

## FOCUS SESSION 26:

### Delivering Effective Development through Public-Private Cooperation

9:30-11:00, Room 1

#### Speakers/Panelists:

- Dr Fabio Cassese, Director General de Cooperación de al Desarrollo/Italy
- Esperanza Contreras Ortiz, Directora de Mujeres Emprendedoras del Timbinal/Mexico
- Kryticous Patrick Nshindano, ActionAid Zambia/Zambia
- Anna Palmqvist, Head of Sustainability – Production, H&M/Sweden
- Jürgen Schwettmann, Director, Partnerships and Development Cooperation, International Labour Organisation/USA

#### Moderator:

- Jan Dereymaeker, International Trade Union Confederation

#### Conclusions and key messages:

It is clear that the challenge lies in ensuring the **developmental** (social and environmental) **impact** of Public – Private cooperation. To this end, it will be necessary to *change the models of production that can align short term investment needs with long term developmental impact.*

*In practice, we will have to **move beyond CSR** since, while we may be able to rely on voluntarism of some companies, this will not be sufficient for others. Even if there are no existing international standard on eg maternity leave, there are standards in many other areas that governments can use to inform legislation to help ensure that peoples' rights are protected and respected. The Rana Plaza incident has injected momentum in terms of progressing the decent work agenda, much as the blood diamonds led to the Kimberley process. But still, these initiatives remain voluntary only.*

Overall, governments and companies need to apply **international standards**, strengthening the regulatory environment to make sure decent wages and jobs are provided, taxes are paid and environmental impacts minimized and

managed. *International and local **trade unions** are important in holding companies and governments to account, and in pursuing the necessary dialogue.*

There is a need for an honest **assessment of the importance of FDI** in contributing not just to growth but to equitable, inclusive and sustainable growth. In this context, the developmental impact of high levels of FDI must be assured, so that social, environmental and economic benefits are secured.

This includes **facilitating domestic players in the economy**, in other words *foreign investment that promotes local content*. FDI should not have the effect of crowding out domestic large businesses but bring the innovation, skills and investment needed to build domestic business. The domestic private sector must be at the forefront.

Use of **private public partnerships for development** must be evidence based – critically, in terms of PPPs where *fees deter poor people from accessing basic public services, and other types of investments can also – over the long term – cost governments more. PPPs must work to the best interests of local people, companies and budgets, in the short and long term.*

The private sector as a development actor must meet **development effectiveness principles**, notably accountability and transparency. It is currently unclear how private sector financing for development is working, and thus how far Busan principles are being respected. And of course, all ODA that goes through or to the private sector has also to meet agreed aid effectiveness principles.

To make progress on these issues, it is clear that **better dialogue** is needed, using a framework that works in all countries, as well as regionally and internationally. Local dialogue, within a broader context, is also the basic premise of the ILO. It is a question of establishing standards that do not allow people to be subject to profit driven activity. But apart from international and national standards being adopted, people have to talk and try to solve problems also locally.

To deliver development impact, public private cooperation must therefore work on the basis of agreed standards, transparency and accountability, and through local and international dialogue.