



***Statement of Joan Lanfranco (TUDCN) at the Development Cooperation Forum session on  
“Development cooperation by the private sector”, New York, 22 July 2016***

I speak on behalf of the International Trade Union Confederation.

SDG8 will promote inclusive and sustainable economic growth, employment and decent work for all. **Both private sector and trade unions have a big responsibility in achieving this goal.**

However, we see an issue with private sector business accountability, particularly when the private sector receives public funds through ODA. **We have a more critical view on blending and PPPs.**

There is a contradiction about the emphasis donor policies put on the private sector and the reality and needs of developing countries.

**How can we ensure private investments do not end up circumventing local tax systems and maximise their contribution to the local economy?**

Private finance goes predominantly to middle income countries. At the same time, there are problems only public finance can tackle such as providing and protecting public services.

Research by trade unions<sup>1</sup> show that DFIs are not equipped to manage aid flows in line with existing best practices. Namely, they cannot measure the social and labour impact of development projects.

Our research highlights a number of alarming shortfalls in how these institutions operate, that can seriously undermine international development goals.

Case studies from Latin America provide a useful illustration of how donors use development aid to further the interests of their national companies rather than to target the needs of the poor.

DFIs do not have adequate systems in place to guarantee the ownership of development projects by developing countries' governments and stakeholders.

The **STATE** has to be the main protagonist and guarantor of development and cooperation policies, based on collective priorities.

Aid is ultimately about real people, and all development actors, also private sector, should be accountable to them.

Thank you.

Permalink: <http://www.ituc-csi.org/TradeUnionsDCF2016>

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<sup>1</sup> The development effectiveness of supporting the private sector with ODA funds, TUDCN and CSO Partnership for Development Effectiveness (2016): <http://www.ituc-csi.org/DFI-study>