

GCSPF view on the 'Compromiso de Sevilla', the outcome document of the UN Financing for Development Conference 2025 (FfD4)

The <u>Global Coalition for Social Protection Floors (GCSPF)</u> welcomes the <u>FfD4 Outcome Document Compromiso de Sevilla</u>.

The GCSPF especially welcomes

- That the Sevilla outcome confirms the role of social protection in combating inequality (para. 10).
- That the outcome document recognizes the need to integrate the financing of social protection systems into country-led plans and strategies (para 27i).
- The reference to International Labour Organization (ILO) recommendations and intergovernmentally agreed standards for guiding social protection policies (para. 27i).
- The pledge of support to developing countries that aim to increase social protection coverage (para 27i).
- The call for international support of developing countries seeking to ensure predictable, adequate and uninterrupted funding on appropriate terms of social protection and other social spending during shocks and crises (para. 54h).
- The recognition of the need for further efforts to strengthen the consideration of social protection and social spending in the International Monetary Fund (IMF)-supported macroeconomic adjustment programs (para. 54h).

We also appreciate the initiatives of groups of countries, international institutions, foundations and other stakeholders included in the Sevilla Platform for Action. In particular, we note several of them that directly address social protection and its financing. We look forward to seeing concrete promised deliverables from these initiatives in the next few years.

However, we regret that the opportunity was not taken to recognize the potential role of social protection, in particular universal systems, to advance inclusive economic development. We also regret that the Compromiso did not explicitly affirm the central role of strong public social protection

¹ While many of the initiative would boost fiscal resources that could fund additional social protection, the following seem especially pertinent: Building better integrated finance for SDG 1 and 2 and Climate-Resilient Social Protection and Smallholder Agriculture Finance Partnership (both led by the Global Alliance against Hunger and Poverty); Financing social protection: From pledge to practice, The Global Accelerator on Jobs and Social Protection for Just Transitions (GA) and the Multistakeholder Engagement to Implement the Global Accelerator on Jobs and Social Protection for Just Transitions and the World Bank Social Protection and Jobs Compass (M-GA), and Unlocking Social Protection Financing: connecting global advocacy to national implementation (each led by ILO); Accelerator for investments in comprehensive care policies and systems in Latin America and the Caribbean, and Investing in care for Equality and Prosperity: A Global Initiative to Advance Gender-Responsive Financing for Development (led by several Latin American countries and international institutions); and Accelerating Health Taxes, the 3 by 35 Initiative (led by WHO).

systems. The document leaves the door open for increased private sector involvement without acknowledging the risks this entails.

The GCSPF also regrets that attention was not drawn to the need to take account of social protection obligations in the IMF surveillance and policy advice, which sometimes recommends that governments cut benefits for women, children, persons with disabilities, pensioners, and the unemployed, leaving only a minimal targeted safety net for the poorest. These measures violate human rights law and intergovernmentally agreed labor standards, with which the IMF and the MDBs should align themselves.

The GCSPF would have welcomed mentioning social insurance, a key element of social security, and its own funding mechanism, employers' and workers' contributions (ignored by FfD4), that must be set at adequate levels, especially raising employers' contributions to make social security sustainable, combined with the formalization of workers in the informal economy to ensure decent jobs with social security, and expand coverage.

The GCSPF and our members at national level have an important need to engage with our governments well before crises erupt to promote and defend adequate and universal social protection systems. It is fundamental that our governments, the IMF, multilateral creditors and other assistance providers engage with key domestic stakeholders before macroeconomic shocks or natural disasters occur in order to build appropriate resilience into the systems so they may fully provide their essential services throughout crisis and recovery periods, giving careful consideration to distributional impacts and building social support.

On tax, the FfD4 outcome document showed some progress: States committed to combating illicit financial flows, taxing high-net-worth individuals, and mobilising domestic resources, while also recognising the UN's role in tax negotiations. However, the language on the UN tax convention is weaker than in earlier drafts, now limited to a commitment to 'engage substantively'. The document also emphasises implementing OECD pillar II, despite widespread criticism of its lack of ambition and undemocratic nature.

While trillions of dollars have been funneled to creditors and corporations, macroeconomic stability and debt service have been pursued at the expense of the poor and the shrinking middle and working classes. In recent years, billions of lives were upended by budget cuts: reduced pensions and social protection benefits; lower salaries; less access to health and education; cuts to programs for women, children, the elderly, persons with disabilities. Labor and corporate regulations were dismantled in the name of growth, job security eroded, consumption taxes rose, increasing prices and further squeezing household incomes. It is hardly surprising that social discontent and political instability are increasing.