

March 13th, 2015

Comments from Global Focus on the concept note for the new facility 'Social Dialogue Window II – Sustainable Value chains and Vocational training'

Global Focusⁱ welcomes the new facility on Sustainable Value Chains and Vocational Training. The programme, as laid out in the concept note, creates the framework for interesting and relevant actions to promote more sustainable value chains with lasting social, environmental and economic impact through a collaborative approach with multi-stakeholder partnerships, including all relevant actors. Innovative, multi-stakeholder approaches not only hold potential for reaching the objectives of this programme but also for finding new ways of alleviating poverty that can be applied in broader contexts – bilaterally as well as in multilateral cooperation. It is therefore important that not only Danish companies can apply for funding to this facility, but that different kinds of actors are eligible to apply in line with a multi-stakeholder approach.

As stated in the concept note, it is crucial that projects supported by this facility are driven by demonstrated need in the developing countries targeted, and that actions “reflect an interest and demand from the local partner(s)”.

We welcome the focus on target groups in the informal sector and the possibility of providing suitable capacity building courses, including vocational training, for these groups – also outside the realm of formal education.

Furthermore, we welcome the requirement for applicants to explain how project proposals comply with, and support the implementation of international standards and declarations. In particular, we recommend that this facility provides practical guidance to applicants on how to live up to the relevant international standards, such as the UN Guiding Principles on business and human rights (2011) and in the context of agricultural value chain projects the FAO Voluntary Guidelines on the governance of land tenure (2012).

As quoted in the concept note, the Right to a Better Life strategy also emphasizes that interventions should “take care of those who are adversely affected” in transition processes. In this regard, it should be noted that technology transfer often decreases the supply of informal jobs (in agriculture, packaging, processing, etc), that often provide employment opportunities for women. Interventions under this new facility should address how potential gains can reach the individuals and groups that lose opportunities in transition processes.

While we welcome many elements of the programme concept, we would like to see a stronger emphasis on smallholder farmers and small-scale producers in general. The agricultural sector plays a strategically important role in the (socio-) economy of most developing countries, including access to income, food, employment, gender, and natural resource management.

It is therefore important that the value chain approach of project supported by this facility not only focus on monocultural agricultural chains aimed at export produced through investment heavy, large scale setups, but also on opportunities for small-scale producers, and the value chain barriers and challenges they experience at the local level. The value chain approach should therefore also recognise the asymmetrical power relations that often characterize value chains in the agricultural sector in developing countries, and specifically work to strengthen (female) small-scale producers' inclusion, organisation and conditions in national, regional and global value chains. Focus on and inclusion of small-scale producers is central to the overall objective of poverty alleviation and (local) economic development.

Similarly, we would like to see a stronger emphasis on youth, as it is only explicitly mentioned in the theory of change. Youth is a primary target group of vocational training and constitute a large part of the unemployment workforce. Ensuring adequate education and training of the youth is key to secure that competencies are in place to provide for investments, growth and jobs and thus reduce poverty. An employable workforce plays a vital role for poverty reduction, economic recovery, sustainable development, as well as security and peace. Without job-related skills, young people and adults cannot benefit from employment opportunities that offer a decent income. We therefore propose to include a focus on youth in this new facility.

When it comes to agricultural value chains, we find it important to reiterate the recommendations from several experts to give priority to a sustainable and agro-ecological approach to agriculture that addresses the resilience needs of small-scale farmers. It is evident that the current model of industrial agriculture has undermined local production. A growing number of experts have therefore called for a paradigmatic change of our understanding of agricultural development. An increase in smallholder's yields is paramount since 80 percent of those suffering from hunger live in rural areas and most are actually producers themselves. The concept of agro-ecology indicates a model of sustainable production systems that can enable small-scale farmers to increase their productivity. Organic production has a higher yield potential for poor smallholders than the use of fertilizers, which are also too expensive production inputs for many poor farmers. Agro-ecological methods focus on crop diversification, re-circulation of nutrients and a smaller dependency on fossil fuels and synthetic fertilizers. It is important that this knowledge is communicated as part of this facility to ensure that projects and partnerships promote commonly agreed principles of sustainable agriculture.

The vocational training should not be narrow, focusing on one specific technical skill (hard skills) but also include 'soft skills' so young people can adapt to constantly changing needs in the job market. These could include learning and innovation skills, ICT skills, as well as life and career skills, including knowledge about rights.

As this new facility is part of the Innovative Platform for Partnerships, it is important that the assessment criteria support innovation in the projects, and have a certain level of flexibility in the guidelines, criteria and achieved objectives. The partnership modalities state that 'only organisations / institutions that have previously received public funds from Denmark for development work are eligible for support from this Facility'. In order to foster cooperation between partners and create

innovative solutions we recommend that this only apply to the lead partner. The partners in the project proposals should be based on their expertise and input, not on whether they previously have received Danish funding for development work.

The important role of civil society should be strengthened in the programme. Danish and local NGO's have experience and outreach when working with poor and vulnerable groups – potential target groups of this facility. Furthermore, they have a strong capacity on social dialogue, strong local network with national and local authorities, and knowledge about the local context, which is valuable for the private sector and other partners in order to adapt products and actions to the local markets. Civil society should therefore have a more dominant role in the formulation of multi-stakeholder partnerships under this facility.

We find the concept note somewhat unclear regarding the geographical scope of the projects. Concretely, the meaning of the wording 'presence' and 'representation' and the difference between these is unclear. While we understand and share the view that the progress and experiences of the actions should be closely followed by the Danish MFA, we find that the scope is too narrow if it only applies to priority countries where the Danish MFA is present with an embassy, as several relevant developing countries do not have a Danish embassy in country.

To allow project partners across sectors and countries to come together in relevant partnerships and develop new and innovative approaches, the deadline of the application process should be extended beyond early August, as suggested in the concept note.

ⁱ Global Focus is a platform for 73 Danish civil society organisations working with international environment, development and humanitarian engagement. 3F and DanWatch are members of Global Focus, but are in this case not co-signing this position.