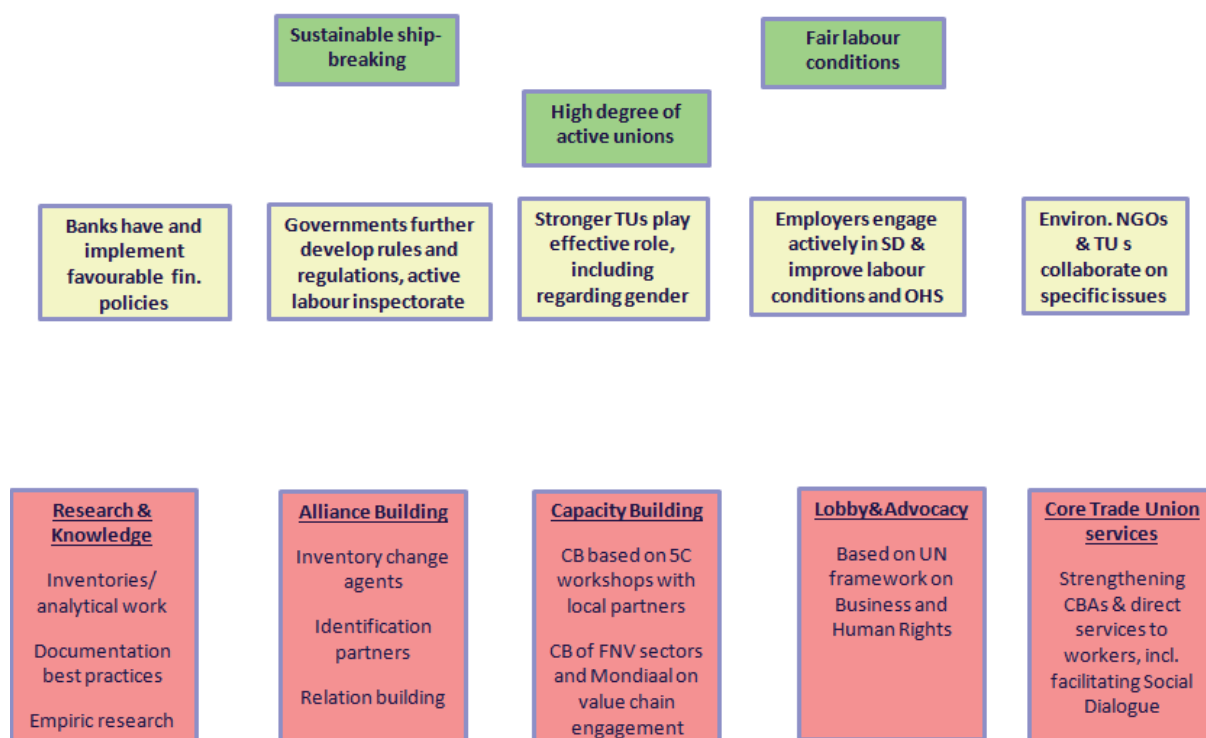
<sup>27</sup> Shipbreaking is a highly polluting industry. Large amounts of carcinogens and toxic substances (PCBs, PVCs, PAHs, TBT, mercury, lead, isocyanates, sulfuric acid) not only intoxicate workers but are also dumped into the soil and coastal waters. An average size ship contains up to 7 tons of asbestos which is often sold in the local communities after scrapping. KLP Kapitalforvaltning AS Shipbreaking practices in Bangladesh, India and Pakistan, an investor's perspective on the human rights and environmental impacts of beaching, 2016

<sup>28</sup> Profundo sector study, page 169

### Various international initiatives and regulations can be observed:

- Firstly the certification initiative 'ISO 30000: 2009 Ships and marine technology – Ship recycling management systems', that aims at specifications for management systems for safe and environmentally sound ship recycling facilities;
- Secondly the Shipbreaking Platform with nineteen environmental, human and labour rights organisations as members from ten countries. The goal of the Shipbreaking Platform is to prevent toxic end-of-life ships from being beached in developing countries. As intergovernmental initiatives the ILO, International Maritime Organization (IMO) and Basel Convention of UNEP have produced their own guidelines. The Basel Convention goal is to protect human health and the environment against the adverse effects of hazardous wastes;<sup>29</sup>
- The Hong Kong International Convention is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety and to the environment, and the EU European Union ship recycling rules that require that EU registered ships be recycled at sustainable facilities.<sup>30</sup>

## 6.3.3 THEORY OF CHANGE SHIPBREAKING



### IMPACT

From this context and from the experiences with our partners it is apparent that to achieve changes in the ship-breaking sector it is important to address the issues of low union density, poor labour conditions, and high migration levels. Opportunities for an effective social dialogue need to be made use of, and obstacles for social dialogue removed, at national, regional as well as international level.

The final impact is for interventions to ultimately result in a high degree of active unions, and sustainable shipbreaking with fair labour conditions.

### OUTCOMES

**Trade unions:** Trade unions are strengthened by increasing their membership base at yard level and at federation level. The capacity of these newly formed trade unions is strengthened so they are able to play a much more effective role in social dialogue mechanisms and battle to improve labour conditions. At the same time trade unions actively seek opportunities to engage women workers and address the effects of migration.

<sup>29</sup>Basel convention (2011), Overview, online: <http://www.basel.int/TheConvention/Overview/tabid/1271/Default.aspx>, viewed in March 2016

<sup>30</sup>Profundo sector study page 184

**Employers:** Employers are positively engaged in social dialogue mechanisms, which result in improved labour conditions. Employers as well as government institutions work together in putting social security systems in place that benefit women/children of injured and deceased workers.

**Government institutions:** Governments further develop rules and regulations regarding sustainable shipbreaking and actively engage in the implementation of laws and policies. The labour inspectorate plays a more active role.

**National and international NGOs and platforms:** Environmental NGOs, NGOs focusing on shipbreaking and international platforms address labour issues on behalf of all stakeholders. Collaboration between trade unions and these NGOs targeting specific issues will contribute to this. An example is the environmental organisation BELA in Bangladesh with a long track record of legal lobbying and campaigning with the potential of significant added value in labour issues.

**Banks and international institutions:** Internationally operating banks and international platforms are more inclined to address labour issues in their policies and laws, and are implementing these policies.

### ASSUMPTIONS

These outcomes are based on the assumption that collaboration with environmental NGOs will help advance labour rights. At present, environmental issues receive greater attention than labour issues in shipbreaking, and environmental NGOs also have specific knowledge that can be used to advance labour rights. Obviously, the assumption is that NGOs and trade unions will actually be able to start working together effectively.

In addition it is assumed that international bodies will engage with trade unions effectively and will be able to make regulations in defence of labour rights.

Six shipbreakers died in October 2009 in India. They are among the many casualties that are the result of dangerous work, combined with insufficient protection and OHS training. Their widows and children were left behind without any income. In 2012, the three years of negotiation by the shipbreakers' trade union ASSRGWA resulted in compensation for all widows. This freed the way for future casualties, for whom the union expects more immediate compensation.

## 6.4. AGRICULTURE

### 6.4.1. INTRODUCTION AGRICULTURE

Within the FNV TUCP proposal, the high-risk sector agriculture will be addressed through three categories of commodities:

1. Palm oil and cocoa representing "Processed agricultural food products";
2. Fruits and vegetables for export or "Non-processed agricultural food products" based on products such as asparagus, mango and avocado;
3. Flowers and plants belonging to the "Non processed agricultural non-food products".

All these products are characterised by monoculture, capital intensive large scale plantations or greenhouses and high use of external inputs, with the exception of cocoa which is produced on small to medium-sized family-owned plots.

The power division between the actors within the agricultural value chain is basically unfair. The actors higher up in the value chain have a great deal of influence on determining prices and conditions. Influence on wages and conditions of workers/small farmers at the bottom of the chain is generally very limited. This despite the proliferation of certification schemes, which are mostly voluntary and industry-driven. So far most of these initiatives have been unable to improve the welfare of plantation workers in the various sectors mentioned here. As a result, various forms of violations still occur in plantations. The increasing attention in the media for sustainability issues linked to the production of products such as palm oil-based products, chocolate and flowers has caused an increase in consumer awareness, which definitely creates opportunities for influencing the value chain.





Woman working in a Dutch flower company, Uganda . Photo: Roel Burgler/Hollandse Hoogte



## 6.4.2. CONTEXT ANALYSIS AGRICULTURE

### GLOBAL CONTEXT

Employment opportunities in the agricultural sector aimed at food production are decreasing, whilst increasing in the processing sector. Estimates by the FAO indicate that in the lower income countries 2/3 of the population still works in agriculture, whilst in the middle income countries this percentage declines to 43% in Indonesia, for example, and even 18% in Colombia. Worldwide the agricultural sector, including small farmers, employs an estimated 1.3 billion which is half of the world's labour force.<sup>31</sup> Agriculture is the most important sector for female employment in many countries, especially in Africa and Asia. About 43% of the agricultural labour force globally and in developing countries is female, but this varies across countries and sectors. In general, weeding and harvesting are predominantly female activities. Invariably women are overrepresented in unpaid, seasonal and part-time work, and the available evidence suggests that women are often paid less than men, for the same work.<sup>32</sup>

Over the past ten years large scale transnational land deals for the establishment of large scale plantations or farms have increased drastically. Those deals often have a negative impact on local farmers and communities, who are often not consulted, not properly compensated or offered alternative work.<sup>33</sup>

### FUNDAMENTAL RIGHTS

The global demand for commodities such as palm oil, cocoa, flowers and plants, and non-processed food products has risen enormously in the last five years. This has resulted in an increased demand for labourers on plantations, smallholdings and in greenhouses. However, agricultural enterprises are often owned by politicians, military and/or foreign investors who do not live on the farms and are mainly interested in maximising profits. Some countries, such as Kenya and Indonesia, specifically exclude the agricultural sector from their general labour legislation. Social protection of these workers is very limited, implying low job security and no health insurance for agricultural workers.

A lot of the work is seasonal, and there is often no formal contract between the employers and the workers, even though most of these casual workers do essential tasks such as planting, harvesting and maintaining the plantations. Precariousness of work is increasing, and wages paid in agriculture are often much lower (particularly for women) than those paid in other sectors, and far below a living wage. And when wages and income of farmers are low, this will have a negative impact on food security. Fundamental worker's rights are generally not respected, which is partly due to the often isolated locations and poor capacity of labour inspection departments. In some cases this leads to a reliance on child labour.

Seasonal migration is common in the agricultural sector, especially in sub-sectors that still require manual labour. The strong growth of plantation acreage also triggers internal migration in many countries. Workers are then forced to settle in remote and isolated places in order to be close to the plantations. This augments the dependency and vulnerability of the workers to various kinds of exploitations.

The number of child labourers in agriculture amounts to over 98 million children, with 67.5% of them being unpaid family members. Within this sector children usually start at an early age, sometimes between five and seven years old. About 59% of all children in hazardous work aged between five and seventeen are in agriculture.<sup>34</sup> Absence of a living income, and limited access to quality education are the main causes of child labour in agriculture.

Agriculture is one of the sectors with the most occupational accidents and work related incidences. Annually 170,000 agricultural workers are killed and together with other injuries and work-related ill health, agriculture is along with construction and mining one of the three most hazardous sectors of activities.<sup>35</sup> The contributory causes of such accidents and ill health include exposure to chemicals, lifting heavy weights and other work giving rise to

<sup>31</sup>ILO, Agriculture; a hazardous work, March 23rd, 2015

<sup>32</sup>FAO, The role of women in agriculture, ESA Working Pap No. 11-02, March 2011

<sup>33</sup>H. Donkers, Land grabbing. Global land rush, in Geografie, October 2015

<sup>34</sup><http://www.ilo.org/ipecc/areas/Agriculture/lang--en/index.htm>[http://www.ilo.org/ipecc/areas/Agriculture/lang--en/index.htm#P2\\_481](http://www.ilo.org/ipecc/areas/Agriculture/lang--en/index.htm#P2_481), viewed June 10th, 2016

<sup>35</sup>ILO, Agriculture; a hazardous work, March 23rd, 2015

musculoskeletal disorders, and working with machines and tools. Legislation on health and safety in the agricultural sector is often inadequate, not respected by companies and inadequately enforced by labour inspectors.<sup>36</sup> In addition, agricultural workers are often unaware of the measures that need to be taken to protect themselves. Apart from the risks mentioned, in some subsectors there is a high incidence of gender based violence, for example in the flower sector in East Africa.

### **SOCIAL DIALOGUE**

In the agricultural sector social dialogue is limited. This has to do with the low level of unionisation, which is caused by the above-mentioned high degree of “casualisation”. It is worsened by the low degree of education of the workers and the remoteness of many plantations, making the workers difficult to reach for union activists. Other issues such as deforestation, land grabs, and environmental contamination are often considered more important than labour issues by local or international NGOs, and therefore prioritised in initiatives to promote social dialogue. As a result authorities do not assign priority to social dialogue on labour issues and many employers do not show much willingness either. Many employers and plantation owners have strong political influence at local and/or national level, making sure legislation is favourable for their commercial ambitions.

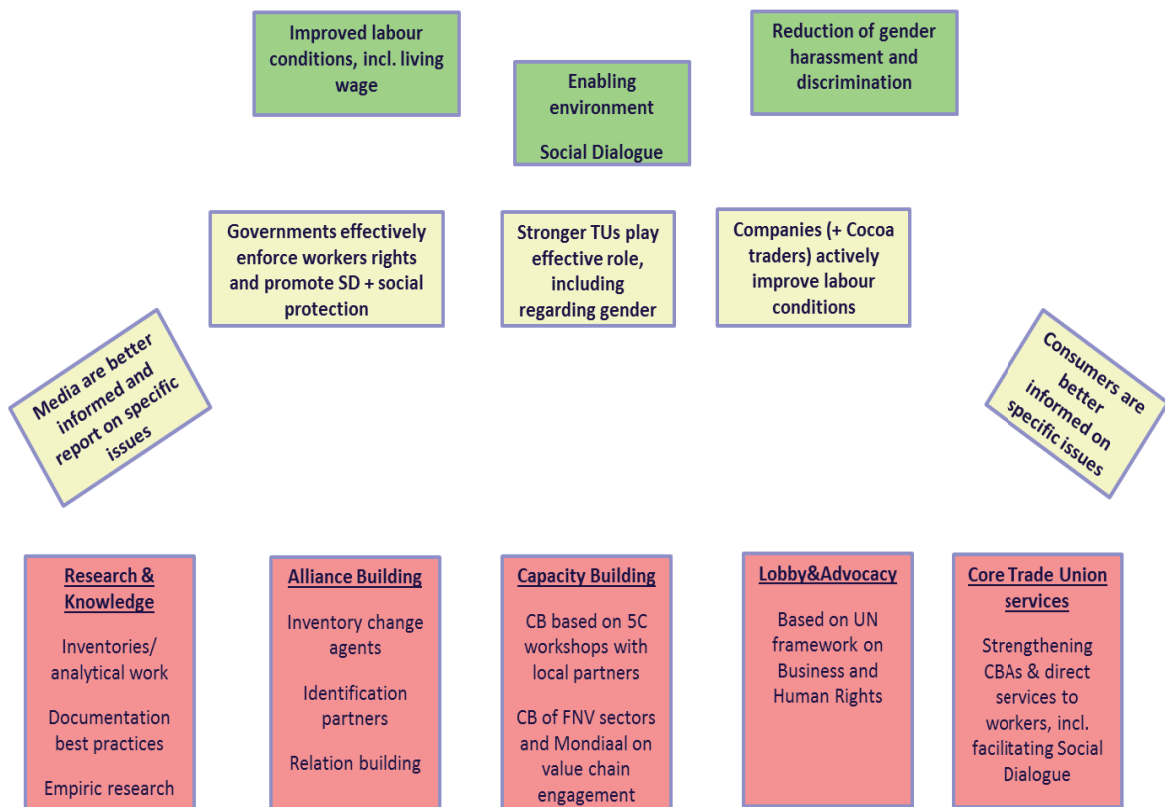
### **TRADE UNIONS**

Generally speaking, the agricultural sector is “one of the sectors where trade unions, for many reasons, face the greatest challenges to organize the workforce, including legal restrictions, geographical isolation and cultural attitudes. *The prevalence of seasonal, migratory and casual labour along with the added constraints of illiteracy, ignorance of workers’ rights, and isolation render the task of organizing among rural workers particularly difficult.*”<sup>37</sup> However, the specific challenges vary per country and subsector. For example, in the flower and plants sector most of the workers are employed and therefore relatively easy to organise, whilst in the cocoa sector most workers are self-employed smallholders and do not fit easily within traditional trade union structures. In most oil palm plantations it is very difficult for workers to organise since they are often not in formal employment but work on piece rates. For both cocoa and oil palm, some trade unions focus on employees in refineries of those products, these people being easier to organise, as an entry point into organising the sector. Where trade unions are created in the agricultural sector, they are able to negotiate CBA and living wages.

<sup>36</sup> ILO, Safety and health in agriculture, April 2011

<sup>37</sup> ILO, Safety and health in agriculture, April 2011

## 6.4.3 THEORY OF CHANGE



### IMPACT

The development goal of the Mondiaal FNV programme for the agricultural sector is: improved labour and living conditions for the workers, smallholders and their families in the supply chains of oil palm, cocoa, flowers and other export crops such as asparagus. This can be achieved through respect of the core labour standards, with special reference to striving for a living wage, reduction of gender harassment and discrimination and freedom of association. A precondition for this to happen is that the social partners are able to operate in an enabling environment which allows for social dialogue (i.e. meaningful interaction, the right to collective bargaining, labour inspection, and grievance mechanisms) that allows these actors to cooperate, learn and improve, so they gain access to a more fair share of the revenues generated in the value chain.

### OUTCOMES

The theory of change to achieve this high-level goal is built around five outcomes that are tied to the different actor groups that play an important role in the agricultural value chain: 1. trade union organisations or farmers' associations, 2. government authorities, 3. brands or producers, traders in the case of cocoa, 4. consumer organisations and 5. media. The formulation of these outcomes follows from drawing on the context analysis, which addresses the agricultural production chain for the commodities that have been selected to represent the most illustrative issues for the sector.

**Trade unions:** Trade union organisations/farmers' associations, which have increased representativeness and include women and other vulnerable groups, have become more effective actors in social dialogue and have strengthened their capacity to exercise their role in the protection of workers'/smallholders' rights in the value chain of the agricultural sector.

**Governments:** Governmental authorities effectively enforce workers' rights in alignment with international norms (ILO core conventions) in the value chain of the agricultural sector, actively promote and engage in meaningful social dialogue and promote schemes on social protection with farmers and workers' organisations.

**Companies:** Companies (brands, producers and traders in retail) in the agricultural sector actively and effectively support and implement worker's rights at the company level, and engage in meaningful social dialogue at different levels of the value chain. For this last part we explicitly include traders for the cocoa value chain.

**Consumers:** Consumers (in the Netherlands) are better informed about the issues on specific products within the value chain of the agricultural sector and can act and demand changes on the basis of this information.

**Media:** Media are better informed on the relevance and importance of worker's rights and publish on the labour aspects of corporate social responsibility and sustainability of agricultural products.

### ASSUMPTIONS

These outcomes are based on the assumptions that knowledge is critical, particularly regarding the functioning of the value chain(s), to enable unions to play a more effective role, as well as to provide alternatives to current behaviour. In addition, it is assumed that well-informed consumers will change behaviour and as such increase pressure towards improved practices within the value chain. In this context, the link with the Netherlands is important (influencing producers by way of influencing Dutch consumer behaviour). Effective information may also well support companies already active in CSR and as such reinforce their positive behaviour.

The role of the media in this context is assumed to be important. Media, once well-informed, can effectively inform consumers and as such also increase pressure on companies as well as, for example, financial institutions.

After several difficult years, the Uganda Horticultural and Industrial Service Providers Allied Workers' Union UHISPAWU is back on track. After a reorganisation, the young leadership started enthusiastically attracting new membership and negotiating better labour conditions. After one year of FNV support the membership increased threefold, and a wage increase between 4 and 10% was agreed.

# 7. STRATEGIES ADDRESSING HIGH RISK VALUE CHAINS

To achieve the desired outcomes described in chapter 6, a number of strategies have been identified.

This chapter explains our five main strategies:

1. Research and knowledge building
2. Alliance building
3. Capacity building
4. Lobby and Advocacy
5. Core Trade Union Services

## 1. RESEARCH AND KNOWLEDGE BUILDING

Research and knowledge development are considered an indispensable basis for all the strategies followed by Mondiaal FNV. Input for campaigns, awareness raising, lobby, alliance building and capacity development are generated from empiric research, documentation of practical experiences, shared learning and further knowledge building.

As a first step, the generation of knowledge and the recollection and systematisation of information and experiences are addressed. With regard to the value chains, an inventory and analyses of the existing certification schemes and of all stakeholders that are active in one particular sector are taken as a departing point. The main players are identified and a power analysis within the prioritised value chains is carried out. This is followed by a further analysis of other aspects of the value chains such as the make-up of the added value of the products, pricing mechanisms, processing relations between the different actors. Best practices of existing or potential partners when addressing issues on fundamental labour rights, social dialogue and fair share obtainment in the value chain are inventorised. Alliance and cooperation will be developed between unions and specialised labour NGOs or knowledge institutes able to carry out relevant research. Special emphasis will be placed on the integration of gender issues in all research.

Special research may be carried out on prioritised topics such as migrants and women in order to develop strategies local trade unions for these groups since they are of high significance in all the identified sectors, especially in the informal part of the production chain.

## 2. ALLIANCE BUILDING

Before actually starting on the alliance building, an inventory of key change agents within the different high-risk sectors is needed. This inventory will result from the mapping exercises, carried out as part of the research and knowledge development strategy. This then allows for identification of the potential collaboration partners that share a common or complementary goal. Occasionally, NGOs are actively engaged on issues regarding labour conditions, but also on other issues varying from the environment to human rights, land grabbing, et cetera.

Some of these are pre-existing collaborations, and will be strengthened, but in addition new alliances will be formed within the framework of this new TUCP (2017-2020). This requires concrete activities in the form of effecting contacts and in relation building. These relation-building activities may then result in undertakings such as joint studies, joint campaigning and awareness raising, joint actions or even promoting the organising of workers in some cases or joint participation in social dialogues.

Participation in or engagement with one or some of the many certification schemes will then take place, in order to ensure that labour conditions are more seriously addressed during the auditing or certification process, resulting in a more relevant and balanced certification. In international laws and regulations as well, greater integration of labour issues will be stimulated through alliance building. Alliance building will also lead to new forms of social dialogue in those cases where the present practice is absent or not effective. Finally, donor coordination in this process is also of the utmost importance.

### 3. CAPACITY BUILDING

In order to effectively participate within value chains, there is a need to increase the institutional capacity of local partners, as well as the knowledge and skills of partners, FNV sectors, and Mondiaal FNV to effectively participate in value chains. Gender issues will receive ample attention in capacity building.

The '5-C' model may be used to evaluate capacity-development efforts. The model focuses on five core capacities essential for organisations: capability to act and commit; capability to deliver on development objectives; capability to adapt and self-renew; capability to relate to external stakeholders; capability to achieve coherence. (See also chapter 12 on Partnership policies)

#### LOCAL PARTNERS

The selection of priorities for organisational capacity building will be based on the outcomes of 5C- workshops. Examples of organisational capacity building activities are increasing specific skills of individual staff members; setting up organisational systems; increasing representativeness through organising; and building alliances with relevant stakeholders.

Besides strengthening the capacity of partner organisations based on the outcomes of 5C, special emphasis will be placed on strengthening the campaigning skills of partners and enhancing their skills to effectively participate in social dialogue. Key activities that will be conducted to capacitate partners to participate in the value chain are: sharing of best practices; building knowledge and skills to participate in multi-stakeholder initiatives, with special emphasis on influencing certification schemes and procurement processes.

#### FNV SECTORS

Capacity building activities for FNV sectors will centre on building knowledge and skills to engage in a value chain approach, sharing of best practices, and strengthening the capacity to participate in multi-stakeholder initiatives.

#### MONDIAAL FNV

For Mondiaal FNV, the capacity to effectively participate in a value chain approach will be increased. In addition, knowledge will be built through the sharing of best practices.

Besides the above-mentioned activities for the three actors, the capacity building strategy also entails linking the knowledge of the three partners at local, regional and international level to develop more effective strategies to engage in a value chain approach.

### 4. LOBBY AND ADVOCACY STRATEGY

The lobby and advocacy strategy is based on the UN Framework on Business and Human Rights, which asserts that there are clear roles for both business and government in ensuring human rights compliance in international supply chains. Lobby and advocacy efforts may cover all three responsibilities outlined in of the UN Framework: protection of human rights, respect for human rights, and access to remedy in cases where rights are violated. Capacity development helps trade unions become more effective lobbyists and advocates towards both government and business stakeholders, as well as towards workers themselves.

#### CAPACITY DEVELOPMENT ON LOBBY AND ADVOCACY

- NGOs and trade unions become capable actors in the field of evidence and value-based lobby and advocacy;
- Trade unions have the capacity to act as effective partners in national and regional social dialogue;
- Models are created for duplication of successful lobby and advocacy strategies and projects at the level of the supply chain and in the area of social dialogue.

#### LOBBY AND ADVOCACY STRATEGY GOALS

- Space is created for trade unions to act as relevant stakeholder across the supply chain;
- Space is created for trade unions to act as partner in national and regional social dialogue;
- Better multi-stakeholder cooperation is established at company, sector, national level, and internationally across supply chains;
- Better social dialogue is established at company, sector, national and regional level, within a sector or across sectors.



The logic of the lobby and advocacy strategy is based on the idea that trade unions will be more effective advocates for improved conditions in supply chains and more effective social partners if they have improved lobby and advocacy capacity, including for example publication skills, the cultivation of relationships with decision makers, access to – or creation of – information and discussion platforms.

## 5. CORE TRADE UNION SERVICES

### BASIC TRADE UNION WORK AT LOCAL LEVEL

Strengthened unions will be an effective partner in social dialogue mechanisms and will influence improved labour conditions. Effective core trade union services will contribute to this. The strategy to achieve this consists of two important elements: firstly trade union activities such as the signing of CBAs, (with specific women's clauses) legal assistance, lobbying for better access to social security, need to be strengthened to have more impact at local level. Sometimes core trade union services such as facilitating access to drinking water and health care are also used in order to gain more access to workplaces and to enable organising processes. Training given by Dutch trade union members on for example Occupational Health and Safety, plays an important role here. Secondly, elements of the value chain approach have the capability to reinforce core trade union services and lead to improved impact of trade unions.

The following strategies will be followed: an analysis will be carried out as to how multi-stakeholder initiatives, covenant processes, Global Framework Agreements contribute to efficient core trade union services. In alliances with international stakeholders, international pressure needs to be translated to regional and local level to become effective. Local trade unions are made aware and trained to use this international pressure in their campaigns. Specific campaigns will be developed and executed.

### SUSTAINABILITY

For all five strategies to be effective, the role of the partner organisations is crucial. They can only play their role if we strive for a comprehensive form of sustainability of these partner organisations. In assessing and selecting them for cooperation, this implies that Mondiaal FNV aspires to contribute to four aspects of sustainability: financial, institutional, political and social sustainability.

1. Financial sustainability, which refers to the capacity for self-financing of relevant trade union activities, such as organising and trade union education as well as the organisation's ability to attract additional funding to fulfil its mission. Financial sustainability remains a challenge for most partner organisations. In response, Mondiaal FNV has focused on improving the capacity of organisations to address this issue. Mondiaal FNV partners and GUF affiliates in the countries we work in are not dependent on external funding of trade union donors for their core activities. Mondiaal FNV encourages and supports partner organisations to develop funding initiatives to finance additional activities;
2. Institutional sustainability refers to trade union presence in multi-stakeholder initiatives and/or tripartite negotiations and the ability to represent the rights and interests of its members/target group therein. Most of our partner organisations are able to participate in social dialogue with employers and government. Trade unions that are excluded but recognised as the voice of workers are able to raise decent work demands and influence both the agenda and content of social dialogue from the outside;
3. Political sustainability refers to the extent of influence trade union partners are able to exercise over other relevant political actors in society and their ability to set the political agenda and generate benefits for the target group. With FNV Mondiaal support, partner organisations have made important contributions so far to national labourrelated legislation. Strategic lobbying towards politicians and government representatives, combined with targeted campaigning, has succeeded many times in setting the parliamentary agenda. In many cases, the outcome has been the adoption of ILO conventions and standards in national legislation;
4. Social sustainability relates to the recognition of the trade union in society in general, especially in relation to representative performance vis-à-vis the ultimate target group. Successful interventions by partner organisations have raised the profile of trade unions, encouraged trade union membership, and facilitated participation and/or activism.

## 8. COUNTRY AND REGION SELECTION

A number of factors determine the geographical focus of the Mondiaal FNV programme.

1. Selected countries are lower income countries, 80% of the budget will be spent in lower income countries;
2. The Latin American programme will gradually be phased out at country programme level;
3. Preference is given to countries where activities could potentially have a regional impact or could be replicated.

The countries and regions are not set in concrete yet. To allow for socio-political developments causing risks for the programme in one or two countries, a regional approach may be chosen as part of a risk management strategy. (This could for example be the case should the situation in Bangladesh and Pakistan deteriorate to such an extent that work in the perspective of the programme can no longer safely take place). Other countries or regions could possibly be added if developments concerning value chains activities or concerning the possibilities for social dialogue require extension. Additionally, shifts in focus or the broadening of regions might occur as a result of opportunities caused by new international multilateral cooperation involving our partners, for example at Latin American level. The FNV might also be invited to join other programmes in additional high-risk sectors in which case we are open to the analysis of these possibilities.

Various countries on the list of the selected countries are priority countries for the Dutch Ministry of Development Cooperation with respect to creating an enabling economic environment, such as Bangladesh, Ethiopia, Ghana, Kenya, Indonesia and Uganda.

### HIGH-RISK SECTORS AND SUPPLY CHAIN SUB-PROGRAMME

4. The sectors chosen are high-risk sectors as identified by the Dutch CSR sector risk assessments and international CSR covenant process;
5. The selected countries are listed on the 2016 Dutch Good Growth Fund (DGGF) country list;
6. The country-(sub)sector combination needs to have a strong economic linkage with the Netherlands;
7. Country (sub)sector combinations where Mondiaal FNV already has a partner, were given preference, but this is not an exclusive pre-condition;
8. Status of workers' rights: based on the 2015 ITUC Global Rights Index, only countries with Rating 5, 4, 3 and 2 have been considered;
9. The country should have relevance in terms of products imported into the Netherlands, projects carried out by Dutch companies or financial (investment) relationships;
10. Potential for involvement of Dutch FNV sector representatives.

### SOCIAL DIALOGUE SUB-PROGRAMME

11. In the selected countries and regions, Mondiaal FNV or one of the Scandinavian donor unions has good longer term relationships with potential partners;
12. In the selected countries and regions there is potential to develop sustainable meaningful large scale social dialogue programmes at national or regional level;
13. In the selected countries and regions there is potential for involvement of both Dutch social partners;
14. Activities have the potential to play an exemplary role in the broader region.

### HIGH-RISK SECTOR / VALUE CHAIN COUNTRY SELECTION

The high-risk sectors identified as having the most potential based on the above criteria are 1) construction, 2) ship-breaking and 3) agriculture.

#### 1) CONSTRUCTION SECTOR

Priorities identified for this sector are public procurement and investments by international financial institutions (IFIs) and migration as an integral part of the construction industry.

## 2) SHIPBUILDING AND SHIPBREAKING

Priorities identified for this sector are the potential for a regional approach (replication) and active involvement of the Dutch trade union support base.

## 3) AGRICULTURAL SECTOR

The following agricultural commodities being prioritised: palm oil; cocoa; flowers; fruit and vegetables.

At the start of the new TUCP the context analyses and theories of change for specific countries in combination with the sub-programmes will be further developed and elaborated in a more detailed fashion. This could result in small changes in focus.

## COUNTRY AND REGIONAL OVERVIEW

HIGH-RISK SECTOR	COUNTRY/ REGION	PRIORITY	ARGUMENTATION (KEY POINTS)
Agriculture	Peru	Improving labour rights in the vegetables and fruit value chain	<ul style="list-style-type: none"> <li>• Experienced partner organisations in Peru;</li> <li>• Strong involvement of Dutch trade union base;</li> <li>• Possible involvement of international trade union IUF;</li> <li>• Potential for cross-sector cooperation on transport with international trade union ITF, strengthening the supply chain approach.</li> </ul>
	Colombia	Improving labour rights in the palm oil value chain	<ul style="list-style-type: none"> <li>• Experienced partner organisations in Colombia;</li> <li>• Strong involvement of Dutch trade union base;</li> <li>• Involvement of international trade union IUF;</li> <li>• Potential for cross-sector cooperation on transport with international trade union ITF, strengthening the supply chain approach.</li> </ul>
	Indonesia	Improving labour rights in the palm oil value chain	<ul style="list-style-type: none"> <li>• Experienced partner organisations in Indonesia;</li> <li>• CSOs working in the same field (cooperation potential) in the Netherlands and in Indonesia;</li> <li>• Potential cooperation with Dutch importing companies and embassy;</li> <li>• Involvement of international trade union IUF;</li> <li>• Potential for cross-sector cooperation with international trade union ITF, strengthening the supply chain approach.</li> </ul>
	East Africa	Improving labour rights in the flower value chain	<ul style="list-style-type: none"> <li>• Presence of CSOs working in the same field (cooperation potential);</li> <li>• Involvement of international trade union IUF;</li> <li>• Potential for cross-sector cooperation with international trade union ITF, strengthening the supply chain approach.</li> </ul>
	Ghana and Ivory Coast	Improving labour rights in the cocoa value chain	<ul style="list-style-type: none"> <li>• Potential for a regional approach;</li> <li>• Presence of CSOs working in the same field (cooperation potential);</li> <li>• Involvement of international trade union IUF;</li> <li>• Potential for cross-sector cooperation with international trade union, strengthening the supply chain approach ITF;</li> <li>• Potential for South-South cooperation.</li> </ul>

HIGH-RISK SECTOR	COUNTRY/ REGION	PRIORITY	ARGUMENTATION (KEY POINTS)
Shipbreaking	Bangladesh, India, Pakistan	Improving labour rights in the shipbreaking supply chain	<ul style="list-style-type: none"> <li>• Experienced partner organisations in Bangladesh and India;</li> <li>• Potential for a regional project approach and lobby and advocacy programme;</li> <li>• Strong involvement of international trade union IndustriALL;</li> <li>• Involvement of CSOs such as OSHE, BLF, BILS important for consolidation in Bangladesh and regional strategy.</li> </ul>
Construction	Indonesia  East Africa  Bangladesh, Nepal, India, Indonesia (originating countries)	Improving labour rights in the construction supply chain Improving labour rights in the construction supply chain Improving labour rights for Imigrant workers in construction supply chain	<ul style="list-style-type: none"> <li>• Involvement of international trade union BWI;</li> <li>• Local approach.</li> <li>• Involvement of international trade union BWI;</li> <li>• Local approach.</li> <li>• Involvement of international trade union BWI;</li> <li>• Regional approach takes into account the vulnerability of Bangladesh and the possible need to divert to another country.</li> </ul>
	Asia	Lobby and advocacy programme on inclusion of labour rights in public procurement in the construction sector	<ul style="list-style-type: none"> <li>• Involvement of international trade union BWI;</li> <li>• Potential for cross-sector cooperation involving international trade unions UNI and PSI on responsible financing;</li> <li>• The Netherlands as donor for IFIs /World Bank.</li> </ul>
Textiles	Bangladesh  Indonesia  Myanmar  Ethiopia		<ul style="list-style-type: none"> <li>• See Strategic Partnership with Fair Wear Foundation, CNV and ministry</li> <li>• See Strategic Partnership with Fair Wear Foundation, CNV and ministry</li> <li>• See Strategic Partnership with Fair Wear Foundation, CNV and ministry</li> <li>• See Strategic Partnership with Fair Wear Foundation, CNV and ministry</li> </ul>

SOCIAL DIALOGUE	COUNTRY/ REGION	PRIORITY	ARGUMENTATION
	<b>Peru</b>	Strengthening and consolidating the existing social dialogue agreement making it self-supporting by the end of 2020	<ul style="list-style-type: none"> <li>• Potential to be a regional example (duplication possibilities);</li> <li>• Involvement of Peruvian social partners;</li> <li>• Active interest of DECP, Stichting van de Arbeid;</li> <li>• Potential for involvement Dutch embassy;</li> <li>• Social dialogue programme recently started (Amsterdam Agreement);</li> <li>• Financial support reduced and gradually reduced further through the TUCP period.</li> </ul>
	<b>Colombia</b>	Supporting existing partners in developing bi-partite and tri-partite social dialogue in various sectors at local and national level	<ul style="list-style-type: none"> <li>• Experienced partners;</li> <li>• Potential to be a regional example (duplication possibilities);</li> <li>• Could be part of post-war reconstruction process;</li> <li>• Potential cooperation with Dutch social partners (DECP and SER) and embassy;</li> <li>• Financial support reduced and gradually reduced further through the TUCP period.</li> </ul>
	<b>East Africa and Ghana</b>	Supporting existing partners in developing bi-partite and tri-partite social dialogue in various sectors at national and regional level	<ul style="list-style-type: none"> <li>• Potential for regional social dialogue;</li> <li>• Potential partnership with Danish and other Scandinavian TUSSO partners;</li> <li>• Potential cooperation with Dutch social partners (DECP and SER) and embassy;</li> <li>• Cooperation with East African Trade Union Confederation (EATUC);</li> <li>• Potential cooperation with local and regional research organisations.</li> </ul>
	<b>Indonesia</b>	Supporting existing partners in developing bi-partite and tri-partite social dialogue in various sectors at national level	<ul style="list-style-type: none"> <li>• Experienced partners;</li> <li>• Potential cooperation with Dutch social partners (DECP and SER) and embassy;</li> <li>• Before starting, research into viability of a social dialogue programme will take place.</li> </ul>
	<b>MENA region</b>	Supporting new partners in developing bi-partite and tri-partite social dialogue in various sectors at national and regional level	<ul style="list-style-type: none"> <li>• Potential for regional social dialogue;</li> <li>• Potential partnership with Scandinavian TUSSOs and ITUC;</li> <li>• Potential cooperation with Dutch social partners (DECP and SER) and embassy;</li> <li>• Before starting, research into viability of a social dialogue programme will take place.</li> </ul>
	<b>Nepal</b>	Supporting existing partners in developing bi-partite and tripartite social dialogue in various sectors at national and regional level	<ul style="list-style-type: none"> <li>• Potential to be a regional best practice example;</li> <li>• Before starting, research into viability of a social dialogue programme, a potential partnership with Scandinavian TUSSOs and involvement of Dutch social partners will take place.</li> </ul>

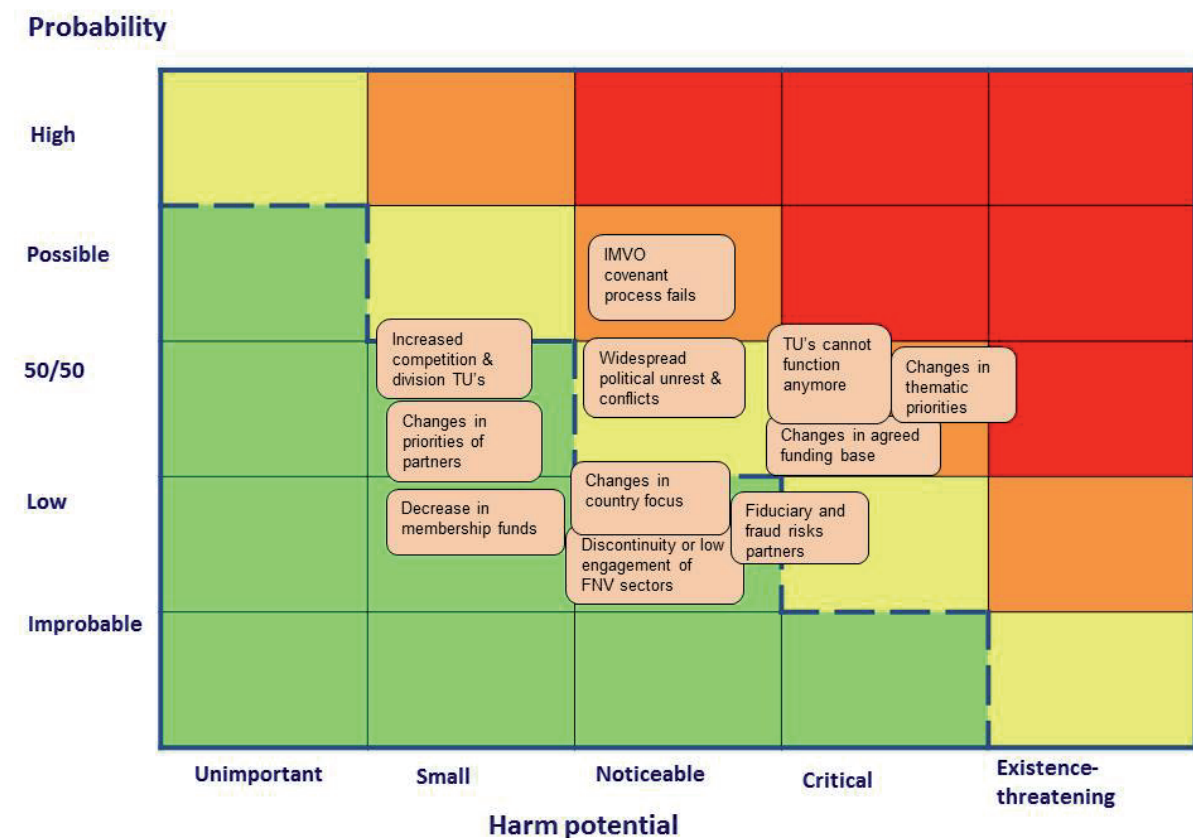
# 9. RISKS AND RISK MANAGEMENT

The risk analysis for the TUCP 2017-2020 is organised in different categories of risks.

## COLOUR CODE: EFFECT ON THE TUCP PROGRAMME

	Highly dangerous, seriously threatening the achievements of results and continuity Need to adjust the programme strategies or not proceed at all
	Potentially dangerous, monitoring & serious mitigating measures required
	Potentially dangerous, monitoring & mitigating measures required
	Risk levels acceptable if circumstances do not change

## OVERALL VIEW (POSITIONING OF THE RISKS IN THE RISK MATRIX)





## FURTHER ELABORATION ON RISK ANALYSIS FOR THE FNV TUCP PROGRAMME 2017-2020

### MEMBERSHIP SUPPORT FNV FOR TUCP

RISK	PROBABILITY	HARM POTENTIAL	MITIGATING ACTIONS
Discontinuity or low engagement of FNV sectors and unions with Mondiaal FNV.	low	noticeable	Continue cooperation with all FNV sectors and unions and demonstrate the importance of international trade union cooperation and the value of support through one coordinating body.
Decrease in membership funds.	low	small	Intensify acquisition effort with FNV union leaders and shop stewards; acquire additional funding from other sources: legacies, institutional funds and/or reduce programme capacity.

### EXTERNAL ENVIRONMENT (FACED BY FNV AND PARTNERS IN PARTNER-COUNTRIES)

RISK	PROBABILITY	HARM POTENTIAL	MITIGATING ACTIONS
More restrictive legislation and rules and regulations for trade union organisations and activities, so TUs cannot function anymore.	50/50	critical	Support campaigns for union rights in alliance with ITUC and other solidarity support organisations, as well as Dutch politicians. Coordinate internationally with trade union movement.
Increased competition and division between trade unions leading to fragmentation of the labour movement.	50/50	small	Promote unity and cooperation; support initiatives on joint initiatives of unions.
Widespread political unrest and/or civil war inhibits continuation of projects and relations with partners.	50/50	noticeable	Support development of risk management; mobilise political support and solidarity actions.

## RISKS RELATED TO FNV AND PARTNERS

RISK	PROBABILITY	HARM POTENTIAL	MITIGATING ACTIONS
Changes in priorities of partners.	50/50	small	Analyse change and see if there is still (other) overlap between priorities of Mondiaal FNV and partners; look for alternative partners.
Fiduciary and fraud risks among partners.	low	noticeable	Implement strict controls; increase audits contract financial management experts for local guiding and support; provide tools for (self) financial assessment and facilitate financial capacity strengthening. Every new partner relation starts with a 5-C workshop and considerations on organisational capabilities.

## POLICY CONTEXT DEVELOPMENT COOPERATION THE NETHERLANDS

RISK	PROBABILITY	HARM POTENTIAL	MITIGATING ACTIONS
Changes in agreed funding base with Ministry of Foreign Affairs.	50/50	critical	Prepare partners for reduced funding. Expand and diversify Mondiaal FNV's funding base.
Changes in country focus in policy of Ministry of Foreign Affairs.	low	noticeable	Redefine cooperation and division of work with other donors (e.g. Nordics) and use own funding for specific country programmes or projects at risk.
Change in thematic priorities of the Ministry of Foreign Affairs.	50/50	critical	Maintain dialogue with policy makers on the importance of the Decent Work Agenda and OECD guidelines.
IMVO covenant process fails.	possible	noticeable	Develop alternative planning on risk sectors with main partners; engage with alternative multi-stakeholder initiatives (not necessarily tied to government).

# 10. ALLIANCES

## TRADE UNION NETWORKS

**For Mondiaal FNV international trade union structures like ITUC and the Global Union Federations are the primary and most relevant international networks. FNV sectors are affiliates of the Global Union Federations and participate in strategy discussions within the GUFs. FNV as a whole is affiliated to the ITUC. The ongoing information sharing and coordination within these international networks is very important for Mondiaal FNV, both for our work with trade union partners in developing countries and for our CSR work in the Netherlands and with Dutch (multinational) companies.**

Mondiaal FNV takes part in trade union donor coordination bodies like the TUDCN (Trade Union Development Cooperation Network) and the 'Nordic-Dutch-Global Unions' meetings. In these meetings priorities are discussed, international lobby and advocacy on for example Social Dialogue as part of the SDGs is prepared and programmes, approaches and guidelines are shared.

Mondiaal FNV is strongly embedded in the FNV: the board consists of representatives of FNV sectors and unions and there is very close cooperation with the international department of FNV. Mondiaal FNV operates within the framework of FNV's international policy. FNV policy and actions in respect of the ILO for example are under the auspices of the international department and coordination within the FNV is crucial. For example towards the time of the annual ILO meetings on trade union violation, cases are shared as well as agenda items like the social protection floor and the upcoming discussion on global value chains.

Mondiaal FNV manages the solidarity funds and the projects of different FNV sectors, where active trade union members participate actively.

In this new four year period, we will work even more closely with the FNV sectors, especially in the so called high-risk sectors and within the context of the 'IMVO Convenanten' process (International CSR Agreements) with other stakeholders. Within these processes and in coordination with FNV sectors Mondiaal FNV collaborates closely with the other stakeholders involved. At this moment FNV sectors are active in three IMVO Covenants (International CSR covenants): on garments, natural stone and banking. We are involved in discussions and in the preparation of some other covenants, for example construction, food and agriculture, and possibly shipbreaking.

There are regular contacts with CNV and we are looking for cooperation where possible. FNV and CNV are partners in the Strategic Partnership on Ready Made Garment (RMG) with Fair Wear Foundation and in collaboration with the Ministry. Both FNV and CNV are involved in the majority of CSR covenant processes.

## ALLIANCES FOR SOCIAL DIALOGUE

As part of FNV, operating in a setting of social dialogue is our natural habitat. The FNV (Mondiaal FNV, FNV and FNV sectors) has relationships with employer organisations and employers at all levels: internationally, nationally and at company and sector level. In institutionalised social dialogue settings as well as in bilateral relations, bargaining processes, sector initiatives, pension schemes et cetera.

Together with DECP (Dutch Employers Cooperation Programme), CNV and the SER, Mondiaal FNV is in consultation about a joint initiative to cooperate closely in the promotion of Social Dialogue and exchange of knowledge, based on the so called Dutch Model, but is also focusing on South-South exchange and best practises in other parts of the world. The STAR (Foundation of Labour) is involved in social dialogue programmes as well.

## **ALLIANCES WITH CSOS AND OTHER ORGANISATIONS**

In a complex world with more and more complex international value chains, it is almost impossible for change to be carried out by one single partner or part of the value chain. Cooperation between different stakeholders and across borders is crucial. FNV has years of experience in these multi-stakeholder settings. We participate in several certification and/or fair trade organisations: Fair Wear Foundation, Fair Flowers and Fair Plants, Forest Stewardship Council (FSC). This work is usually carried out by an FNV representative of the respective sector. FNV sector Industry participates in the Voice Network and the European Network on Cocoa. In the agricultural sector there is cooperation with Fairfood.

Mondiaal FNV, like CNV International, actively participates in the PSD Platform. This is also a platform for coordination and exchanges between the private sector development organisations.

For the selected high-risk sectors a mapping will be done of the active CSOs, PSD actors, like IDH and Solidaridad and other core players in order to strive for a maximum of synergy and coordination and to avoid the reinventing of wheels.

Mondiaal FNV or FNV is active in several platforms where joint lobby and campaigning is taking place like the Dutch CSR Platform, Fair Banking Guide, Tax Justice Platform and the Stop Child Labour Campaign.

With respect to a number of ODA countries, Mondiaal FNV is member of platforms mainly focusing on the exchange of experiences and coordination: the Colombia Platform, Indonesia Platform, Zimbabwe-Watch, Bangladesh Platform.

# 11. PROGRAMME MANAGEMENT: MONITORING & EVALUATION

The monitoring & evaluation functions are results-oriented (output-outcome and impact) and have three clear objectives:

1. Systematic learning at partner and Mondiaal FNV level;
2. Evidence-based decision making (management decisions at different levels based on progress and achievement of results);
3. Accountability.

## GENERAL M&E PRACTICE IN MONDIAAL FNV

Progress in terms of outcomes and output is measured at overall programme level, at country level, as well as at project and partner level using the indicators that will be established in the programming framework and the specific project plans of partners.

### OVERALL LEVEL

There will be regular reflection and review sessions between Mondiaal FNV staff members in order to assess the overall progress of the TUCP in terms of outcomes and outputs as formulated in this proposal. Annual overall results reports are important in this respect, but use is also made of information from project reports, staff monitoring visits and evaluations. The TUCPs progress in terms of outcomes is assessed during annual meetings of FNV staff and subsequently presented in annual reports.

Corrective actions at operational level as well as changes in general FNV policy may result from this. These policy changes in particular will be presented to the Mondiaal FNV board for approval. The monitoring and evaluation system draws a clear distinction between those activities within the sphere of control – for example, strategies to convince governments of the benefits of social dialogue; and those outside the sphere of control – for example whether or not governments actually engage in social dialogue. In order to visualise the results of FNV and its partners, the most representative outcomes per year are selected by way of the most significant change method and published for rank and file (members) of FNV and the general public in both written and online versions.

Mondiaal FNV organises knowledge exchange practices at institutional level between staff, partner representatives and involved consultants.

For the overall coordination and support of the internal monitoring (i.e. the overall monitoring of Mondiaal FNV, including the production of annual reports and workplans) and external monitoring (of the projects and programmes carried out by our partners), a PM&E officer (0.8 FTE) is designated within Mondiaal FNV. Mondiaal FNV staff will receive training in the integration of M&E tasks into the general portfolio handling tasks. Mondiaal FNV's knowledge management system has proven to be adequate for this.

A concise set of indicators for the different outcomes, to be elaborated once specific country-thematic programmes have been developed, will be used to monitor progress in achieving the formulated outcomes. This set of indicators will be designed in such a way that per programme line and high-risk sector, baseline and progress reports will be able to be aggregated to the global level and that progress in different countries and programmes can be subjected to comparative analysis.

### COUNTRY LEVEL

The country programme approach was introduced in the period 2009-2012 and continued and intensified during the period 2013-2016. A country programme plan was then elaborated through a joint planning process of the participating FNV partners. Per country, at the start of the four year TUCP period, a baseline report was elaborated. In the following years, annual country results reports were produced. These reports were used for reflection and if



necessary adaptation was applied in country planning by partners in coordination with FNV. This information is stored as described in the monitoring protocol. For the period 2017-2020 the programme country approach will be no longer the guiding principle. Instead the approach will be based on the two major pillars, Social Dialogue and the High Risk Value Chains. This will affect the composition of our partners in the countries and also affect the M&E practice at country level. For M&E purposes we opt for associations of partners at country level sharing an interest in the same topics, which may still be country based as we foresee in the case of Peru, Indonesia and Bangladesh.

## PROJECT LEVEL

Partners will report on the progress of the projects they execute that are financed through FNV. The steps and procedures for project reporting are described in detail in FNV Mondiaal's Compendium of procedures (Procedurebundel FNV Mondiaal, 2014, annex 2). Half-yearly narrative and financial reporting is obligatory for all partners. On the basis of these reports, partners in consultation with FNV policy officers and financial staff decide on adaptations of the project, if necessary. Outcome mapping has been promoted as a new planning tool, partners are trained and the method has now been integrated by some partners into their planning approach and implemented as a monitoring tool. Each project has a project coordinator who is responsible for implementation and monitoring of the project. Progress is described and necessary corrective measures are proposed by the project coordinator and approved by project steering committees. Processing of monitoring information at Mondiaal FNV obtained from the project reporting is carried out via our electronic project management system (Kristal). At project and country level, technical support for regional consultants is mobilised to improve the partner's practices in planning, monitoring and evaluation.

## PARTNER LEVEL

In the coming TUCP period, FNV will continue with the monitoring of capacity development of TUCP partners at the specific organisational level. For this we will make use of the indicators of the 5-C model (organisational level), which was adapted to the trade union development context in our former TUCP period.

At the partner level, capacity assessments and monitoring of progress will be carried out using the 5-C model. This will be on the basis of each of the five core capabilities: the aspects of capability to commit and act, achieve, relate, adapt and renew and achieve coherence. Relevant sub-questions were taken from the 5-C list in the TUCP subsidy framework to which other indicators were added, already used previously by FNV and partners in organisational capacity assessments (with ADOS instrument). The questions have been operationalised in a questionnaire with a four-point scale ranging from very poor, poor, sufficient to good. At the start of the TUCP 2017-2020, a baseline assessment will be carried out with new partners and subsequently (follow up) measurements with already existing partners.

The baseline assessments will be conducted in a participatory manner together with partners and local consultants, in such a way that capacity to conduct follow-up monitoring activities is transferred as soon as possible.

The baseline and follow-up assessments of partner capacity according to the 5-C model at the partner level will be strictly confidential and only anonymous and aggregated information will be provided to external stakeholders outside each specific bilateral relationship between Mondiaal FNV and a respective partner in the programme.<sup>38</sup>

Further details of the monitoring system, process and tools will be described in the monitoring protocol that will be developed after the approval of the TUCP application. The monitoring protocol will be completely in line with requirements as described by The International Aid Transparency Initiative (IATI) standard, the common and open format in which data about development activities can be published and shared. We will organize our monitoring data according to the IATI publication guidelines as published by the Dutch MoFA in October 2015. Mondiaal FNV is already applying these guidelines within the Strategic Partnership on RMG in South and South-East Asia in coordination with FWF and CNV Internationaal.

<sup>38</sup> The confidentiality of capacity assessments at the partner level in the historical experience of FNV Mondiaal in the TUCP is very important in enabling sufficient trust among partners to participate in these assessments in such a way that assessment results provide a more reliable picture of real capacity of partners.

## FINANCIAL SUPERVISION, ANTI-CORRUPTION AND FRAUD POLICY

Mondiaal FNV intensively monitors fund management by partner organisations.

- Financial monitoring is the responsibility of five financial officers working closely with nine programme officers;
- Mondiaal FNV has procedures, requirements and guidelines for the selection of partner organisations, from the pre-selection phase to the conclusion of a project;
- All procedures for financial monitoring are stipulated in a Compendium of Procedures (Procedurebundel, FNV Mondiaal, 2014). An external auditor checks and ensures that Mondiaal FNV complies with this manual.

The financial supervision of partner organisations comprises the following:

1. All contracts signed between Mondiaal FNV and its partners specify requirements for partner organisations' management of financial resources provided by Mondiaal FNV;
2. All payments to partners are made in accordance with legal documents signed by both parties;
3. Mondiaal FNV's financial officers ensure that partner organisations' midterm and annual financial reports meet the requirements specified in the contractual agreements;
4. Apart from initial payments, fund transfers are made on the basis of substantive reports approved by programme and financial officers;
5. Annual independent, external auditing of the financial reports of projects. Additional requirement of management letters from the partner organisations;
6. Consistently applied deadlines for all project-related documents (contracts, reports) as written in the report and remittance schemes;
7. Internal reporting of possible funds abuse, fraud and corruption combined with adherence to Mondiaal FNV's fraud policy in case of non-compliance with contractual agreements and/or suspicion of fraud (see Annex 3 Interne beheersing Mondiaal FNV);
8. As of 2017, as additional screening and risk management measures all partners are required to submit a management letter with their project audit reports and every three years, partner organisations are requested to submit their consolidated institutional audits;
9. Active monitoring and support of 'weaker' partners by local consultants and registered accountants.

Risk of fraud is minimised through close monitoring and proactive investment in the financial management capacity of Mondiaal FNV partners. Specifically:

- a) Tailor-made support, instruction and training for financial staff of partner organisation;
- b) Active support in the use of professional bookkeeping by financial officers or local consultants;
- c) Active support to improve administrative organisation, particularly financial management. These processes also involve local consultants and/or accountants.

# 12. PARTNERSHIP POLICY

**The partners of Mondiaal FNV are trade unions, trade union federations, global trade union federations or trade union support organisations such as research, education or lobby organisations. The execution of projects may be at local, national, regional or international level. The relationship with the partners is a financial/donor relationship but in the same time a relationship of international cooperation from union to union belonging to the same international trade union structures. Most of the partners are affiliated to ITUC or to a Global Union Federation, though this is not a prerequisite. This means that the majority of trade union partners take part in the same decision-making processes of Global Unions (GUFs and ITUC) as FNV.**

Cooperation with partners is generally of a long term nature. The priorities of the partners are the guiding principle for the work of Mondiaal FNV and the key partners have been involved in the preparation of the current programme. However, the final decision will be taken by the executive board of Mondiaal FNV. The guidelines for project application are as far as possible synchronised with Scandinavian trade union solidarity support organisations (Nordic-Dutch guidelines).

## SELECTION CRITERIA FOR PARTNERS

For (new) partners a basic organisation analysis has been developed, with a focus on relevance of the organisation, democratic structure and financial capability. Mondiaal FNV uses clear criteria for the selection of partner organisations. Mondiaal FNV has developed a general instrument for assessing the overall organisational capacity of trade unions. The instrument includes a process of self-diagnosis enabling organisations to identify weaknesses and take corrective action. The assessment process is supported by regional consultants of Mondiaal FNV. On the commencement of cooperation with partner organisations an organisational analysis takes place on three aspects: relevance within society, trade union democracy and financial management combined with internal organisation. The outcome of this analysis forms the basis of a project appraisal.

Mondiaal FNV also conducts checks on prospective partners with various associated organisations such as ITUC, GUFs, Nordic SSOs, and NGOs in the Netherlands. This activity includes verification of payment discipline for union federation affiliation fees and active participation within the various structures and activities of ITUC and GUFs.

## PARTNER ANALYSIS TRADE UNIONS

RELEVANCE TO SOCIETY AND PROGRAMME	INDICATOR	POINTS
A. The organisation has a vision for labour and/or trade union themes (and expresses it/them in products and services).	Frequently occasionally hardly ever does not have	3 2 1 0
B. The organisation and the vision have support / are representative.	Definitely to some extent scarcely	3 2 1
C. The organisation participates in dialogue with the government or is taken seriously in other ways by the authorities and influences relevant national or local policy.	Frequently occasionally hardly ever	3 2 1
D. The organisation participates in dialogue with employers or is taken seriously in other ways by them and influences terms of employment and working conditions.	Frequently occasionally hardly ever	3 2 1
E. The organisation makes a relevant contribution to the FNV programme (Decent Work) in one or more countries where Mondiaal FNV wants to be active.	Frequently occasionally hardly ever	3 2 1
<b>Total</b>	<b>Between 5 and 15</b>	

DEMOCRATIC GOVERNANCE	INDICATOR	POINTS
A. The statutes are observed.	Frequently occasionally hardly ever	3 2 1
B. The organisation/trade union organisation leaders are eligible for election/ re-election on a periodic basis; leaders who are subject to a loss of confidence in the interim may be removed from office and fresh elections may be enforced.	Frequently occasionally hardly ever	3 2 1
C. Density of women in executive positions.	more than 45% between 30% and 45% less than 30%	3 2 1
D. The key points of the policy are established by a democratic process on a periodic basis.	Frequently occasionally hardly ever	3 2 1
E. The members are actively involved (an important qualitative question is: how?).	Frequently occasionally hardly ever	3 2 1
<b>Total</b>	<b>Between 5 and 15</b>	

FINANCIAL MANAGEMENT AND ORGANISATION	INDICATOR	POINTS
A. The mechanisms regarding levying of dues/union dues are:	highly transparent not very transparent non-existing	3 2 1
B. Precise information on the organisation's revenue is known.	very precisely not very precisely not known	3 2 1
C. The members pay their dues/union dues on time.	more than 3 quarters approximately half less than a quarter	3 2 1
D. The bookkeeping is in order and is accompanied by an audit statement.	frequently occasionally hardly ever	3 2 1
E. The organisation is able in the long term to carry out the activities stipulated by the statutes, independently of project grants/our project grants.	totally partly not at all	3 2 1
<b>Total</b>	<b>Between 5 and 15</b>	

Of essential importance is the internal and external strength of the partner, or the ability to develop into a stable democratic organisation, in order to play a crucial role to obtain results on the Decent Work Agenda.

Sometimes there is no organisation in existence in a certain sector or region, in which case establishing trade unions and organising is a goal in itself. In such situations, Mondiaal FNV's partners are generally the GUFs, but may also be labour NGOs or local federations or unions.

In addition to the partner's internal organisation criteria, its position in the civil and societal context will be looked at. The selection criteria are recorded in the formats of the project appraisals and the so called 'project recommendation'.<sup>39</sup>

<sup>39</sup> See: Procedurebundel FNV Mondiaal, October 2014 Annex 6, p. 64 and onwards

Other relevant criteria from the angle of Mondiaal FNV are:

- Does the partner contribute to the agenda of Mondiaal FNV in obtaining decent work for all?
- Does the partner operate in a country where Mondiaal FNV is active?
- Is the partner of relevance in a strategic and political manner?
- Is cooperation with FNV sectors possible?
- Is the partner able to play a role in lobby and campaign activities?

**For CSOs and Global Unions comparable criteria are in place.**

Mondiaal FNV also conducts checks on prospective partners with various associated organisations such as ITUC, GUFs, Nordic SSOs, and NGOs in the Netherlands. This activity includes verification of payment discipline for union federation affiliation fees and active participation within the various structures and activities of ITUC and GUFs.

## CAPACITY BUILDING

In the inception phase of a project relationship with a trade union partner, the 5-Capabilities model (5-C) is used for measuring the capacity development of individual partners in the following categories:

1. Capability to Commit and Engage;
2. Capability to Achieve Objectives;
3. Capability to Relate;
4. Capability to Adapt and Change;
5. Capability to Achieve Coherence (and to balance coherence and diversity).

Mondiaal FNV has adapted the 5-C model for an organisational self-assessment instrument and Mondiaal FNV's regional consultants may assist in the process of self-assessment as well as in the follow-up of determining steps in capacity development during follow-up projects.

Mondiaal FNV gives special attention to improving partner organisations' financial management and providing support for the development of financial capacity. Two instruments have been developed for this purpose, a Financial Check-up providing an overall picture of financial policies and management of the partner, and a more comprehensive Financial Organisational Assessment Tool. This tool is based upon risk management and is invaluable for identifying poor practice as well as the detection and/or prevention of fraud, corruption, and other types of financial malpractice. The instrument can be used at any time during a project funding cycle.

# 13. CHRONOLOGY OF ACTIVITIES MONDIAAL FNV 2017 (TUCP)

CATEGORIES OF ACTIVITIES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Inception phase (coordination with partners, elaboration specific TOC per country or subsector, formulation of the M&E approach, including IATI)												
Social dialogue: continuation of projects in those countries and with those partners that were already involved in the previous TUCP period (2013-2016)												
Social dialogue: formulation of new projects (country is new and/or partner is new, including possible cooperation with DECP, Nordics, SER)												
Social dialogue: start and execution of new projects												
Risk sectors: further stakeholder mapping and involvement. Further context analysis per sector in relevant countries												
Risk sectors: continuation of projects/partners already on track with value chain approach in previous TUCP period												
Risk sectors: project formulation with relevant new partners												
Risk sectors: start and execution of new projects												
Reporting: end report TUCP 2013-2016 (deadline)												
Planning: workplan 2018 (deadline)												



# 14. LIST OF ABBREVIATIONS

ADB - Asian Development Bank

ADOS - Autodiagnóstico de Desarrollo Organizativo Sindical

AOB - Dutch Teachers' Union AOb, affiliated to the FNV

ASEAN - Association of Southeast Asian Nations

BILS - Bangladesh Institute Labour Studies

BLF - Bangladesh Labour Welfare Foundation

BNP - Bruto Nationaal Product - GDP Gross Domestic Product

BWI - Building and Woodworkers International

CAN - Andean Community

CBA - Collective Bargaining Agreement

CEFTA - Central European Free Trade Agreement

CETA - Comprehensive Economic and Trade Agreement (EU Canada)

CNV - Dutch National Federation of Christian Trade Unions

CSO - Civil Society Organisation

CSR - Corporate Social Responsibility

DCFTA - Deep and Comprehensive Free Trade Agreements

DDE - Sustainable Economic Development Department of the Dutch Ministry of Foreign Affairs

DECP - Dutch Employers Cooperation Programme

EAC - East African Community

EAEU - East African Employers Association

EATUC - East African Trade Union Confederation

EPA - Economic Partnership Agreements

EPZ - Export Processing Zone (free trade zone)

FDI - Foreign Direct Investment

FSC - Forest Stewardship Council

G20 - Group of 19 largest national economies plus the EU

GFA - Global Framework Agreement

GPEDC - Global Partnership for Effective Development Cooperation

GUF - Global Union Federation in a specific sector

GWOP - Global Water Operator's Partnership

IDH - Sustainable Trade Initiative

IFA - International Framework Agreement;

IFI - International Financial Institution

ILC - International Labour Conference

ILO - International Labour Organisation

IMO - International Maritime Organisation

IndustriALL - Global Union of Industry, Energy and Manufacturing

IRN - Indian Rupee

ITF - GUF for Transport Sector, International Transport Federation

ITUC - International Trade Union Confederation, resulting from the merger of the former ICFTU and WCL

IUF - International Union for Food, Agricultural and Hotel Workers

IVV - Internationaal Verbond van Vakverenigingen, in 2006 ontstaat uit de fusie tussen IVVV en WVA.

L&A - Lobby & Advocacy  
 LFA - Logical Framework Approach  
 LO-FTF - Danish trade union council for international development co-operation  
  
 MDB - Multilateral Development Bank  
 MENA - Middle East and North Africa  
 MNC - Multinational Corporation  
 MNO - Multinationale Onderneming  
 MVO - Maatschappelijk Verantwoord Ondernemen (CSR Corporate Social Responsibility)  
  
 NAFTA - North American Free Trade agreement  
 NAM - Nederlandse Aardolie Maatschappij (Producer of oil and gas in the Netherlands)  
  
 ODA - Official Development Assistance  
 OSHE - Bangladesh Occupational Safety, Health and Environment Foundation.  
  
 PRA - Priority Result Area  
 PSI - Public Service International  
  
 RMG - Ready Made Garment  
 RSPO - Roundtable on Sustainable Palm Oil  
  
 SASK - Trade Union Solidarity Centre of Finland  
 SER - Dutch Social and Economic Council  
 SME - Small and medium-sized Enterprise  
 STAR - Dutch Labour Foundation  
  
 SSO - Solidarity Support Organisation  
 StreetNet - Network organisation of street vendors  
  
 TNC - Trans National Company  
 TNF - Tripartite Negotiations Forum  
 TTIP - Transatlantic Trade & Investment Partnership (EU-VS)  
 TUC - Trade Union Congress  
 TUCP Trade Union Co-Financing Programme  
 TUDCN - Trade Union Development Cooperation Network  
  
 UNDP - United Nations Development Programme  
 UNGP - UN Guiding Principles Reporting Framework  
 UNHRC - United Nations Human Rights Council  
 UNI - GUF for unions in services and commerce  
 Union2Union-LO-TCO - Swedish Secretariat of International Trade Union Development Co-operation  
  
 VMP - Vakbondsmedefinancieringsprogramma (TUCP Trade Union Co-Financing Programme)  
 VNO/NCW - Dutch Employers' Organisation  
  
 WCL - World Confederation of Labour  
 WTO - World Trade Organisation  
 WVA - Wereldverbond van de Arbeid

