

Trade Union Messages DAC SLM

OECD Conference Centre, Paris

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1. Private Sector Instruments and Blended Finance

On ODA modernisation and reporting on private sector instruments...

Trade unions are apprehensive about the discussion on ODA modernisation as it relates to private sector instruments. We fear ODA reporting on private sector instruments has the potential to steer public finance away from more direct modalities by creating false incentives. The private sector must do its part to achieve the sustainable development objectives, but we remain sceptical that this necessitates changes to how ODA is reported when private sector instruments are involved.

There remains a fair amount of ambiguity when measuring ODA to the private sector. We are therefore cautious about many of the outstanding issues which need to be resolved (e.g. additionality versus concessionality) and the potential for other official sector support to the private sector, which is commercially motivated, to be blurred with ODA. Further, we see a serious risk that ODA reporting on PSI may result in subsidising providers' private sector and effectively become an evolved form of tied aid.

At a bare minimum the DAC must ensure full transparency and accountability of private sector instrument flows, throughout the life cycle of the investment. We believe this requires that the measure begin at the point of the transaction between the donor investment vehicle and the private sector in the partner country (instrument specific approach). We also believe that there is a need to incorporate principles for effective development cooperation in the reporting especially when assessing ODA eligibility. Any publicly backed private finance must adhere to the same conditions and principles that fully public finance is obligated to adhere to.

On blended finance...

Trade unions believe that the blending of public ODA money with private finance in the pursuit of financing sustainable development objectives can create unnecessary risks and challenges that do not arise with purely public money. We therefore do not encourage this approach by development agencies, as there is no guarantee that leveraged finance adds value while it diverts scarce ODA resources from more direct sustainable development efforts. When public money is blended with private finance, it is imperative that the leveraged finance meet and uphold the same criteria set out for public resources – especially in terms of alignment with national development strategies of developing countries, international human rights standards, and environmental commitments.

Trade Unions believe that there is a great deal of evidenced based work to be undertaken in the field of blended finance. We believe a cautious and critical approach to the use of blended finance is needed in the absence of evidence and best practice and therefore welcome the DAC SLMs consideration to undertake a program of work in this area. This however should not be limited to how best to deploy and/or catalyse public finance through DFIs and other blended finance vehicles.

Improving the effectiveness of blended finance requires a democratic approach to prioritising, monitoring and evaluating investments. We believe the DAC should also open a discussion the following three elements:

1. Improving the governance and decision making of blended finance institutions.
2. Improving the development impact, through better monitoring of blended finance.
3. Improving accountability systems (upward and downward) for blended finance.

Each of these elements requires engagement with non-state actors through instruments like social dialogue.

2. Total Official Support for Development (TOSSD)

Trade unions will continue to monitor the efforts to develop the TOSSD measure though the express purpose or motivation, beyond that of quantifying total official flow which are aimed at sustainable development, remains somewhat unclear. We do welcome the notion that TOSSD will make all official flows more transparent and in line with principles of effective development cooperation and the Agenda 2030 for sustainable development. However, we do not have a clear picture of how the measure will ultimately be used; whether it is an exercise simply aimed at showcasing volume and allocation or whether it will be supported by a process to drive policy and politics. We would have reservations that TOSSD has the potential to become the new goalposts for development cooperation, and would therefore urge DAC members to avoid any exercise for TOSSD which establishes targets or showcases the measure over ODA.

3. Refugees and Migration

Trade unions emphasise that in the context of the current and ongoing refugee crisis the importance of ODA for long term development objectives cannot be understated. ODA for long term objectives should not be sacrificed as a result of short term efforts to respond to and support those that are displaced out of necessity, not out of choice.

Prioritising towards “comprehensive solutions” to the current crisis requires longer term thinking aimed at addressing the push factors of migration, beyond forced displacement. In every situation all people are entitled to the same rights and opportunities wherever they are, including access to decent work opportunities and social protection. We therefore urge DAC members to include this in their priority programme areas for responding to the refugee crisis.

4. Effective Development Cooperation

Trade unions believe that the Global Partnership for Effective Development Cooperation (GPEDC) continues to derive its added value through its multi-stakeholder approach to delivering on the Paris, Accra and Busan commitments. We believe these commitments and the principles that underpin them, Accountability, Ownership, Inclusiveness and Results, remain sound and relevant until today and should be reinforced.

While there is a need for the partnership to adapt to the Agenda 2030, we believe this adaptation should be in how it functions rather than in its fundamental purpose. Trade unions believe that the GPEDC can benefit greatly from improved ways of working, more so than any shift in its mandate, which remain the commitments taken in Paris, Accra and Busan. With an established political vision for the GPEDC, greater emphasis must now be placed on delivering commitments and on how to achieve this through the establishment of multi-actor communities of practice from the local to the global level.

5. A new DAC in a changing world

Trade unions believe that many of the decisions taken in the DAC have a reach far beyond the constituencies represented there. We also note the value the DAC provides with its expertise in evidence gathering and policy setting. We therefore welcome the efforts of the DAC to reflect on its ways of working and to become a more inclusive body. We reiterate our commitment to engaging with the DAC as it reforms, especially in light of the universal Agenda 2030 for Sustainable Development.

The Trade Union Development Cooperation Network (TUDCN) is an initiative of the International Trade Union Confederation (ITUC), bringing together affiliated trade union organisations, solidarity support organisations, regional ITUC organisations, the Global Union Federations (GUFs), the European Trade Union Confederation (ETUC) and the Trade Union Advisory Committee to the OECD (TUAC). TUDCN's objective is to bring the trade union perspective into the international development policy debates and improve the coordination and effectiveness of trade union development cooperation activities.

Le **Réseau syndical de coopération au développement (RSCD)** est une initiative de la Confédération syndicale internationale (CSI) réunissant des organisations syndicales affiliées, des organisations de solidarité, les organisations régionales de la CSI, ainsi que les Fédérations syndicales internationales (les fédérations sectorielles - FSI), la Confédération européenne des syndicats (CES) et la Commission syndicale consultative auprès de l'OCDE (TUAC). Le RSCD a pour but de traduire la perspective syndicale dans les débats sur la politique en matière de développement international et d'améliorer la coordination et l'efficacité des activités syndicales dans le domaine de la coopération au développement.

La **Red Sindical de Cooperación al Desarrollo (RSCD)** es una iniciativa de la Confederación Sindical Internacional (CSI), que agrupa a diversas organizaciones sindicales afiliadas, organizaciones solidarias (OS), organizaciones regionales de la CSI, las Federaciones Sindicales Internacionales (FSI), la Confederación Europea de Sindicatos (CES) y la Comisión Sindical Consultiva ante la OCDE (TUAC). El objetivo de la red es aportar la perspectiva sindical a los debates políticos y mejorar la coordinación y la eficacia de las actividades sindicales relacionadas con la cooperación al desarrollo.



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