



PRIVATE SECTOR SEMINAR

26-27 MARCH 2019

LUSAKA, ZAMBIA

MEETING REPORT

The meeting presentations are available [here](#).

Representatives of civil society organisations and trade unions gathered at the ITUC-CPDE Private Sector workshop. The day and half workshop was hosted by the Congress of Zambian Trade Unions and took place in Lusaka, Zambia on 26 – 27 March.

DAY 1 – TUESDAY 26TH MARCH, 2019

The meeting opened with welcome remarks by a representative from the Zambian Ministry of Labour, Cosmas Mukuka, Secretary General of the Zambian Congress of Trade Unions (ZCTU), Hilma Mote from ITUC Africa and Nerea Craviotto from the International Trade Union Confederation and chair of the private sector working group of the CSO Partnership for Effective Development Cooperaton. The different interverntions highlighted the importance of the meeting and the issues at stake, as well as, the broad participation from both the trade unions and civil society organisations. The opening was followed by participant’s introductions.

SESSION 1: FOREIGN DIRECT INVESTMENTS: TRENDS, NEW DEVELOPMENTS AND IMPLICATIONS ON LABOUR RIGHTS.

Henry Chingaibe, from the Institute for Policy Research and Social Empowerment, launched the session with a presentation focusing on “Foreign Direct Investment: Trends, New Developments and Implications for Labour”, which provided an overview of the state of FDI’s in the African region. The presentation is available [here](#).

This presentation was followed by Hilma Mote, presenting on “Foreign Direct Investment in Africa: Labour Issues, Experiences and Perspectives” that brought the angle of trade unions on the matter. Throughout her presentation Hilma Mote showed different examples of violations of labour rights and conclude that although Foreign Direct Investment (FDI) can bring important opportunities to create jobs, improve infrastructure and support economic development. The creation of jobs cannot be at the expenses of decent work. The presentation is available [here](#).

In addition, Rochelle Porras, from the Ecumenical Institute for Labour Education and Research, brought an Asian perspective into the discussion, showing the threats to labour standards of FDI’s. The presentation is available [here](#). And Pefi Kingi, from the Pacific Islands Association of Non-Governmental Organisations, brought a Pacific perspective into the discussion, highlighting how much FDI’s are focused on untapped natural resources below water (blue economy).

The presentations were followed by a short round of questions and answers.

SESSION II: NEW FORMS OF FOREIGN DIRECT INVESTMENT: THE CASE OF CHINESE INVESTMENTS

This session started with a presentation from Crecentia Mofokeng, Regional Representative for Africa and Middle East Region, from Building and Wood Worker's International. Her presentation focused on the violations of labour rights and shared some reflections on the need to meet with the Chinese investment bank to ask for the inclusion of labour standards in their contracts.

In the next presentation, Grayson Koyi, from the University of Zambia, presented the current context with Chinese investments as an instrument to control more and more resources in Africa, for example, by taking over resources when debts are not honoured. Grayson Koyi also highlighted the higher presence of Chinese FDI in the mining sector, where it has helped boost copper production but the benefits to the countries are questionable. Those investments have also created employment but not one that supersedes the investment levels and nevertheless with decent work deficits: casual employment, no guarantee of adequate income. Last but not least, trade unions are not welcome to organise workers.

The next presentation was done by Renato Catapang Asa, IBON International, and focused on Chinese investments in Africa. In the Asian region, Chinese investments have been seen as an alternative to investments coming from the European Union or the United States, especially after the emerging gap post-2008 economic crisis. The full presentation is available [here](#). The next presentation was done by Josaia Osborne, from the Pacific Islands Association of Non-Governmental Organisations, with further details around the concept of "blue economy" and the role of Chinese investments in it. The full presentation is available [here](#).

The presentations were followed by an active discussion with participants. Participants mentioned the need to strategize around Chinese Investment Banks and raise awareness around labour and environmental rights; but also about ensuring the redistribution of benefits among the local people. And were concerned with current trends in Africa where loans with low interest rates are being agreed with the right to take over existing infrastructures / natural resources where the government is not in a position to re-pay the debt. Issues around transparency and accountability were also mentioned and the need to identify spaces to engage with Chinese investments (mainly from state-owned companies).

SESSION III: BLENDED FINANCE, BASIC CONCEPTS AND PRINCIPLES:

- DIFFERENT FORMS OF BLENDED FINANCE
- THE ROLE OF DEVELOPMENT FINANCE INSTITUTIONS

The session started with an introduction to Blended Finance and key related concepts from Fanwell Kenala Bokosi, from Afrodad. Fanwe Kenala Bokosi also spoke towards the risk of blended finance, highlighting the little analysis available assessing impact. The full presentation is available [here](#).

The next presentation was led by Henry Chingaipe, from the Institute for Policy Research and Social Empowerment, and focused on "the role of DFI's in Development", showing the challenges and opportunities that DFI's could bring to development. The presentation is available [here](#).

During the discussion issues around financial and developmental additionality and its importance in the context of blended finance. Projects supported through blended finance must be strategic in that sense and contribute to sustainable development and decent work. The role of DFIs was seen as important but only when they can push for an agenda for sustainability, transparency and environmental accountability.

DAY 2 – WEDNESDAY 27TH MARCH 2019

SESSION IV: GLOBAL DEBATES AROUND THE PRIVATE SECTOR IN DEVELOPMENT

The session started with an introduction from Nerea Craviotto, from the International Trade Union Confederation, around the global debates on private sector in development. The presentation started with the introduction of key concepts around the involvement of the private sector in development to walk after through different instruments, followed by an introduction on the spaces (at multilateral level) where discussions on private sector engagement / role in development are taking place. The presentation is available [here](#).

The presentation was followed by a round of questions and answers, as well as discussion. During the discussion issues around the alignment of blended finance not only to the national plans, but also the needs of the local populations – as it is often not the case. Concerns around illicit financial flows were also raised, as well as the lack of evidence on financial and developmental additionality of blended finance project. All these aspects need to be raised in the relevant forums.

SESSION V: STRATEGISING AROUND CSO ENGAGEMENT ON PRIVATE SECTOR IN DEVELOPMENT

The group work was kicked-off with a presentation from Diego López, from the International Trade Union Confederation, that introduced the participants to the Development Effectiveness Principles and where they connect with the role of the private sector in development. The presentation is available [here](#).

After the presentation participants broke into groups to discuss around the following two questions:

- From what we have heard so far, what are the priority areas for CSOs engagement on private sector in development cooperation?
- From the areas identified: what should be our CSOs key messages when engaging the Private Sector in Development?

In plenary the outcomes from the breakout groups discussions focused around the following three areas: i) development cooperation interventions funded with ODA and operating through the private sector need to be rights-based, adhere to development effectiveness principles and to the SDGs; ii) private sector operating with public finance must explicitly adhere to key responsible business conduct instruments, including due diligence; iii) development cooperation interventions funded with ODA and operating through the private sector must ensure they generate income at country level, in favour of the domestic country system, including tax and social contributions and create decent job opportunities.

SESSION VI: FINAL CONCLUSIONS

Nerea Craviotto concluded the meeting with highlights from the last day and half, as well as stressing the importance of coordinating our work, especially at national level, between civil society organisations and trade unions. Key messages coming out from the meeting could be found [here](#).

Ways to strengthening collaboration and coordination across regions:

- Creating platforms of knowledge where evidence, examples, analysis, etc. can be shared;
- Better organising across regions, to fight the same trends;
- Organising capacity building activities such the current workshop;
- Mobilising resources to do the above.

Interesting ideas to further explore:

- On FDIs in Africa: explore the Forum on China-Africa Cooperation for engagement of both civil society organisations and trade unions; as well as better understanding the local DFIs and their contribution to development;
- Definition of how quality FDI's would look like;

Main points for the way forward:

- Building from the outcomes of the current workshop the CPDE WG on Private Sector will develop key messages on private sector engagement in development;
- CPDE participants from the regions will explore with the CPDE Global Secretariat the possibility to replicate this workshop in their regions.

