



WEBINAR: TRADE UNIONS AND THE DAC

23 NOVEMBER

REPORT

THE CURRENT DAC MOMENT: HLM AND CURRENT DEBATES AT THE DAC

The meeting started with welcoming words from Paola Simonetti, Deputy Director of the ITUC Economic and Social Policy department and a presentation of the agenda and the objectives of the meeting.

This was followed by a presentation by Diego López, from the ITUC-TUDCN Secretariat on the main topics on which the DAC is working and trade union positions on each. He mentioned the role of ODA in the context of the Covid-19 crisis and the [Trade Union Statement to the DAC of May 2020](#). He then moved on to update participants on the work of the DAC on Private Sector Instruments; the DAC agreement on accounting debt relief under the grant equivalent system and its challenges; the discussions on how donors engage with civil society and the possible adoption of a DAC instrument in this area of work; and climate finance.

Finally, Diego touched upon the discussions at the DAC High Level Meeting (HLM) of 9-10 November 2020, the position of trade unions at the meeting and the HLM Communiqué.

THE ROLE OF ODA IN FIGHTING INEQUALITIES AND BUILDING SOCIAL PROTECTION

The second session of the meeting looked into the role of ODA in fighting inequalities and building social protection. The topic was introduced by Rahul Malhotra, Head of the Reviews, Results, Evaluations and Development Innovation Division, OECD, who showed how international has contributed to the expansion of social protection programmes and the countercyclical role that ODA needs to play to support comprehensive social protection systems. He emphasised that coverage of informal economy workers is vitally important, and that support needs to be predictable and stable.

He presented ODA figures allocated to social protection (0.69% of gross ODA), and the necessary financing gap forecasted by the ILO for social protection financing in developing countries. He also emphasised the importance of making the case for ODA for social protection considering its multiplier effect and cost-benefits impact. Mr Malhotra briefly touched upon the Decent Work Agenda CRS codes adopted by the DAC in 2018 to highlight that, although there is not much data yet, so far, we can see very little money attached to the Decent Work Agenda pillars on social dialogue and labour rights, even if these are key areas from an advocacy perspective, and that it is necessary to create incentives for more action beyond tracking ODA, in terms of policy use.

Mr Malhotra also mentioned a new Community of Practice on Poverty and Inequality at the DAC that will be put in place in the first quarter of 2021. This will provide a space for dialogue between DAC members, partner countries and other relevant actors to see how to translate policies and strategies on poverty and inequality into practice, focusing mainly on SDGs 1 and 10 and but should also consider SDG 8.

Another area where trade unions can contribute is the DAC peer reviews. This is a high impact instrument for the DAC, where they welcome a dialogue with TUs and TUAC on what these should look at and what modality we could use to get regular feedback.



ODA AND TAXATION

Discussions continued with a session on ODA and taxation which were directed by a presentation from Ben Dickinson, Head of the Global Relations and Development Division at the OECD's Centre for Tax Policy and Administration. Mr Dickinson showed how tax revenues compare to ODA and other sources of financing to developing countries. He also presented how ODA can support the development of tax systems in developing countries, as a catalyser of domestic resource mobilisation. ODA is an encourager of different tax policies and the Addis tax initiative supports countries to do better on that front. He also presented the pros and cons of taxing ODA funded goods and services.

Comments were made around the tension between the need for domestic resource mobilisation and the tendency of a fiscal race to the bottom to attract foreign direct investment, to which Mr Dickinson replied that many incentives towards reducing tax are more costly and are not necessarily triggering increased investment. It is important to put the evidence base on the table. There is also a need to invest in local civil society interrogation on what companies and governments are doing in terms of taxation, as most issues on taxation are undertaken through CSOs from the Global North.

TRADE UNIONS' RESPONSES TO THE COVID19 CRISIS THROUGH DEVELOPMENT COOPERATION

The final session of the webinar consisted in a discussion on trade union best practices in responding to the Covid-19 crisis through development cooperation. During this discussion best practices in the areas of occupational health and safety, decent work, labour rights and social dialogue were shared by several organisations. A central point that was underscored was the importance of well-established social dialogue to respond to the covid19 crisis. The pre-existence of a solid and well-functioning social dialogue, is a major asset that society can benefit from when a crisis hits.

An initiative to gather best practices in development cooperation projects was also presented by the TUDCN secretariat and TUDCN members will be contacted to contribute to this initiative.

The meeting concluded with a presentation of the agenda of the Trade Union – DAC Forum of the 30th of November and the importance of this meeting for trade union advocacy with the DAC.



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