



**Preparatory Committee (PrepCom) for the Fourth International Conference
on Financing for Development (FfD4) Second Session, NY, 3-6 December,
2024**

**Mahongora Kavihuha, International Trade Union Confederation, on behalf of
the CS FfD Mechanism Intervention delivered at the Interactive Discussion 2:
Domestic and international private business and finance**

4 December 2024

Thank you chair,

I represent the International Trade Union Confederation (ITUC), which represents almost 200 ml workers worldwide, and I speak here on behalf of the FFD CSO Mechanism.

In our view, the FFD4 Outcome Document must include clear commitments to set **regulatory frameworks that align private investments with development objectives** and the SDGs - including SDG 8 on decent work.

Such frameworks must ensure that private investments comply with **ILO standards on decent work, responsible business-conduct and due diligence**, ensuring the respect of human and labour rights along the entire supply chain, through independent monitoring and redress mechanisms.

Moreover, it is imperative that the FFD4 outcome document includes a strong commitment to move towards the adoption of a binding **UN treaty on multinationals and human rights**.

The UN Guiding Principles on Business and Human Rights are equally relevant when it comes to **“innovative” financing vehicles, such as blended finance**. **There are increasing concerns about the growing relevance of blending in development cooperation strategies to the detriment of public-based ODA.** O

In the absence of consistent evidence on the added value of blending in terms of development impact, increased accountability and transparency mechanisms

are needed through binding criteria for eligibility and compliance with international labour, fiscal and environmental standards.

In this regard, we welcome South Africa's statement on blending from earlier today according to which a "key concern is the focus of developed countries on offsetting their obligations to make public sector finance available to developing countries by inappropriately crowding in private sector finance. Private sector resources are not suitable for all sectors and countries and are thus not a substitute for traditional ODA".

Moreover, we need to facilitate skills' development and access to **finance for micro, small and medium enterprises (MSMEs)** – that will enhance their job-creating potential and could contribute to the formalization of the informal economy when complemented with the right incentives and enforcement measures.

In conclusion, **if we want FFD4 to be up to the challenge of turbocharging the SDGs, it must guarantee the alignment of private finance with development objectives, as well as ambitious investments in the Decent Work Agenda.**

Thank you

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