The Usage of Official Development Assistance (ODA) in Public Private Partnerships Investments in Africa: The impact of labour rights

A Malawi Case Study

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Acronyms and abbreviations

AfDB	Africa Development Bank
ATI	Access to Information
CAs	Contracting Authorities
CSOs	Civil Society Organisations
CSR	Corporate Social Responsibility
GEF	Global Environmental Facility
GoM	Government of Malawi
ICB	International Competitive Bidding
LDCF	Least Developed Countries Fund
MCAs	Ministries and Contracting Authorities
MoF	Ministry of Finance
MDPC	Ministry of Development Planning and Cooperation
MGDs	Millennium Development Goals
MNCs	Multinational Corporations
ODA	Official Development Assistance
OOF	Other Official Flows
OPC	Office of the President and Cabinet
PPP	Public Private Partnership
PPPC	Public Private Partnership Commission
PC	Privatization Commission
IPFF	Infrastructure Project Financing Fund
IDP	International Development Partners
IFIs	International Finance Institutions
RAs	Regulatory Authorities
SOEs	State Owned Enterprises
WB	World Bank

1. INTRODUCTION AND BACKGROUND

While Official Development Assistance (ODA) remains key for infrastructural development, the recent economic down-turn that firmly gripped the developed world has caused the reduction of ODA to the developing world. According to Bilal (Bilal et al, 2014:1), ‘Official Development Assistance and other official flows (OOF) represent a declining share of financial flows to developing countries’. This reduction is taking place at a time when new economic actors such as China and Brazil are making their mark on the African continent through the provision of aid. The conflation of these dynamics has induced a re-configuration regarding the nature and manner in which the ODA is managed and implemented.

According to Pessoa (2008), the re-configuration of ODA is taking place at a time when the developing world still needs far more financing for infrastructure than can be provided by domestic public finances alone. Faced with the challenge of dwindling capital, most African governments are pursuing public-private partnerships (PPPs) as an alternative to improving financing for infrastructural development and by extension, to improving service delivery for the public. This development finance model — where the state shares risk and responsibility with private firms but ultimately retains control of assets — is hoped to improve services, while avoiding some of the pitfalls of privatisation: unemployment, higher prices and corruption (Farlam, 2005:1).

This paper attempts to scrutinise the usage of ODA in the development of Public-Private Partnerships by focussing on its impact on labour rights. The Upgrading of the Shire Liwonde Barrage as part of the Shire River Basin Management Programme in Malawi will be used as a case study.

1.1 Methodology

The study used a mix-method approach where both quantitative and qualitative methods were employed. Review of secondary data was done and augmented by the collection and analysis of primary data from which conclusions were drawn. The primary data was collected using three questionnaires which were constructed and used to obtain standardized information from officials, implementing entities (contractors) and workers.

1.2 Research Limitations and Mitigation

Malawi does not yet have an Access to Information (ATI) act which makes it extremely difficult to access government information. While it was the aim of the study to interview officals, contractors and workers, it was extremely difficult to find “willing” interviewees. Most of the government officials were not comfortable to be interviewed citing a politically sensitive working environment that made them afraid of reprisals. Attempts to get authorisation from the government through the Ministry of Water to interview the contractors and workers on the project site was not granted and efforts to directly contact them proved futile. However, it was possible to interview 12 government officials from different line ministries and 13 other key informants from various key institutions which included officials from trade unions, civil society organisations (CSOs) and parastatals. Unconventional methods were used to interview the workers at the project site, Liwonde Barrage – by lodging close to the site it was possible to recruit 30 workers who were successfully interviewed after working hours. All these challenges were exacerbated by the limited time that was assigned for this assignment.

1.3 Study Objectives

The aim of the study was twofold:

- To assess the existing and proposed legislative, policy, administrative and institutional frameworks for promoting and conducting PPP initiatives and projects.
- To establish the extent to which freedom of associations, trade union rights, international and national labour standards are upheld in such projects.

1.4 Malawi: Context and Background

A recent World Bank report (WB, 2015) ranks Malawi among the world's least developed countries. The economy is largely driven by rain-fed agriculture and the sector accounts for 35% of the GDP, 80% of the exports and provides 85% of employment (NSO, 2005). The sector is highly vulnerable to climate and weather conditions as well as deteriorating terms of trade which in turn results in an increased vulnerability of Malawi's economy to both internal and external shocks. Other key sectors that contribute to the national wealth include mining and quarrying, manufacturing sector, electricity, gas and water supply, construction, real estate, information and communication and financial and insurance services (GoM, 2015). The economy is also heavily dependent on substantial inflows of economic assistance from the International Monetary Fund (IMF), World Bank and individual donor countries although this support has been plummeting since 2000. Figure 1 summarises some of the social indicators for Malawi.

Figure 1: Summary of key social indicators

Population growth rate (average annual %)	2010-2015	2.8
Life expectancy at birth (females and males, years)	2010-2015	55.2/54.9
Infant mortality rate (per 1 000 live births)	2010-2015	86.1
Fertility rate, total (live births per woman)	2010-2015	5.4
Seats held by women in national parliaments (%)	2015	16.7
Population aged 0-14 years (%)	2014	45.0
Population aged 60+ years (females and males, % of total)	2014	5.4/4.4
Population using improved drinking water sources (%)	2012	85.0
Energy supply per capita (Gigajoules)	2012	6.0

Source: World Statistics Pocketbook (United Nations Statistics Division).

The 2005-2009 Malawi government Welfare Monitoring Survey pegged unemployment at 1%. However, such a figure is questionable especially considering that most Malawians are engaged in seasonal agricultural work and also in precarious work in the informal sector. The same survey in the year 2011 reported that youth unemployment is at 16%. While the large increase is attributable to the economic downturn that ensued, some quarters have called into question the authenticity of such a report. Youth unemployment is said to be much more pronounced in urban areas, where as many as 50% of youth were unemployed, especially in Zomba City. Youth unemployment also tended to affect young women more than men. The high youth unemployment rate is caused by the around 130,000 young people entering the labour market each year, whereas the formal sector only produces around 30,000 jobs annually, as well as exceptionally few places in universities, technical and secondary schools, where few applicants are admitted (LO-TFT, 2014:12). There is a dearth of literature on the informal economy in Malawi. According to the ILO's Decent Work Country Programme (ILO, 2009:13), the informal economy has experienced rapid growth and is characterised by worsened working conditions in the form of less income, social protection, work safety, and representation. Anecdotal data indicate that the informal economy accounts for over 4 million jobs.

2. THE PPP REGULATORY FRAMEWORK

2.1 The PPP Policy Framework

The PPP Act is supported by the Public Private Partnership Policy Framework which the government approved on 18 May 2011. The PPP policy document clarifies the vision and rationale behind the introduction of PPP schemes, guiding principles and the implementation framework suited for PPPs to provide remedy for the social services delivery challenges ahead in the country. While PPPs are defined as cooperative ventures, the government makes clear in its PPP policy that the underlying structure is a legally enforceable contract that is typically long-term and ranges from 10 to 50 years (GoM, PPP Policy Framework, 2011, Article 3).

The Policy Framework identifies output specification as an explicit requirement for structuring PPPs by noting that ... 'a PPP is a contract for service and outputs, rather than merely a physical asset' (Ibid). The Policy Framework stipulates the associated benefits with the implementation of PPPs. PPPs are deemed to be speedy, efficient and cost-effective, and render value-for-money (VfM) (Ibid). The Policy Framework clearly underpins standards against which those responsible for putting PPPs in place may be held accountable. These include affordability, appropriate risk transfer, public interest and consumer rights, accountability, transparency, local participation, content and technology transfer, competition, stakeholder consultation, public procurement and PPP procurement as well as unsolicited proposals (Ibid). The overall idea of these standards is to reach well-designed PPP projects, through due diligence and competitive and transparent procurement.

2.2 Institutional Framework for PPP Projects in Malawi

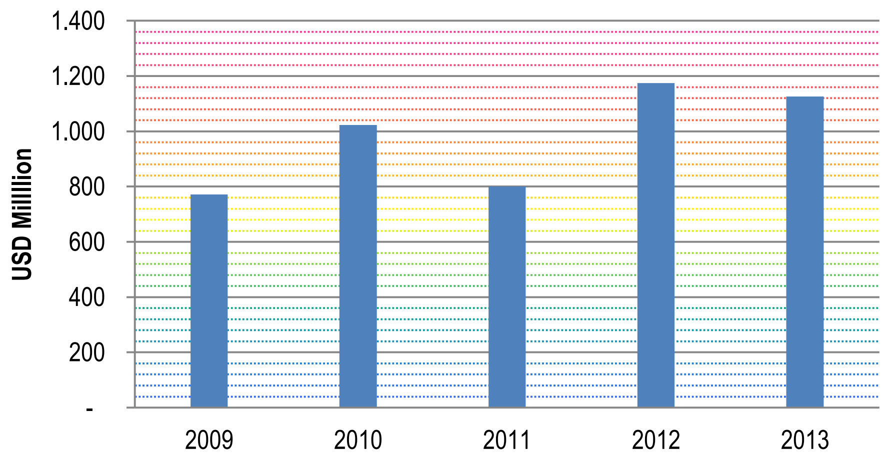
Malawi has a combination of several major institutions playing key roles in the PPP programme. The Office of the President and Cabinet (OPC) and the PPP Commission (PPPC) provide broad policy leadership and overall direction of the PPP Framework. The Ministry responsible for Economic Planning and Development (MEPD) ensures that PPP projects fall in line with the national planning process and the infrastructure plan. The ministries and contracting authorities are the ultimate "owners" of PPPs starting from the identification through the selection and monitoring of PPPs. The Ministry of Finance (MoF) is in charge of monitoring and evaluation of PPPs, ensuring the coordination, review and screening of projects that are in the interest of the public. The MoF evaluates and assesses fiscal sustainability, financial and economic viability and robustness of contracts over the long-term (GoM, PPP Policy Framework, 2011, article 9.1). Thus, a PPP Monitoring and Evaluation Unit have been created within the MoF.

The Public Private Partnerships Commission (PPPC) established by an Act of Parliament, is the sole authority for the implementation of the PPP programme in Malawi next to accompanying privatization processes. The PPPC is not only the implementation Agency for PPPs in Malawi, but is also in charge of developing guidelines on best practices to assist sector ministries in the roll-out of their PPP projects. The PPPC works closely with the Ministry of Finance in the review and assessment of PPP project affordability, value-for-money, feasibility, and contingent liabilities associated with PPP projects. More specifically, the PPPC provides advice and support to contracting authorities (CAs).

2.3 Historical Account of ODA Flows

Malawi has had substantial inflows of Official Development Aid, yet monitoring and evaluation reports of ODA to Malawi have indicated that ODA funds seem to be focused on social expenditure, rather than economic growth and infrastructure projects (Save the Children, 2014). It has been observed that ODA funds have only weakly supported growth - persistently low levels of public investment imply that ODA funds have not sufficiently strengthened productivity which means that they also do not translate into job creation. The table below shows amount of ODA flows from 2009 to 2013.

Figure 2: 2009-2013 Malawi Net ODA Inflow



Source: OECD-DAC, 2015

2.4 Analysis of the PPP regulatory framework

The PPP Framework in Malawi has developed from a low level of maturity to a middle mature institutional, legal and policy setting. With the enactment of both the PPP Policy Framework and the PPP Act in 2011, it could be argued that the government of Malawi has established some credible procedures and mechanisms to carry out PPPs in the country. Thus, investors have quite a good idea of whom to approach and what to do to either submit solicited or unsolicited bids. Government officials are also to a certain level informed about their role at the various stages of a PPP process.

There is, however, concern over a few aspects of the legal and institutional framework. Firstly, the regulation does not specify the degree of risk to be transferred; neither does it capture elements such as trust, mutual commitment, or social and community obligations. It could be argued that the involvement of the community might slow down the PPP process as the community does not speak with a unified voice and often tends to be a passive receiver of services rather than a voluntary participant. The reality is that completely excluding the community on issues of PPPs undermines the provision of Section 30 (4) of the Constitution. Which states that the state needs to justify its policies in accordance with its responsibility to respect the right to development.

Secondly, the provision for non-disclosure (GoM, PPP Act, Article 50) of PPP arrangements between public and private partners on the grounds of 'commercial confidence' protection of 'property rights' or on grounds of data protection raises issues of transparency and accountability. Although the need to protect trade secrets does warrant keeping some documents out of the public domain, the lack of appropriate and rigorous public scrutiny makes it difficult for the public to identify hidden costs transferred to the government in the long run by the private sector. It also makes it difficult for the public to make appropriate comparisons between alternative options and undermines attempts to regulate and monitor the outcomes. Secrecy must not come at the expense of the public right to know and the proper disclosure of information.

Downward accountability is relevant within the context of PPPs, because they are public investments that affect the rights and interests of the public, and it therefore stands to reason that government officials are obliged to explain to the public how they provide public goods and services and fulfill the substantive values of democracy. However, downward accountability is not very effective in PPPs because of the multiple complex and conflicting undertakings of stakeholders, resulting in the blurring of the public and private sector responsibilities. While the parliament is said to be involved in scrutinizing and seconding such projects through the passing of bills, its involvement is generally said to be more symbolic than substantive. Sadly, civil society and trade unions are not involved at all in these transactions.

3. CASE STUDY: SHIRE RIVER BASIN MANAGEMENT PROGRAM

Project Summary
The Shire River Basin is a very key natural resource to Malawi. Over 5.5 million Malawians live, work and depend on the Shire River Basin. It provides water for many purposes, such as agriculture, fisheries, transport, forestry, tourism and water for home use in urban (Blantyre) and rural areas as well as generating 98% of Malawi's electricity through hydro power. The project was estimated to cost US$136.30 million and commenced on June 14, 2012. It is expected to close on January 31 2018. The Global Environmental Facility (GEF), the Least Developed Countries Fund (LDCF) and the World Bank are co-financing this project to the tune of US$125 million as a fully-blended project with grant resources for biodiversity, sustainable forest management, land degradation and climate resilience. Funds from the World Bank are a concessional loan at 1% interest to be repaid for a period of 40 years including a 10-year grace period. This study will focus on the third component of the project that seeks to upgrade the Shire Liwonde Barrage to enable improved regulation of water flow for electricity generation (GoM, 2015).

3.1 Contractual Agreements

The researchers on this case study were systematically denied access to contractual agreements both by the Ministry of Agriculture and Water, the line ministry for this project, as well as the OPC. However, some details regarding the implementing contractors were found:

- The project costs comprise the lifetime costs of the investment, maintenance and operation of the barrage, and the costs of the development of an integrated planning and management system for the Shire basin. The economic costs of the project are calculated based on the project financial costs, net of transfer payments, duties and taxes, and expressed in constant 2011 prices. The upgrade started in 2014 and will be finished in 2017 and is supervised by the Norwegian company Norplan.

- Norplan, the international brand name for two Norwegian consultancy-firms (Multiconsult AS and Asplan Viak AS) that operate in engineering and development, has been awarded a contract for the supervision of the upgrade, while two other European companies - are Conduril Engenharia (Portugal) and CMC Di Ravenna (Italy) - will oversee civil work contracts and the supply and installation of barrage gates.

3.2 Justification of the case study

The notion of blending funds which has become characteristic of PPP projects has stirred global debates among development experts on its efficacy, merits and demerits. The Shire Basic Management project is a typical case that has benefitted from blended funds and was chosen partly for that reason; the study will therefore also contribute towards demonstrating the challenges pertaining to implementation. The project is funded by World Bank, the Global Environmental Facility (GEF) and LFDFund, thus qualifying it as a typical PPP project using ODA funds. Since the aim of this study is to explore the extent to which freedom of association, trade union rights, international and national labour standards are upheld, this project was found to be appropriate because it employs a lot of frontline staff.

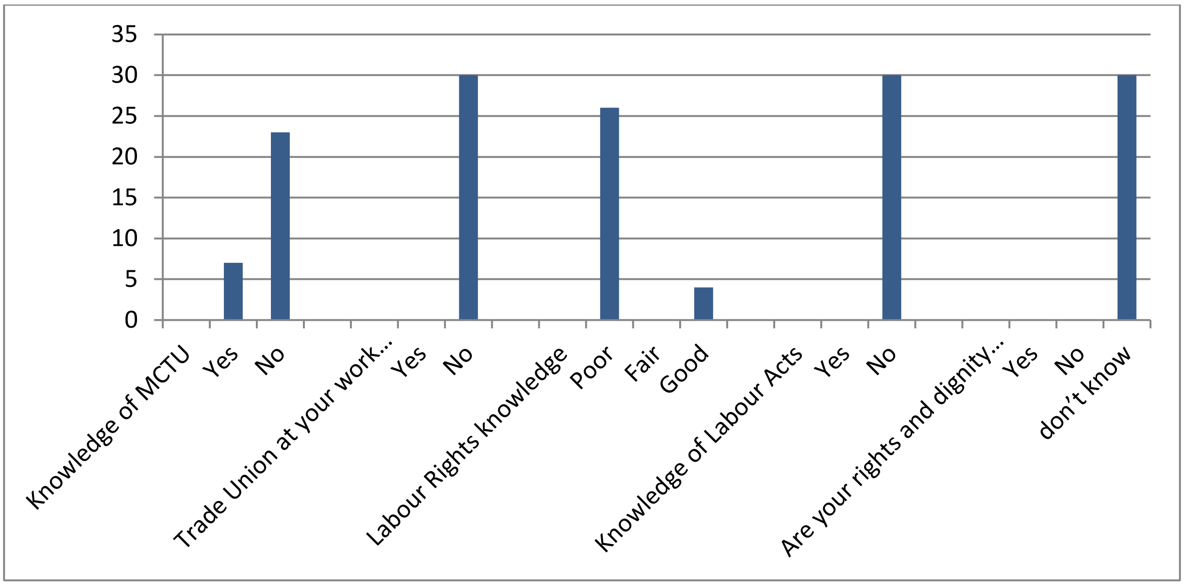
3.3 Study Findings

After interviewing the 25 key informants from the government and the private sector and administering a questionnaire to 30 workers at Shire Liwonde Barrage, the findings below were made.

3.3.1 Employment relations and Labour Rights

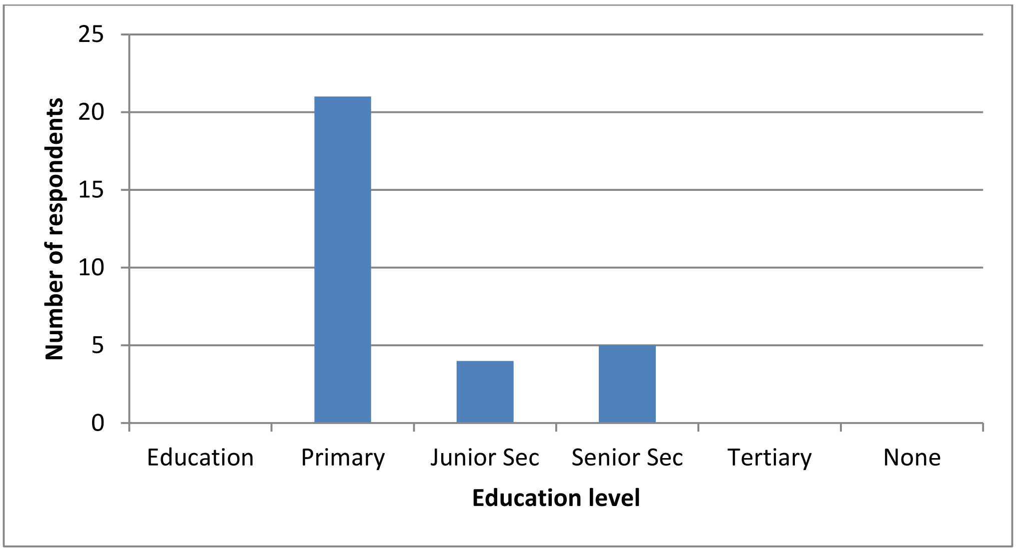
The Trade Unions Act of 1958 provides for the registration and operation of trade unions, the formation of employees' associations, the regulation of trade disputes, and other related matters (LO FTF, 2014). Through interviews with 30 workers at the Liwonde Barrage, it was revealed that the workers employed there are neither unionized nor did they all know about the existence of Malawi Congress of Trade Unions (MCTU), a mother body of unions in Malawi. Only 7 of the 30 workers interviewed knew about the existence of MCTU. This revelation is not surprising because according to MCTU, the unions in Malawi do not yet engage with PPP projects and their requisite capacity to analyse PPP contractual agreements is said to be wanting.

Figure 3: Knowledge of Employment and Labour Rights



Asked if they are aware of the Labour Relations Act, Employment Act, Occupation, Safety and Health Act; all the 30 respondents confessed ignorance about these labour acts. This could be as a result of failure by the government and trade unions to induct and train workers on their rights and as well as a failure to conduct inspections of PPP project sights. What is worrying about this result is that it implies that the contractors also fail to train their workers on labour rights, although this claim is untested as researchers were not granted access to interview the contractors. Knowledge on labour rights was equally poor, with 26 out of 30 respondents expressing ignorance. Asked about knowledge of labour legislation (i.e. employment act) all of the 30 interviewed workers were unknowledgeable. This clear lack of knowledge, compounded by the unavailability of the unions leaves workers prone to potential abuse. Having said that, figure 4 may highlight another reason that might contribute to this lack of knowledge - education. A great majority of the respondents (21) out of the 30 interviewed had only completed primary education.

Figure 4: Workers' Level of Education



The issue of workers' ignorance about their labour rights becomes even more distressing when it is considered that key informants at the Ministry of Labour headquarters intimated that the ministry rarely carries out labour inspections and that no inspection has ever been performed at the Liwonde Barrage. Lack of funds was cited as an excuse for failing to execute such operations. Furthermore, while implementing contractors are asked to draw up an operations guide (as a labour compliance measure), such a requirement is irrelevant if the inspections cannot be carried out to ascertain its application. Moreover, with the absence of a collective bargaining mechanism, salaries remain an individual secret for workers. What was apparent from the collected data was that conditions of service were personal - it was difficult to clarify principles of equal pay for instance.

3.3.2 Respect for International and Local Labour standards

The ODA Accountability Act sets out three criteria, following the principles of the ILO Declaration on Fundamental Principles and Rights at Work (1998), which must be met simultaneously for aid money to be considered official development assistance. These principles stipulate that ODA must: (a) contribute to poverty reduction; (b) take into account the perspectives of the poor; and (c) be consistent with international human rights standards. The act thus places a measure of responsibility on the implementing contractors to ensure that they meet the three criterions by, among other things, creating employment that meets the ILO's definition of decent work. It was difficult for this study to fully assess the contractors on this point because access to interview them was denied. However, extrapolating from the responses received from the workers, it can be inferred that the jobs created for Malawians do not fit the definition stipulated by the ILO. All the respondents interviewed were doing low skilled jobs.

Malawi has a robust labour legislation which is framed in tandem with the supreme law of the land, the Constitution. The Constitution (1994) recognises the right to work and guarantees the freedom of association, fair and safe labour practices, fair and equal remuneration, the right to form and join unions and protection of children from economic exploitation. It stipulates that the 'the state shall also provide a healthy working environment and access to employment' (Ibid). The labour laws are based on the eight ILO Fundamental Conventions that cover four fundamental principles and rights at work and the four Governance Conventions that are cardinal to building national institutions and capacities that serve to promote employment.

During the key informant interviews, it was highlighted by labour officers that companies that come to operate in Malawi are required to follow government procedures and more importantly, are oriented on the labour laws. Further, the Ministry of Labour stressed that companies are required to draw up terms and conditions to guide their operations which are in turn vetted by the government. The terms and conditions are expected to highlight salient labour issues like working hours, occupational safety as well as health and welfare with the aim of demonstrating the contractor's adherence to international labour standards.

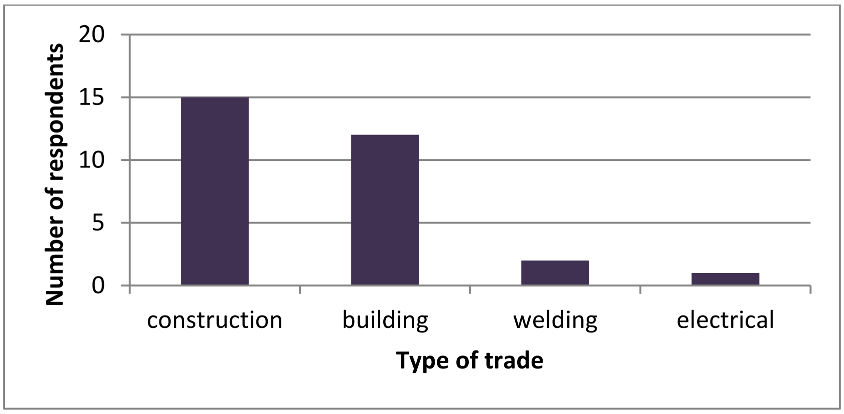
The key government informants were also quick to mention that while such procedures and standards exist, their enforcement by the Malawi government remains very weak. The Ministry of Labour is mandated to carry out inspections on the site of work to ascertain if the working conditions are in compliance with the national labour legislation, but this is rarely done and no inspection has been performed since the upgrading of the Liwonde Bridge Barrage. In addition to inspections, companies are supposed to submit reports on their operations to the government; however, no report has yet been submitted by the implementing contractors.

Malawi Labour Legislation
The constitution of Malawi
The Employment Act of 1999
The Labour Relations Act of 1996
Occupational Safety, Health and Welfare Act of 1997
The Pension Act of 2011
The Occupational Safety, Health and Welfare Act of 1997
The Worker's Compensation Act of 2000
The Trade Unions Act of 1958
The Child Care, Protection and Justice Act of 2010

3.3.3 Creation of employment and type of employment

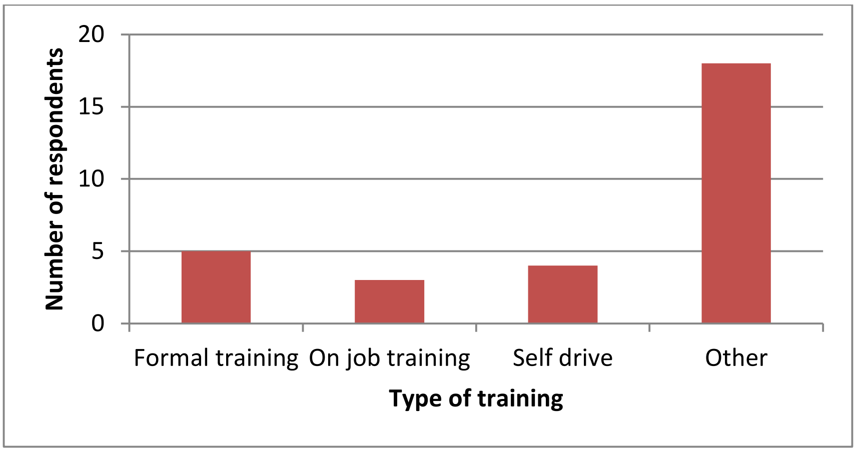
While the involvement of the private sector is lauded for initiating an increase in job creation, it has also been observed that the adoption of alternative procurement models such as PPPs significantly alters the roles of the public and private sectors across different stages of the project life-cycle. According to Reeves (2015), greater reliance on this model has potential equity consequences in terms of limiting citizens' access to social services and public infrastructure. When the key government informants were asked about the extent of employment creation that the project has initiated, no figures could be mentioned apart from saying that most of the jobs being created are largely for unskilled labour.

Figure 5: Types of trades of workers



One of the respondents went further to say that foreign contractors use these opportunities to create jobs for their own people. These two key findings were corroborated during the interviews with the workers on the site. Out of 30 workers we interviewed, only 5 had some formal training; the others acquired their skills through on-job training, as depicted in figure 6. All were engaged in front line jobs as labourers.

Fig.6: Type of training for interviewed workers



3.3.4 The overall development results and impact on communities and the country

There was a pervasive belief among some government officials that PPPs are donor induced and drive0n. PPPs are seen as a manifestation of developed countries trying to reformulate and9mncs repackage neoliberal ideas for the developing world as a tool for multinational corporations' (MNCs) profit-making. For instance, the tremendous influence that the World Bank (WB) and the International Monetary Fund (IMF) continue to wield on the direction of Malawi's economic and financial policies was cited as proof. With this approach, it is difficult to appreciate opportunities that PPP projects could bring. But not all of the key informants shared this line of thought.

There was also another point of view among government officials that while the PPP approach is good for long term projects (infrastructural development), it calls for careful consideration because Malawi has yawning capacity gaps to fully execute these types of projects. These respondents intimated that Malawi has insufficient capacity to meaningfully negotiate PPP contracts and as such the government cannot have an honest and transparent negotiation process with MNCs considering that such entities have vast negotiation experience and are backed by western governments, which are deemed to have vested interests.

The study also revealed that PPP projects are subject to a lot of politicization. The key informants expressed that contract negotiations for such projects is supposed to be championed by experts from line ministries, however it was noted that most of the times it is the executive arm of government that takes centre-stage in in such negotiations.

In terms of creating opportunities for the local economy, some government officials interviewed faulted the International Competitive Bidding (ICB) approach that the PPP projects follow, arguing that it intrinsically favours MNCs which have substantial capacities, expansive experience and global repute. They claim that this approach perpetuates western dominance as the resources still go back to developed countries through the MNCs. Linked to this is a general mistrust of private sector intentions or more specifically, a belief that the private sector's sole motivation is profit making and that the PPPs have the potential to thwart citizens' rights to access essential social services.

Coming to the project site, it is worthy to note that 98% of Malawi's electricity is hydro and is generated by the downstream hydropower plants along the Shire river. Thus an investment in an upgrade of the Kamuzu barrage is envisaged to increase the energy production. It is expected that the increase in the average energy production will constitute a main fraction of the total value of the Kamuzu barrage investment benefits (GoM, 2015). Additionally, since the barrage will be regulating the river's water flow, it is anticipated that the project would ensure a sustained flow of water to satisfy growing water demands of irrigation, fisheries, water supply, and flood control downstream of the barrage (Ibid).

Regarding the direct impact on communities and the country at large, the project has created employment for local Malawians even though the majority of the employment created is menial, thus low paying. This has in a way helped to put money in the pockets of people. However, as salaries for menial jobs are barely above the minimum wage and barely enough to cover the costs of living, such employment has no transformational impact on people's. Finally, it is envisaged that when an upgrade of the barrage is completed, there will be an increase in electricity generation and by extension, greater availability.

4. CONCLUSIONS AND RECOMMENDATIONS

It is undeniable that investment in long term physical infrastructure such as roads, telecommunications, and energy is positively associated with economic growth and enhanced productivity. Good physical infrastructure is also the premise on which the provision of public services to the public with the intent to improve their quality of life is predicated. Certainly economies like Malawi, which have an under-developed physical infrastructure and are operating below their potential, are in crucial need for increased public capital investment to ignite inclusive growth.

It is however crucial to safeguard the labour rights of workers in all circumstances. What stands out in this study is that the PPPs in their current form do not put plans in place to create decent work or to proactively protect the labour rights of workers. The responsibility for job creation and protection of rights has for a long time been relegated to the government alone. However, the ODA Accountability Act demands that the private sector also ensure that it is contributing to decent work and the protection of workers' rights.

The issues raised in this paper merely scratch the surface of the myriad problems pertaining to infrastructure development policy – these are key challenges not only in Malawi, but also for other African governments wishing to conduct successful public-private partnerships. How Malawi deals with these pertinent issues has a huge implication and impact on the economy and, by extension, the lives of the citizens as this will determine whether or not they will have access to basic services like energy, water, education and public transport. The intricacies inherent in the PPP arrangement in addition to the huge costs involved are reason enough for Malawi and other African countries to take caution when indulging in the approach. Lessons learnt from privatisation are indication enough that PPPs are not a panacea for development. What ought to guide a country when engaging in PPPs should not only be value for money, affordability, cost effectiveness, risk management; but primarily if such developments are people-centred and will ultimately lead to improved quality of life for the citizens. Such investment partnerships would be a means towards the goal of better service delivery to citizens, as well as improved infrastructure.

In light of the findings of the study, a number of recommendations are set out below.

For the Malawi Government

- **Project context**: Ensure that partnerships are established in the context of adapting international development goals to the local context;
- **Capacity building**: Build the country's capacity to ably negotiate, implement and monitor PPP projects;
- **Consultations and decision making**: De-politicise the agenda setting for PPP projects. Decisions on which projects to be developed and funded should be participatory and within the dictates of the national development agenda, i.e. as prescribed in the Malawi Growth and Development Strategy II (MGDS II);
- **Employment creation**: Ensure that the issue of employment creation is central to contract negotiations. Emphasis should be placed on creating decent work as prescribed by the ILO;
- **Access to services**: Create mechanisms to ensure that private sector involvement in development (as largely profit-driven) does not in any way compromise people's access to essential services.

For Contractors

- **Decent work creation**: Ensure that ODA accountability criteria are met by, among others, creating employment that meets the ILO definition of decent work;
- **Poverty alleviation and wealth creation**: Aim the developmental remit of PPP projects towards wealth creation rather than simply putting money in people's pockets through menial jobs. To that effect engage in meaningful and transformative corporate social responsibility programmes to enhance community members' quality of life.

For Donors

- **Aid effectiveness**: Consult trade unions in both donor and recipient countries to ensure aid effectiveness and promote global partnerships for sustainable development;
- **Local ownership**: Ensure capacity/skills transfer by obliging international contractors bidding for projects to partner with local contractors.

For Trade Unions

- **Workers' rights awareness**: Train workers on labour rights and monitor their application in line with international and local labour standards.

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