

INTER-AGENCY TASK FORCE
ON FINANCING FOR DEVELOPMENT

Issue Brief Series



Delivering A New Social Compact: Social Protection and Essential Public Services

International Labour Organization (ILO)

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**Delivering A New Social Compact: Social Protection and Essential Public Services
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Addis commitments and links to the 2030 Agenda:

The Addis Agenda commits to establish a New Social Compact to deliver social protection and essential public services for all. Specifically, the Addis Agenda:

- (i) *Commits to a new social compact. ... (and to) strong international support for these efforts, and will explore coherent funding modalities to mobilize additional resources, building on country-led experiences (paragraph 12)*
- (ii) *Encourages countries to consider setting nationally appropriate spending targets for quality investments in essential public services for all, including health, education, energy, water and sanitation, consistent with national sustainable development strategies (paragraph 12)*
- (iii) *Provides fiscally sustainable and nationally appropriate social protection systems and measures for all, including floors, with a focus on those furthest below the poverty line and the vulnerable, persons with disabilities, indigenous persons, children, youth and older persons (paragraph 12)*
- (iv) *Commits to respecting all human rights, including the right to development (paragraph 1).*
- (v) *Welcomes ongoing work in relevant institutions to support efforts by least developed countries, landlocked developing countries and small island developing States to build their national capacity to respond to various kinds of shocks including financial crisis, natural disasters, and public health emergencies, including through funds and other tools (paragraph 68)*

These commitments on social protection and essential social services are sanctioned in SDG 1, 3, 4, 6, 7, 8 and 11, as summarised in Figure 1.

Figure 1

Social Compact				
Social Protection for All	Social Services for All			
<p>Transfers in cash/in kind pensions for older persons, disability benefits, maternity/child allowances, support for those poor/without jobs (social protection floors)</p> <p>Ministry of Labour, Social Security and Welfare</p> <p>SDGs 1, 8, 10</p>	<p>Health</p> <p>Ministry of Health</p> <p>SDG 3</p>	<p>Education</p> <p>Ministry of Education</p> <p>SDG 4</p>	<p>Water & Sanitation</p> <p>Ministry of Public Works</p> <p>SDG 6</p>	<p>Housing slum upgrading</p> <p>Ministry Housing</p> <p>SDG 11</p>

Furthermore, about the Means of Implementation, the Agenda emphasizes:

(a) that international public finance plays an important role in complementing the efforts of countries to mobilize public resources domestically, especially in the poorest and most vulnerable countries with limited domestic resources(paragraph 50)

(b) ODA providers reaffirm their respective ODA commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) and 0.15 to 0.20 per cent of ODA/GNI to least developed countries (paragraph 51).

Exploring coherent funding modalities

The ECOSOC financing for development segment and subsequent FfD conferences can call for sector agreements to ensure universal access to education, health, social protection floors, water and sanitation and housing, respecting human rights. The objective of these FfD agreements is to establish financing commitments in each sector:

- (1) Setting nationally appropriate spending targets** for quality investments in essential public services for all. For example, in education, there is already a benchmark, adopted at the Incheon Declaration/World Education Forum 2015, to allocate at least 4-6% of GDP to education and/or at least 15-20% of public expenditure to education. Note that domestic investments, if they are to be pro-poor, cannot be raised by levying additional out of pocket payments on the poor and near-poor, keeping them in poverty or pushing deeper into poverty.
- (2) Agreeing on ODA/international public finance**, specific commitments to each sector, including new innovative approaches.

Under the auspices of the ECOSOC FfD segment, these international agreements could be held every four years, led by the most relevant UN agency/agencies.

FfD Agreements for a Social Compact	SDGs/Targets	Potential Coordinating Agency/Agencies
FfD Global Commitment to Social Protection Floors	1.3, 1a, 8, 10.4	ILO
FfD Global Commitment to Health	3	WHO, UNITAID
FfD Global Commitment to Education	4	UNESCO, UNICEF
FfD Global Commitment to Water and Sanitation	6	UN Water
FfD Global Commitment to Housing	11.1	UN Habitat
FfD Global Commitment to Human Rights	All	OHCHR

Implications for monitoring

Monitoring delivery on the commitments of the social compact requires tracking funding to national sustainable development strategies that include nationally appropriate social protection systems/floors, health, education, water and sanitation, housing for all, respecting human rights. The required monitoring comprises two categories:

- **Monitoring the commitment to the new social compact in national budgets:** National data already collected and classified by function in the framework of the System of National Accounts and Government Finance Statistics for general government spending; social compact expenditures to be included national sustainable development strategies. In as much as possible, track spending that explicitly addresses geographic disparities of services (both quality and access) and inequities among different population groups in service provision, as well as international benchmarks.
- **Monitoring the commitment to the new social compact in development aid:** This may be done through the existing OECD DAC CRS codes, selecting those appropriate within codes 110 (Education), 120 (Health), 13020 (Reproductive health care and HIV/AIDS), 16010 (Social/Welfare Services), 140 (Water and Sanitation), 16030 (Housing and slum upgrading) and 15160 (Human Rights). When new

innovative approaches like airline tickets and others, it will be added to the relevant sections.

	SDG/Target	FfD Monitoring
Education	4	(1) National Accounts and Government Finance Statistics, expenditures to be included national sustainable development strategies, with a focus on equity and effectiveness. Reference benchmarks, adopted at the Incheon Declaration, World Education Forum 2015: <ul style="list-style-type: none"> • Allocating at least 4-6% of gross domestic product (GDP) to education and /or • Allocating at least 15-20% of public expenditure to education (2) DAC Codes: <ul style="list-style-type: none"> 11110 Education policy and administrative management 11120 Education facilities and training 11130 Teacher training 11220 Primary education 11230 Basic life skills for youth and adults 11240 Early childhood education 11320 Secondary education 11330 Vocational training
Health	3	(1) National Accounts and Government Finance Statistics, expenditures to be included national sustainable development strategies, with a focus on equity and effectiveness. (2) DAC Codes: <ul style="list-style-type: none"> 12110 Health policy and administrative management 12220 Basic health care 12230 Basic health infrastructure 12250-63 Infectious disease control, health education, malaria/tuberculosis control 12281 Health personnel development 13010 Population policy and administrative management 13020 Reproductive health care 13030 Family planning 13040 STD control including HIV/AIDS
Social Protection	1.3, 1a 8 10.4	(1) National Accounts and Government Finance Statistics, expenditures to be included national sustainable development strategies, with a focus on equity and effectiveness. (2) DAC Code: <ul style="list-style-type: none"> 16010 Social/ welfare services
Water and Sanitation	6	(1) National Accounts and Government Finance Statistics, expenditures to be included national sustainable development strategies, with a focus on equity and effectiveness. (2) DAC Codes: <ul style="list-style-type: none"> 14010 Water sector policy and administrative management 14020 Water supply and sanitation - large systems 14030 Basic drinking water supply and basic sanitation 14050 Waste management / disposal 14081 Education and training in water supply and sanitation
Housing and slum upgrading	11.1	(1) National Accounts and Government Finance Statistics, expenditures to be included national sustainable development strategies, with a focus on equity and effectiveness. (2) DAC Codes: <ul style="list-style-type: none"> 16030 Housing policy and administrative management 16040 Low-cost housing 16050 Multisector aid for basic social services
Human Rights	SDGs	(1) National Accounts and Government Finance Statistics, expenditures to be included national sustainable development strategies, with a focus on equity and effectiveness. (2) DAC Codes: <ul style="list-style-type: none"> 15160 Human rights