

Q&A on the Global Fund for Social Protection

Table of Content

1. Main questions	2
What is social protection?	2
What is a social protection floor?	2
What would a Global Social Protection Fund do?	3
Why is a fund needed?	3
Why support this proposal at this moment?	4
Many countries have in fact expanded social protection programmes during the pandemic – is there really a need for a Global Fund?	4
How can we know that the money will be used for the intended purpose?	5
Social protection is a responsibility of national governments. Is a Global Fund needed?	5
2. Specific questions for decision makers	6
Why is it important that political leaders support this proposal?	6
Why create a new bureaucracy? We already have too many international organisations, whose mandates are often overlapping.....	6
What lessons can be drawn from other Global Funds?	6
Please don't create a new vertical fund!	7
How to ensure that the Global Fund for Social Protection complements, but does not compete with, existing initiatives in this area?	8
For donor countries: what is the best argument for ensuring social protection support to a developing country through a Global Fund rather than through bilateral programmes?	8
3. Specific questions to development practitioners and organisations	9
Why so much focus on social protection – there are other important issues to focus on during and after the pandemic, such as health, food security, and inequality.	9
Would social protection floors always be implemented by governments, or could there be parallel implementation systems?	9
How should the Global Fund be governed?	9
What is the role of the Global Fund for Social Protection in the face of humanitarian crises?	10

1. Main questions

What is social protection?

Social protection consists of public policies and programmes that provide financial and in-kind support to individuals or households – including through the provision of income support and essential services. Social protection aims to help people cope with shocks, reduce and prevent poverty and vulnerability throughout people’s life-course and ensure income security to people who are facing contingencies such as unemployment, sickness, unpaid care work, maternity, widowhood and old age.

Social protection is a right enshrined in several international legal instruments, such as the Universal Declaration of Human Rights, the International Covenant for Economic, Social and Cultural Rights and the International Covenant on the Rights of the Child. The documents adopted by regional organisations also attach great importance to this human right.¹ International labour standards set out a number of basic principles for the design of social protection systems.

What is a social protection floor?

Social Protection Floors are a set of minimum guarantees, endorsed in ILO recommendation 202 (2012) which provide for

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

Goal 1 target 3 of the Sustainable Development Goals contains a specific commitment to universal social protection floors. SDG 1.3 provides for all countries to “implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.” Regional instruments also reflect the concept of social protection floors.²

¹ The main instruments are Art. 9 Additional Protocol of San Salvador (to the American Convention on Human Rights) on economic, social and cultural rights (1988), Art. 12 European Social Charter (revised, 1996), Art. 30 Arab Charter of Human Rights (2004), the ASEAN Declaration on Strengthening Social Protection (2013), and the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens to Social Protection and Social Security (2021).

² See e.g. the African Union, Agenda 2063 “The Africa We Want” (2015), p. 55; see also Art. 3 c) and e) of the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens to Social Protection and Social Security (2021).

What would a Global Social Protection Fund do?

A Global Social Protection Fund would ensure the necessary technical and financial support to enable all countries to put in place national social protection floors for all residents (including the undocumented, stateless, migrants and refugees), and develop the capacity of their national social protection systems to be resilient to and to respond to crises.

The key principle of the Global Social Protection Fund is that of solidarity between all countries both in the provision of funding and that of advisory and technical support. The Fund will enable and catalyze from global inputs the requirements for social protection system development. It will leverage coordination of national actors and bring about consistency and synergies of international support from all regions.

Any financial support would be accompanied by technical and advisory support for social protection system development. This can include putting in place accountable, transparent and participative public finance management modalities which are a key dimension of a sustainably financed social protection policy.

It will also include engaging with and providing financial, advisory and technical support to civil society to bridge knowledge gaps and to help them perform their multiple roles in the planning, implementation and monitoring of social protection systems and thus support inclusive system building and enable universal implementation of social protection in their country.

Why is a fund needed?

The current pandemic and economic crises have both spotlighted the urgency for and put to test social protection structures and systems around the world. Governments have scrambled to ramp up and respond to the dynamic expansion of the virus, putting in place social and economic measures to meet the health, economic, educational, and social needs that have resulted from the crisis. Those with systems in place have done best in their response to Covid 19.

This crisis has illustrated the relatively limited capacity for some countries – particularly low-income countries – to respond to the social and economic consequences of COVID-19, despite the proven impact of the extension of social protection responses to the crisis. Countries with underdeveloped social protection systems may have limited fiscal space to expand social spending. Financing constraints have meant they have not developed social protection systems enough to support social and economic development and create resilient systems to protect against future crises.

Astonishingly, international funding for social protection is still extremely low, despite the universal right to social protection and the vast scientific evidence on the effectiveness of investing in social protection to prevent and reduce poverty.³

The ILO has estimated that the amount needed to finance social protection floors in the world's lowest income countries would amount to around 78 billion USD. While this is just a fraction of a percent (0,25%) of global GDP, it represents around 15% of those countries' collective GDP, which is an unsurmountable burden without support.

International solidarity, global cooperation, peer learning and pooled expertise and funding is urgently required to bridge the gaps in social protection systems to realize their universal guarantees for all.

³ In 2019 total ODA (all donors) amounted to 192,15 billion USD. Of this only 2,26 billion was spent on Social protection (OECD-DAC, CRS code 16010)

Why support this proposal at this moment?

The pandemic has brutally revealed the case for expanding social protection. Indeed, social protection has been identified by many international organisations, governments and stakeholders as a key element of “building back better” from this pandemic. The importance of income support and essential services including healthcare were highlighted alongside the massive job loss and health demands of this crisis. The crisis has also demonstrated the uneven capacity of governments to enact and finance emergency measures to deliver income and health support to vulnerable people, as well as to continue to stimulate aggregate demand.

While the proposal for a Global Fund has existed for nearly a decade, there is renewed political momentum due to the crisis. A number of governments, including France, social partners and civil society organisations across the world⁴ have signaled their support for the Global Fund. The French government convened an experts’ conference in 2020 to discuss the potential of the fund, and stakeholders have raised the Fund on the agenda of a number of international fora, including the World Economic Forum, the World Social Forum, the UN Commission for Social Development, the High-level Political Forum (HLPF) and the G20. The UN Special rapporteur for Extreme Poverty and Human Rights, Olivier De Schutter will present a report to the UN Human Rights Council on the possible governance and funding modalities of the Fund in June 2021.

Many countries have in fact expanded social protection programmes during the pandemic – is there really a need for a Global Fund?

Despite the increase and scale of social protection responses taken since the pandemic, the measures taken are uneven between countries and in many cases, merely temporary. Temporary measures are insufficient in creating the kind of resilience needed to embed social protection systems and to protect different population groups in future crises. In a study of emergency responses between April and September 2020 in 126 low- and middle-income countries it was found that:

- In 81% of the countries, emergency responses cover less than half their population. In 29% of the countries, fewer than one in 10 people have been protected. In particular, programs have failed to protect those formerly not integrated into the social protection system, as for instance workers in the informal economy.
- All the benefits analysed provided to families are short-lived and too low to pay even for basic needs. Across all low- and middle-income countries that have introduced emergency social protection measures, the average investment has been just 0.46% of GDP. Just two of these countries have reached 2%, the rule-of-thumb benchmark for avoiding deep recessions (“[Shelter from the storm](#)”, Oxfam). Most programmes set up during the pandemic do not provide for long-term measures.
- 1,3 billion people are included in the new or expanded (mostly temporary) programmes. This means 2,7 billion people still have absolutely no access to social protection.

Overall, performance of emergency programmes varied strongly, depending on the pre-existence of social protection systems, institutions and procedures. Building sustainable and rights-based social protection system worldwide is a high priority for crisis preparedness.

⁴ <http://www.socialprotectionfloorscoalition.org/civil-society-call/>

How can we know that the money will be used for the intended purpose?

The Fund will support the building of national social protection systems, in line with the International Covenant for Economic, Social and Cultural Rights as well as international labour standards including ILO Convention 102 and Recommendation 202. The GFSP's expenditure will be publicly accountable and subject to regular external audits and evaluations.

The Global Coalition for Social Protection Floors is fully supportive of sound financial management, transparency and accountability and recommends full and effective engagement of social partners, civil society organisations and other relevant organisations in all phases, including planning of social protection reforms, implementation and monitoring.

Social protection is a responsibility of national governments. Is a Global Fund needed?

Indeed, social protection is primarily a responsibility of national governments as set out in ILO recommendation 202. Accordingly, governments can expand the fiscal space for social protection through various methods such as domestic resource mobilization, budget reprioritization and fighting illicit financial flows.

However, major financing gaps for social protection persist with challenges for some governments to invest in adequate national social protection systems. And alongside the national responsibility, there is also a need for and duty of international solidarity. Through the Fund, this solidarity will take the form of sharing of financial resources as well as knowledge and experiences, to the mutual benefit of the participating countries.

The fund will have a catalytic role in kick starting financing of social protection systems. This kick-starting role will take the form of technical and advisory assistance and co-financing of social protection systems: i.e. joint financial contribution of governments and the fund.

Additionally, to ensure governments' commitment to domestic resource mobilization and investment in social protection, necessary for sustainable social protection systems, the fund will work in a coordinated manner with international for a, including the Addis Tax Initiative and the Platform for Collaboration on Tax.

2. Specific questions for decision makers

Why is it important that political leaders support this proposal?

Social Protection is a human right. The gap is still large between those that can claim this right and those that are denied it. Decisive action is required by national governments and the international community.

Political will is needed to implement the universal right to social protection. The Global Fund is an expression of that will. The finance and all the evidence needed is in the hands of decision makers. It is time to give social protection a high-profile, political forum where all stakeholders can be involved.

International aid only covers about 3% of the social protection sector financing gap in low-income countries (Manuel et al., 2020) and social protection currently makes up only a small portion of Official Development Assistance.

Social protection gaps leave individuals and societies vulnerable to health, social and economic impacts of COVID-19. A Global Fund for Social Protection could accelerate progress in building social protection floors worldwide and be a key element in a global effort to “build back better” and strengthen crisis resilience.

As a mechanism of global governance, the Fund would transcend national politics and the geopolitical interests tied to bilateral aid and decrease the fragmentation of aid.

Why create a new bureaucracy? We already have too many international organisations, whose mandates are often overlapping.

The international financial architecture does not provide global support for social protection. Key agencies are required to work according to their mandates: The ILO is setting standards and provides advisory support and technical advice but lacks a large scale funding mechanism. The World Food Programme mandate is on humanitarian contexts and short-term funding cycles. UNICEF’s mandate is to focus mainly on children. UNDP supports development and the WHO is focused on health, etc. Nevertheless, external and donor government institutions fund many types of social protection programmes, often without coordination, reinforcing fragmentation and partial coverage. Despite knowledge that the right to social protection is being denied to billions, building systems to ensure statutory mechanisms are in place for the right to social protection for all is under-developed and underfunded.

Given the cross-cutting nature of social protection, the Global Fund will support existing forms of cooperation between donors and partner countries. The Global Fund for Social Protection will lead to a consolidation of existing financing mechanisms and enable domestic financing over the long term.

What lessons can be drawn from other Global Funds?

Many times, pooling funds globally for high priority issues has been the instrument of choice to engage for common goals and coordinated progress in various specific sectors. Examples include health (the Global Fund for AIDS, Tuberculosis and Malaria), education (Global Partnership for Education and Education Cannot Wait), and climate (Green Climate Fund) as well as the cross-sectoral Agenda 2030 (Joint SDG Fund).

There are important lessons to learn from the earlier experiences of global funds. Among them is the observation that global funds were able to mobilize political commitment on national and on international level. Global funds came with a stronger focus on data, results and joint learning and have led to more effective collective donor effort.⁵

In the context of social protection, donor coordination is particularly important, as social protection systems need to be integrated and coherent: “Fragmented aid and associated advice embodies the risk that systems become or remain un-coordinated and fragmented” (Michael Cichon, 2020).⁶

Earlier experiences of global funds also have been subject to strong criticism relating to donor dominance and additional bureaucracy. Therefore, specific design features – mandate, governance structure and procedures – are extremely important. *See question on governance below.*



Source: Marcus Manuel, webinar 7 October 2020

Please don't create a new vertical fund!

Some global funds have been criticized for having a narrow, “vertical” focus on interventions that operate in silos rather than being integrated in national systems. That is particularly the case with the Global Fund against HIV-AIDS, Malaria and Tuberculosis, which, as its name indicates, targets specific diseases instead of supporting health systems holistically.

However, as social protection is by definition a horizontal set of policies to address a broad range of rights and needs, it is a good basis for creating a global fund that will adopt a holistic approach to each country's national plans for right based social protection to deliver universal social security guarantees, including floors, that all countries are signed up to.

⁵ Manuel and Manuel, 2018, <https://odi.org/en/publications/achieving-equal-access-to-justice-for-all-by-2030-lessons-from-global-funds/>

⁶ Michael Cichon, ‘Turning the COVID-19 crisis into an opportunity: What’s next for social protection, side event on A Global Fund for Social Protection’, October 2020, <https://www.youtube.com/watch?v=wxL10IMy6Q>

How to ensure that the Global Fund for Social Protection complements, but does not compete with, existing initiatives in this area?

(Existing initiatives are in particular the coordination made through SPIAC-B (Social Protection Inter-Agency Cooperation Board), USP2030 (Universal Social Protection 2030 Partnership), and the ILO Flagship Programme on “Building Social Protection for All”)

A number of initiatives at the international level to support the expansion of social protection are already in place, including USP 2030 and SPIAC-B. However, these initiatives mainly seek to ensure the coordination of policy positions and activities between different international institutions, rather than coordinating advisory and technical support and financing. The Global Fund for Social Protection would thus be distinctly different from existing international initiatives as it would allow for joining up financial, advisory and technical resources from different international-level institutions with the aim of supporting joined up and universal social protection expansion.

For donor countries: what is the best argument for ensuring social protection support to a developing country through a Global Fund rather than through bilateral programmes?

As a global fund would support better coordination of support towards social protection, it would be more efficient than existing bilateral ODA, as the risk of duplication will be minimised, and standards and requirements will be coordinated/unified. Harmonization is a core principle of aid effectiveness. A global fund would also be able to make long term commitments in a way that bilateral agencies may not be able to. The pooling of several, therefore bigger, sources of funding can be expected to result in greater impact that countries can show for in their ODA's effectiveness.

3. Specific questions to development practitioners and organisations

Why so much focus on social protection – there are other important issues to focus on during and after the pandemic, such as health, food security, and inequality.

Social protection is a human right currently denied to billions. Its purpose is to prevent and reduce poverty throughout the life course and it is key to health, food security, and reducing inequality.

Social protection has been proven to be a very effective means of combating hunger and poverty, supporting skills development, education and employment, resilience and overall economic performance. Secure income protects against life-course risks as well as exogenous shocks, gives autonomy and dignity and promotes inclusive economic development. Secure income enables access to essential services, such as health care, education, water and housing.

Social protection for all distributes wealth and supports gender equality for all age groups as well as inclusive and socially cohesive societies.

Would social protection floors always be implemented by governments, or could there be parallel implementation systems?

Governments are the duty bearers for delivering on the right to social protection, in line with international human rights instruments and ILO standards. The Global Fund should focus support on building national systems. However, there might be situations of failing states, where local non-governmental and even external actors might have to take an important role. The end objective of the fund should however always remain to build national social protection systems embedded in law. It is also possible that governments choose to involve local civil society organisations for the provision of social protection services, within their national systems.

How should the Global Fund be governed?

The governance must be based on the principles of the relevant ILO labour standards and recommendations, in particular Convention 102 on Social Security, Recommendation R202 on Social Protection Floors and R204 on Formalising the Informal Economy, as well as on the principles of development effectiveness (Paris Declaration, Busan Partnership agreement, Global Partnership for Effective Development Co-operation).

1. Democratic country ownership: Social protection floors are specific. The decision as to how their universal reach is to be accomplished is the responsibility of the governments who must answer to their rights holders, their inhabitants. Building on existing structures in each country is best for the administrative implementation of these programmes as it will contribute to strengthening domestic structures.

2. Representation and inclusivity: All stakeholders, including donors, governments and civil society need to be adequately represented in the highest decision-making body of the organisation. Civil society represents rights holders, to include trade unions and informal workers organisations, women, people with disabilities, minorities, older persons, refugees and displaced persons, migrants and those living in poverty.

3. Accountability and transparency: Accountability extends to all people who are to be covered by social protection. This must be ensured by representation, as well as effective control and monitoring procedures, including internal and external audits, evaluation and complaint & redress mechanisms. Public oversight of the management of funds will be achieved through multi-stakeholder bodies and accountable reporting. Transparency is the key to realise effective and participatory monitoring and accountability.

What is the role of the Global Fund for Social Protection in the face of humanitarian crises?

As it is a human right, social protection must be available to all people at all times. This means also during all shocks, whether household level shocks or large scale. The Global Fund must aspire to this if it is to realise people's right to social protection. Public social protection systems must be able to flex in and out to meet additional caseloads in response to widespread shocks.

This means fundamentally, that delivering social protection, even during humanitarian shocks must be part of the basic social protection floor and so the Global Fund must help countries build in shock responsiveness as part of all social protection systems.

We recognise that not all countries have the capacity for this at this time, and we recognise too, that particularly in cases of conflict or state fragility, this will be difficult. The Global Fund will contribute to this in the following ways:

- Commit to – and therefore help build and fund – shock responsiveness as part of social protection systems.
- Support and advocate to the humanitarian community to engage with and support social protection systems where feasible during humanitarian crises, and where this is not possible to contribute to laying the foundations for future social protection in the affected country.
- Where this is not forthcoming from local governments, this needs to be delivered through the local civil society or the international system.

The funding for this shock responsiveness needs to be established through a separate allocation of the Global Fund for Social Protection which will provide for scaling up social protection during crises.