

**HIGH-LEVEL EXPERT MEETING ON  
THE ESTABLISHMENT OF A GLOBAL FUND - SOCIAL PROTECTION FOR ALL  
22-23 SEPTEMBER 2020**

**convened by the French government & the UN Special Rapporteur on Extreme Poverty and  
Human Rights**

**SUMMARY**

**CONTEXT:** On 22 and 23 of September 2020, a virtual High-Level Expert Meeting on the added value and modalities of the establishment of a Global Fund for Social Protection for All was held.

This meeting brought together a great number of participants (an average of 85 attendees for each of the six thematic sessions) who provided very positive feedbacks. High level participants attended the meeting: Ministers of Labour of France and Argentina, Deputy Minister for Labour Affairs and Chair of the G20 Employment Working Group of Saudi Arabia, ILO Director-General, OECD Secretary-General, High Commissioner for Human Rights, Nobel Economics Laureate J. Stiglitz and the Special Adviser to the UN Secretary-General on Sustainable Development Goals, J. Sachs). Participation from various geographical regions and with a wide range of backgrounds provided valuable input: experts, civil society, international social partners, representatives of financial institutions and international organizations, directors general from various ministries from several G20 countries and the European Commission as well as developing countries.

Ms. Anousheh Karvar, Delegate of the French Government to the ILO & G7-G20 Labour and Employment Tracks, and Mr. Olivier De Schutter, UN Special Rapporteur on extreme poverty and human rights, chaired the meeting.

**Day 1 – Tuesday, 22 September**

**High Level opening remarks**

The meeting started with opening remarks delivered by Ministers of France and Argentina, heads of the ILO and the OECD, the Chair of the G20 Employment Working Group, international social partners and Prof. J. Stiglitz. The discussion demonstrated a strong interest on the subject.

The magnitude of the impact of Covid-19 has confirmed that social protection plays a crucial role in strengthening the resilience of societies in the face of crises. It was repeatedly pointed out that despite progress, 55% of the global population are left unprotected, and that countries with inadequate systems of social protection have faced greater impacts.

There is already a robust and normative framework in place (reference was made in particular to ILO recommendation (No. 202) on Social Protection Floors (2012) and ILO convention (No. 102) on Social Security (Minimum Standards) (1952). Moving forward, the goal is now to take action, accelerate efforts to build back better. In this regard, it is especially important to have a strong global political will, the right data and additional financial resources to close the coverage gap, coming first from domestic resources, complemented with adequate Official Development Assistance (ODA).

In the face of global challenges, a global and solidarity-based response, relying on social dialogue, is needed. Enhanced coordination and cooperation were therefore seen as crucial. When discussing a joint roadmap to establish a Global Fund for Social Protection for All (GFSPA), it was agreed that one cannot afford not to make the necessary investment, as the lack of social protection has a heavy economic, social and political cost.

The strengthening of social protection is most needed especially in the poorest countries, but also in middle-income countries. Among the most vulnerable groups are young people, women and informal workers.

The financing issue (lack of domestic resources, of fiscal space), the need to make resources available and ensure they are well used were deemed a priority. The importance of mobilizing all possible sources of finance was stressed.

The session discussed the main difficulties lying ahead and how they could be overcome. In this regard, the importance to strengthen cooperation and to have a clear understanding on the roadmap, especially between international organizations both in policy-coordination platforms and in the field at country-level was stressed. The importance to adapt social protection to changing patterns of work and to put more emphasis on sustainability and on bringing workers out of informality was also underlined. Finally, it was stressed that it is important that the future G20 presidency takes up the challenge of an Initiative in favour of "social protection for all" involving labour, development and finance Ministers.

### **Session 1: What challenges does the provision of adequate social protection for all face and how can we assess the gaps at the global and country levels, on the basis of a mapping of already existing initiatives and programs?**

The aim of this first session was to focus on the **challenges of universal social protection, the assessment of financing and coverage gaps as well as on the role of already existing initiatives**. The Chair introduced the aim and the role of the potential GFSPA, which differs from emergency measures. Its added-value being in particular its long-term approach and its capacity to address the need for a financing mechanism, more coordination and synergies.

Emphasis was put on the urgency of the moment. 55% of the global population have no social protection and only 31% benefit from a comprehensive social coverage. In addition, women are lagging behind men. There are also important regional differences in terms of coverage: Sub-Saharan Africa has a coverage rate of 7.3% compared to Europe and Central Asia, where 33% have access to comprehensive social protection coverage. An ILO study revealed financing gaps amounting to 1.2 trillion USD in 2020 for all developing countries, and 78 billion USD for LICs; and until 2030, an investment of 2.2% of GDP is needed for closing the gap. The ILO's latest estimates also underlined an opportunity to increase fiscal space by 1.2% of GDP. The urgency to cover those people that are the hardest to reach and to tackle inequality was stressed. In this regard, the role of the civil society was highlighted.

**Investing more in social protection is urgent.** It was mentioned that rather than being considered as a cost, social protection should be seen as an investment in human capital. It was repeatedly underscored that the key role of social protection in fighting poverty, improving job quality, reducing socioeconomic disparities, protecting vulnerable groups and achieving SDGs. This must be kept in mind in anticipation of future crises (for instance climate shocks).

**Special focus was put on inclusiveness and universality in terms of coverage.** It was said that financing gaps were already present before the crisis, affecting in particular non-standard workers: informal workers, migrants, self-employed and unemployed. Social protection should cover people in diverse forms of work and needs to be gender-sensitive and transformative. Particular attention was also paid to the situation of young people and other disadvantaged groups.

Many points of views were exchanged with regard to financing. **Strengthening mobilization of domestic resources should be a priority.** Domestic resource mobilization is a condition for sustainable financing of social protection floors at country level. The international community should however support domestic efforts. Financing from diverse sources and international coordination was put forward as a necessity. Some outlined in particular that external support should help to mobilize domestic resources by establishing a co-financing mechanism. The need for progressive tax systems and the expansion of fiscal space was also underlined.

Special emphasis was also put on the necessity to shift from informality to formality, on good governance, well-functioning institutions to administer social protection systems and capacity building in public finance management (PFM).

## **Session 2: How can we scale up and maximize the efficiency of existing programs and foster policy coordination at global and country level?**

The Chair presented the second session, aimed at **reviewing existing mechanisms and creating tools to implement nationally defined social protection systems** in all countries by establishing a **common roadmap at global and national levels.**

During this session, participants discussed possible margins for action at the global level and at the country level. **At the global level, initiatives already exist yet their efficiency could be enhanced.** Reference was made in particular to the USP2030 partnership and to SPIAC-B, which are not used to their full potential. Similarly, there was also room for improvement at country level. In this regard, the importance for development agencies to cooperate and for countries to raise domestic resource mobilization, were mentioned as key to develop sustainable social protection systems. The concept of “cash transfer PLUS” was also raised to include social capacity building dimensions beyond mere financial assistance.

Some participants advocated for a framework defined at local level and the use of country platforms gathering all domestic and international stakeholders, through a whole-of-government approach, as well as tailor-made solutions at country level increasing ownership and responsibility.

Regarding the articulation between global and country levels, the possibility to agree on principles at the global level and bring the complexity at the country level in terms of adequacy and responsiveness was mentioned. Special focus was put on the crucial role of social dialogue and community-based solutions in the process.

The complex financing ecosystem, the need for a bottom-up dimension as well as the need to involve non-state actors and innovation are aspects that have been raised regarding the establishment of a GFSPA. **Examining the outcomes of existing coordination bodies was pointed out as being particularly relevant to feed into the preliminary discussions on a new mechanism such as the GFSPA. It was important to first assess its potential added-value and avoid overlaps.**

The role of the Official Development Assistance (ODA) was also put forward as a catalyser for other types of resource mobilization. There was a general consensus on the need to work together, to

avoid overlaps and duplication and the need for mutual support and enhanced coordination at the global but also country levels. Regarding this last aspect, a common roadmap should result from global cooperation and convergence among the policy and the financial dimensions be sought.

### **Session 3: Ensuring sustainable financing of social protection: encouraging and supporting the mobilization of domestic resources for the financing of social protection**

This third session focused on **addressing the challenges countries face in mobilizing sustainable resources to finance social protection**.

The importance of **investing more and investing better** was stressed in order to look both at the collection and spending sides. **Domestic resource mobilization, especially in low-income countries, and addressing the issue of informality** are of crucial importance. It was in particular recalled that the financing gap for social protection is the highest in countries with the highest informality.

In terms of tax capacity, informality was identified as a central challenge given that most taxes come from labour incomes. The need for tax systems designed to support inclusive growth was stressed. Numerous options have been suggested: taxes that increase tax progressivity such as income or property taxes, taxing major digital companies, a minimum corporate tax, carbon taxes, strengthening health taxes etc. Relevant initiatives were also highlighted such as “Tax Inspectors Without Borders” to address cross-border tax issues, the work of the OECD to combat base erosion and profit shifting (BEPS) and automatic exchange of information. The issue to establish a line of responsibility of the employers in the informal sector was raised, although the feasibility to link responsibility to global supply chains has been questioned.

The importance of contributory social protection systems as well as the need to address the “missing middle” -- people who have no access to social protection but who are not covered either by the cash transfer systems improvised in times of crisis to prevent families from falling into extreme destitution -- were put forward. In particular, an ILO study showed that contributory schemes can improve coverage of social protection in LICs. Some suggested looking in the case of child support and pension systems, on a basic non-contributory floor as universal as possible.

In order to find the right balance between contributory and non-contributory schemes, the need for more relevant information was stressed, in particular information relating to the position of informal workers in the household.

Emphasis was also put on the need for equity of fiscal policies and addressing digitalization of tax collection as part of the solution. In order to achieve these goals, there needs to be a high emphasis on collective action and social dialogue. It is especially important to offer a platform that actors can use to come together and collectively design appropriate tools.

## **Day 2 - Wednesday, 23 September**

### **Session 4: Mobilizing international actors to accelerate the social protection agenda and enhance available resources**

During the fourth session of the meeting, the discussion focused on how to **accelerate the social protection agenda and enhance available resources**.

The global nature of the pandemic has once again reminded us that the response to most current global challenges lies at the international level, and that international cooperation is key. Inequalities

and the lack of social protection in some countries are long-lasting issues. The discussion showed that there is a global consensus that social protection must be available to all, and was referred to as a “universal public good.” It is also believed that the pandemic has created a momentum for establishing strong social protection systems around the world.

On the matter of raising additional financing for social protection, it was noted that the issue of the funding is much more a matter of political willingness than a financial problem, as there are financial resources available.

For instance, resources could be raised by reforming and improving taxation schemes at national, regional and international levels. It was suggested that one way to raise funds for social protection would be to address the issue of tax havens, as well as to create a taxation scheme for the digital sector at global level. Furthermore, the debts of low-income countries (LIC) should be waived or at least reduced. The need for a “new Bretton Woods” conference was also stressed in this context. Additionally, they should be offered low-interest rates and concessional financing.

In the course of the discussion, it was stressed that international organisations, development agencies, public banks, microfinance, social impact investment, and social economic enterprises could all have a role to play in building strong social protection systems in a sustainable way.

The risk of inappropriate use of grant funds was often raised as a matter of concern. This risk can be reduced by setting oversight mechanisms to make sure the financial resources are indeed directed towards social protection. Thus, **good governance, transparency, and accountability**, appear to be essential preconditions. Hence, rather than serve as a mere cash-transferring mechanism, the GFSPA should provide guidance, expertise and technical solutions to help capacity building at national level.

The need for technical assistance was highlighted. Indeed, a new mechanism such as the GFSPA should not only aim to provide funding, but also to offer technical assistance as to how to design instruments to distribute the money efficiently and **ensure the adequacy and efficiency of social spending**.

It was stressed that because there already are several existing organisations and programmes for social protection, the initiative should be designed as a coordinating body. **The issue of a lack of coordination between existing organisations and programmes was mentioned.**

In conclusion, it was agreed that there is an urgent need to address the gaps in social protection financing and coverage and build a strong global initiative in favour of social protection for all. Raising the financial resources to finance social protection does not appear to be a problem as such. The challenge lies, rather, in encouraging countries to define the establishment of efficient and sustainable social protection floors as a priority, and in assisting them in designing and implementing such schemes. The initiative could therefore be designed as an umbrella entity aimed to foster financial efforts and to coordinate policies and programmes dedicated to social protection.

## **Session 5: Ensuring resilience and creating safeguards for low-income countries**

During the fifth session, methods to ensure **resilience and create safeguards for low-income countries** upon the occurrence of future covariate shocks were discussed.

Most countries have implemented *ad-hoc*, emergency measures to help their population cope with the consequences of the health crisis, which have proven insufficient. This only shows the need to invest in social protection and establish a long-term solution that would increase the resilience of the world’s economies to future shocks. Moreover, it was suggested that a long-lasting programme could

entice governments of low-income countries to commit to social protection, knowing that they will benefit from assistance if needed. A re-insurance scheme that would guarantee the payments to struggling countries under special circumstances would provide relief in the event of shocks. Thus, the GFSPA could include a re-insurance branch. It was argued that such a mechanism would be both beneficial to the recipients and the donors, as anticipating risks is always more cost-effective than damage control.

While some countries could at first, be reluctant to introduce social protection measures in fear of losing their comparative advantages regarding their labour force, standardizing social protection schemes through a coordinated and progressive approach would eventually reduce the intensity of the competition in international trade.

### **Session 6: Towards a joint roadmap: what are the ways and means to sustain the international mobilization in favor of “Social Protection for All”?**

During the sixth and last session of the meeting, the ways and means to **sustain the international mobilization in favour of “Social Protection for All”** were reflected upon.

Several arguments defended in previous sessions were reaffirmed, including the fact that the GFSPA should act as an umbrella entity to provide technical expertise, and avoid the creation of yet another bureaucracy. It was further argued that there is a need to coordinate pre-existing programmes to avoid donor fatigue, and maximise the effectiveness of any new initiative in favour of social protection. It was also repeated that establishing social protection systems is mostly a political issue requiring strong political consensus at the domestic level, rather than a technical or financial one. Last, it was suggested that funds be conditioned to good governance and transparency in order to avoid improper use. New questions such as the conditionality for support, and the contribution to capacity building at national level were raised.

It was stressed that this initiative should be based on a voluntary basis, and that ultimately, the initiative has to come from the countries concerned. It was also suggested that the GFSPA should be inclusive of all stakeholders, in particular social partners.

It was suggested that this initiative could fall under the ILO’s mandate, as it already has the knowledge and experience needed in the social protection field, as well as the required normative framework. It should also be well articulated with the activity of USP2030 and SPIAC-B.

Overall, the idea that social protection schemes have to be strengthened and the initiative to establish a **global mechanism for investing more and better in social protection** have gained wide support. It was repeatedly said that **one should first clearly establish the added value of any new initiative on the basis of a detailed comparative analysis**. The GFSPA should play a coordinating role, facilitating policy coherence and financial synergies at both national and international levels through a clear roadmap. **There is room and need for a renewed mobilization, including through a new global initiative that would put universal access to social protection on top of the international agenda.**