



Financing social protection floors
Side event during the 55th Commission on Social Development
United Nations, New York, 13:15 – 14:30, 3 February 2017, Conference Room 11

Summary

The Financing for Development Office of UN-DESA and the International Labour Organization organized a lunch time side event on Financing Social Protection Floors on 3 February 2017 during the 55th Session of the Commission on Social Development. The event was aimed at updating Member States and other stakeholders on the outcomes of an expert group meeting, organized by DESA/FFDO and the ILO in November 2016, held under the auspices of the Inter-agency Task Force on Financing for Development.¹

The November 2016 expert group meeting explored coherent funding modalities to mobilize additional resources for the social protection floor component of the social compact, which was committed in the Addis Ababa Action Agenda. It also discussed country experiences with financing of social protection floors to explore some lessons learned and raise new or innovative ideas for sustainable financing of universal social protection systems, including floors. The meeting also served to advance thinking on how to treat social protection floors in the thematic chapter of the 2017 IATF report.

The February 2017 event was chaired by Professor José Antonio Ocampo of Columbia University, former finance minister of Colombia and ILO Goodwill Ambassador for social protection. The meeting was opened by Mr. Marc Denys, speaking on behalf of the Permanent Representative of Belgium to the UN, H.E. Mr Marc Pecsteen. Ambassador Pecsteen's statement highlighted the growing importance of social protection in combating social exclusion, poverty and protection against shocks. He noted that social protection is referenced in several of the SDGs. Finally he suggested that the exploration of coherent funding modalities to mobilize additional resources for social protection, building on country-led experiences, should be discussed in the upcoming Forum on Financing for Development Follow-up in May.

Ms Shari Spiegel, Chief of Branch in DESA/FFDO reminded the event that social protection is an important part of the social compact contained in the Addis Ababa Action Agenda. She motivated the discussion by citing ILO estimates that only 27% of the world population has comprehensive social protection coverage. Ms Spiegel provided a brief summary of the expert

¹ The Inter-Agency Task Force on Financing for Development - comprised of over 50 UN agencies, programmes and offices, and other relevant international institutions – was convened by the Secretary-General to follow up on the Addis Ababa Action Agenda as mandated by paragraph 133 of the Addis Agenda. More information at <http://www.un.org/esa/ffd/ffd-follow-up/inter-agency-task-force.html>.

meeting outcome and noted that while financing of social protection floors is largely a domestic responsibility, the Addis Agenda stresses that the international community can and should come together to provide assistance. One aspect of international support would be through ODA and capacity development on revenue and expenditure. Dr. Barry Herman then presented some ideas from a draft paper entitled *“Social Protection Floors in the Financing for Development Agenda”*. Dr Herman affirmed that comprehensive social protection systems can involve different types of financing, including not only contributory payments and insurance premiums, but also general tax financing, which is especially important. His draft paper addresses proposals that could complement domestic resource mobilization, including a quick-disbursing mechanism, multilateral counter-cyclical financing and instituting new financial instruments that would postpone or cancel debt obligations under pre-specified circumstances.

Mrs. Musonda C. Ulaya, Assistant Labour Commissioner of Zambia, presented her country’s experience in reducing absolute poverty through the implementation of a series of social protection programmes and a growing budget dedicated to them. Still, Mrs Ulaya pointed out the programmes’ vulnerability to future economic and political difficulties. She concluded that passing legislation to institutionalise social protection programmes is a necessary next step in Zambia for ensuring their sustainability.

Participants raised a number of issues in the open discussion, including the importance of social protection to the overall sustainable development agenda, maintenance of social protection floors in countries with high levels of sovereign debt, how to tackle illicit financial flows, social protection as a human right, and the lack of sufficient data to monitor access of the disabled to social protection.

Mr Vinicius Pinheiro, ILO Special Representative to the UN, closed the meeting, focusing on the importance of an integrated approach to social protection that bridges responsibilities of different ministries. Mr Pinheiro mentioned that effective social protection needs to be designed as entitlements and not as temporary policies. He also emphasised that domestic resource mobilization efforts, including those related to financing social protection floors, can be linked to efforts to spur formalization of the economy, improve tax compliance, increase labour rights and ensure fiscal sustainability. The draft paper, the expert meeting and this discussion will be an input to the forthcoming report of the Inter-agency task Force on Financing for Development.