



# 4<sup>TH</sup> TRADE UNION-DAC FORUM

20 MARCH 2018

## SUMMARY REPORT

### SESSION 1: BLENDED FINANCE, GOING BEYOND PRINCIPLES AND PUTTING THEM INTO PRACTICE

The first session of the 4<sup>th</sup> Trade Union-DAC Forum started with a presentation of the DAC's five Blended Finance Principles. The role of blended finance as a means of implementation to face the funding gap for the achievement of the SDGs was put forward and its importance for addressing market failures was highlighted. Participants emphasised that blending should address the needs of Least Developed Countries, and its environmental and social impact should be better measured.

The experience of the Danish Investment Fund for Developing Countries (IFU) was then shared with participants, focusing on its role in promoting development through commercial investment, but also considering impact with respect to decent job creation and taxation. IFU assesses due diligence in terms of sustainability, labour rights and anti-corruption, based on international standards. Compensatory and complaints mechanisms are made available and engagement with Danish CSOs in this area has taken place, but a closer contact with trade unions is still necessary.

The session followed with a discussion on the OECD's work on responsible business conduct and its role in improving policy environment to make investments sustainable. The OECD Guidelines for Multinational Enterprises are a broad and coherent framework that take into account human rights, the environment and labour. They tackle the issue of due diligence, as business can and should monitor and identify the risks within the supply chain to mitigate them. The implementation of the DAC's Blended Finance Principles could build on the OECD's work on responsible business conduct.

An initiative that goes beyond blended finance, but is complementary to it as it focuses on the cooperation between key stakeholders (governments, trade unions and the private sector) is the Global Deal initiative. The Global Deal was presented as a multi-stakeholder partnership to make globalisation work for all. Its focus is on the potential of social dialogue and sound industrial relations to contribute to decent work and inclusive growth (related to SDGs 8, 10 and 16). The Global Deal's strategy focuses on accelerating action through voluntary commitments, increasing knowledge and capacity building, and sharing experiences amongst stakeholders and between countries. It aims at strengthening the social dialogue perspective of development cooperation and builds the necessary trust among different stakeholders to achieve the SDGs.



The approach on responsible business conduct from the viewpoint of the Italian multinational company ENEL was also discussed. Contributing to sustainability is a key element to having a competitive advantage in the energy sector, for this, communities and workers need to be involved. The common responsibility of the social partners (workers and employers) is very important. One of the tools for this are Transnational Company Agreements, which include references to ILO conventions. ENEL is also working, together with the Just Transition Centre of the International Trade Union Confederation (ITUC), on the principles for a just transition to a carbon free economy and guidelines for multinational companies. The consequences of digitalisation on employment is another aspect that ENEL is tackling, through joint trainings for their staff in collaboration with universities and transformation labs.

## SESSION 2: THE DAC, TRADE UNIONS AND SDG IMPLEMENTATION AND MONITORING

The second session started with an introduction to the trade union strategy on Agenda 2030, which is based on the pillars of mobilisation and engagement of trade unions, advocacy by trade unions to influence the implementation of the SDGs, and monitoring and reporting to follow-up on implementation. Trade unions are involved at national, regional and global level and have developed specific tools for this engagement, including Trade Union Country Reports on the SDGs. Social dialogue is considered by trade unions as a fundamental means of implementation for the achievement of the SDGs.

The adaptation of the DAC's tracking process for the SDGs was then revisited to see how statistical tools are being adapted to monitor resource flows in support of the 2030 Agenda. Several new classification codes have been created since 2015. Several other purpose codes are currently being discussed. Amongst these are those proposed by trade unions to track contributions to the four pillars of the Decent Work Agenda (social protection, employment creation, labour rights and social dialogue). An SDG focus field and future reporting on Total Official Support for Sustainable Development (TOSSD) are two other issues that are currently being discussed.

## CONCLUSIONS AND SUGGESTED WAY FORWARD

The meeting concluded with the following ways forward:

- 1) The relevance of this forum between the DAC and the trade unions is reaffirmed as a unique space for dialogue on key development issues including national organisations from all the regions;
- 2) The need for a follow-up on the implementation of the Blended Finance Principles, focusing on the evidence and looking at impact, was acknowledged, including engagement criteria related to business actors. The willingness of trade unions to engage in this process was recognised;



- 3) The trade union country reports on the SDGs are an important instrument to keep national governments accountable to their commitments. As discussed the previous day<sup>1</sup>, for social dialogue to effectively contribute to the SDGs there is a need to involve donor and partner governments to build the capacities of the social partners, and create an enabling environment. The next round of case studies will be focused on social dialogue's contribution to a just transition to a carbon free economy. The findings will be shared within the next potential forum, highlighting elements for policy drivers;
  
- 4) Finally, the importance of the adoption of purpose codes to track contributions to the four pillars of the Decent Work Agenda was highlighted, as this will guarantee a more comprehensive approach and will be an important step to better track resource allocation in line with the SDGs.

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<sup>1</sup> See Thematic Seminar: Social Dialogue in the SDGs Era - 19 March 2018: <https://www.ituc-csi.org/t-seminar-SD-informal-2018>