

26 August 2021

Mr. Mathias Cormann Secretary-General Organisation for Economic Co-operation and Development (OECD)

Dear Mathias Cormann,

On behalf of the entire membership of the <u>Global Coalition for Social Protection Floors (GCSPF)</u>, the Coalition's core group of founding members congratulates you on your appointment to the position of Secretary-General of the Organisation for Economic Co-operation and Development (OECD).

As a key actor in international economic and social policy and a major representative of a group of the highest income countries, the OECD has, as part of its mandate, a critical role in the definition and implementation of development cooperation, a task of overarching and fundamental importance.

The Global Coalition is a growing international civil society alliance of 110 non-governmental organizations, trade unions and think tanks working for social protection and, in the first instance, for national floors of social protection. There are large gaps in social protection worldwide, not only in low-income countries, but also in higher-income countries and member States of the OECD.

Among other things, we are actively involved in current discussions on the establishment of a Global Fund for Social Protection to enable the lowest income countries to achieve social protection floors. Last year in September, the French government, together with the UN Special Rapporteur on extreme poverty and human rights, organized a High-Level Expert Meeting on "Establishing a Global Fund – Social Protection for All." OECD staff participated at this meeting in a very constructive way furthering discussion on a new international financing mechanism.

We note that full implementation of social protection floors in lowest income countries has been estimated by the International Labour Organization to cost roughly 0.13 per cent of the collective national income of OECD member States at the outset, far below their objective of giving 0.7 per cent of collective gross national income (GNI) as official development assistance (ODA) and even less than half of the current sum of OECD members' ODA of 0.3 per cent of GNI.

Yet, the imperative to invest in sustainable social protection systems globally must be squarely addressed to put a stop to - and reverse - increasing inequality, essential to poverty eradication and to the eventual achievement of globally inclusive and sustainable economic growth. Positive conditionalities, the demonstrated multiplier effects of social protection and consequent increased financial capacity of recipient economies will be the pillars of the resilience and sustainability of social protection systems.

We note also the critical and remarkable progress spearheaded by OECD on international collaboration to end tax avoidance, and welcome OECD's continuing active engagement in ongoing debates on global social protection in that context. We uphold the position that significant tax recoveries should benefit a new, dedicated international financing mechanism for social protection, fundamental to poverty eradication and inclusive economic growth, and believe that OECD is in the best position to enable that end.

Please accept, Sir, the assurances of our highest regard and sincere expression of our full collaboration.

Your sincerely,

on behalf of the Global Coalition for Social Protection Floors