



African Regional
Organisation of the
International Trade Union
Confederation (ITUC-Africa)

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Africa Trade Union
Development Network
(ATUDN)



Financing for Development in the SDGs ERA: Unpacking Blended-Finance and Public-Private Partnerships and their implications for Development Outcomes

A Colloquium Organised with Support from the European Union.

28th February to 1st March, Blantyre, Malawi

Colloquium Objectives:

1. To create awareness and build knowledge (capacity development) on instruments being promoted and used for “innovative” development financing in the era of sustainable development goals (SDGs).
2. To disseminate the results of the country studies on development effectiveness of supporting the private sector (PPP) with ODA funds and proffer alternative Trade Union policy positions.
3. To formulate trade union strategies and policy positions on the subject – and to come up with a forward looking advocacy road-map on blended finance and public private partnerships.

Expected Outcomes:

1. Informed and knowledgeable trade union leaders on blended finance/PPPS and how it impacts on the development outcomes as stipulated in the SDGs.
2. Enhanced capacity of trade unions and SOs/CSOs in providing alternative policy positions and proposals regarding development financing at the national, sub-regional and continental level.
3. Increased ability of the African trade unions and SOs/CSOs to influence the decisions of national governments, the Regional Economic Communities (RECs) and the Africa Union (AU) with regard to economic development policies.
4. A clear and actionable follow up strategies and plans based on the colloquium and PPPs study results.

The year 2015 was pivotal, not only in setting the global agenda for sustainable development, but also for heightening the reconfiguration of development financing. With the adoption of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), the world now has the

most ambitious, diverse and universal development roadmap in history (OECD, 2016). This milestone however, also comes with the challenge of mobilising the requisite colossal financial resources to finance the implementation of the SDGs.

The Addis Ababa Action Agenda (AAAA) heralded the importance of using public investment instruments and vehicles to leverage the unprecedented levels of private finance required to fund this agenda. This call was equally amplified by the 2016 Development Co-operation Report by the Organisation for Economic Co-operation and Development (OECD) titled, “The Sustainable Development Goals as Business Opportunities” (OECD, 2016) which stressed the involvement of the private sector in development as of cardinal importance in realizing the global Sustainable Development Goals (SDGs). In its foreword, the report exhorts that “Success in reaching the global goals will depend not only on the quantity of funding that is made available. More than ever, better investments are needed. The private sector can be a powerful actor in promoting sustainable development in ways that go far beyond funding” (OECD, 2016; 3). The report goes further to tout blended finance as “offering huge, largely untapped potential for public, philanthropic and private actors to improve the scale of investment in developing countries” (OECD, 2016; 3).

Thus, blended finance and its attendant public-private partnerships (often referred to as PPPs) are increasingly promoted as a way to finance development projects (Romero, 2015). Defined in the context of the Addis Ababa Action Agenda (AAAA) blended finance include activities that combine “concessional public finance from the public and private sector, special-purpose vehicles, nonrecourse project financing, risk mitigation instruments and pooled funding structures” (OECD, 2016).

Blended finance and PPPs in particular feature prominently in the discussions around the financing for the implementation of Agenda 2030. The UN, OECD, donor governments and financial institutions, such as the World Bank, have set up multiple donor initiatives to promote changes in national regulatory frameworks to allow for the private and blended development cooperation, as well as provide advice and finance projects.

Having said this, the current strong push to increase the involvement of the private sector in the development arena and to promote blended finance and its associated PPPs has been met with mixed reactions. On one hand, central to the bone of contention is the difficulty among development experts to comprehend how the motives of business (profit) can be reconciled with the desired development outcomes as stipulated in the Agenda 2030. On the other hand, experts are also worrisome about the possibility of having the global development agenda high-jacked by the private sector for purposes inimical to developmental. Additionally, some experts posit that in order to set the right incentives, a better understanding is needed of the enabling factors, as well as the constraints, for businesses and investors interested in addressing sustainable development challenges.

The African Regional Organisation of the International Trade Union Confederation (ITUC-Africa) through its development arm, the Africa Trade Union Development Network (ATUDN) has keenly followed and participated in this developmental discourse. In 2016 the network commissioned a study to discern the development effectiveness of supporting the private sector with ODA funds focusing

on PPP projects in Zambia, Malawi and Senegal. The study unearthed intriguing findings on how PPP projects are perceived among government technocrats, on the capacity of developing countries to negotiate such projects and how the PPPs have a bearing on labour rights.

It is against this background that ITUC-Africa through the ATUDN is organising a workshop in Blantyre Malawi from the 28th of February to the 1st of March to disseminate the research findings. Additionally, ATUDN will hold a colloquium on financing for development with a special focus on blended finance and PPPs with the view of assessing their efficacy in bringing about the desired development results as capsulate in the Agenda 2030.

Expected Outcomes:

5. Informed and knowledgeable trade union leaders on blended finance/PPPS and how it impacts on the development outcomes as stipulated in the SDGs.
6. Enhanced capacity of trade unions and SOs/CSOs in providing alternative policy positions and proposals regarding development financing at the national, sub-regional and continental level.
7. Increased ability of the African trade unions and SOs/CSOs to influence the decisions of national governments, the Regional Economic Communities (RECs) and the Africa Union (AU) with regard to economic development policies.
8. A clear and actionable follow up strategies and plans based on the colloquium and PPPs study results.

Workshop methodology

The meeting shall include an intensive 2 days working session in plenary. Moderators will guide the sessions.

Participants

The meeting will bring together about 25 participants consisting of ITUC-Africa Trade Union Development Network (ATUDN), trade union leaders, Solidarity organisations (SOs/CSOs), and representatives of International development partners/multilateral bodies.