



THE ROLE OF ODA IN ACHIEVING UNIVERSAL SOCIAL PROTECTION

BRIEFING PAPER FOR THE TRADE UNION – DAC FORUM

Social protection has been crucial to mitigate the impacts of the COVID-19 crisis on people's incomes and livelihoods and needs to be at the centre of building forward better in order to align with the Sustainable Development Goals (SDGs).

Still social protection systems face huge coverage gaps. Currently over 4.41 billion people around the world (more than half of the world's population) lack any protections whatsoever,¹ while the financing gap to establish social protection floors in the world's poorest countries is close to USD 78 billion.² The pandemic dramatically showed the gender gaps in terms of social protection coverage, with women's coverage lagging behind men's by a substantial 8 percentage points.³

Building permanent, universal and gender-responsive social protection systems is a must to advance towards the SDGs, especially SDG 8 with its targets on employment and decent work, providing strong leverage for the achievement of SDG 5 (gender equality) and SDG 10 (fighting inequalities), as well as for eradicating poverty and hunger (SDG 1 and 2).⁴ Official Development Assistance (ODA) has a fundamental role to play in contributing to achieving these goals by bridging this financing gap and ensuring sustainable and gender-responsive social protection systems worldwide.

Strategies to set in place social protection systems

In order to advance towards universal social protection coverage, resources should be channelled to set up and expand social protection systems that are publicly organised, established in law and based on international labour standards – International Labour Organisation (ILO) Convention 102 on Social Security and Recommendation 202 on Social Protection Floors.

Social protection floors should include basic social security guarantees including access to healthcare, nutrition, education, care, basic income security, unemployment, maternity and disability, as well as pensions. They should be gender responsive, to make up for labour market inequalities and bridge the gender gap in benefits.

Social protection systems should ensure comprehensive and universal coverage to workers in all forms of work that cover the whole life-cycle from birth to old age, guarantee adequate benefit levels and provide quality services. They should be based on an effective combination of contributory and non-contributory schemes that will ensure that no one is left behind, with the inclusion of informal economy workers, to take part in contributory schemes, in line with ILO Recommendation 204.

To avoid fragmentation, resources for social programmes should be in line with a comprehensive approach to social protection systems established in law. Humanitarian interventions and COVID response measures that include cash transfers or support to social safety nets should move from temporary relief measures to complementing and further strengthening national social protection systems.

¹ ILO, 2021. [World Social Protection Report 2020-2022](#)

² ILO, 2020. [Financing Gaps in Social Protection](#)

³ ILO, 2021. [World Social Protection Report 2020-2022](#)

⁴ UN Commission on Social Development, *Resolution of the 60th session*, February 2022: <https://documents-dds-ny.un.org/doc/UNDOC/LTD/N22/254/84/PDF/N2225484.pdf?OpenElement>



Social protection systems should be set up through the meaningful involvement of the social partners (workers' and employers' representatives) and implemented through tripartite social security institutions, in line with international labour standards. Social security contributions that support social protection schemes are paid by both employers and workers, and their representatives should therefore be actively involved through all the stages of the decision-making process: design, implementation, monitoring and transparent reporting, and evaluation of measures. This will guarantee greater levels of accountability, ensure broad collective buy-in of the reforms and contribute to their sustainability.

Financing social protection at the domestic level

To close the financing gap for social protection and ensure the sustainability and adequacy of support, appropriate financing strategies need to be put in place that will ensure the mobilisation of resources at national level.

These strategies should aim to:

- Ensure publicly organised social protection systems, that guarantee adequacy, coverage and equity in the provision and financing of social protection.
- Guarantee adequate fiscal space to finance social protection through a combination of tax-based and contributory financing mechanisms.
- Increase tax revenues through progressive taxation and tackling tax evasion and illicit financial flows through strengthened financial transparency and enforcement measures.
- Expand social security coverage and contributory revenues by enforcing employers' responsibility for paying contributions for all forms of contracts, and providing informal economy workers with the possibility to make contributions and simplifying procedures to register their earnings and contributions.
- Finance specific policies to close the gender gap in social protection, such as: public investments in the care economy; recognition of adequate credit care periods in contributory social protection systems, in order to maintain contribution levels; provision of paid maternity and parental leave that allows for a more equal division of care responsibilities between parents; specific policies to close the gender pay gap including pay transparency, minimum living wages and strong anti-discrimination legislation, and the promotion of collective bargaining.
- Tackle precarious work and supporting formalisation of work in order to strengthen the financing base for social protection schemes and tax revenue in general, whilst increasing income security of workers and reducing demand on social assistance.
- Re-allocate public expenditures to prioritise social spending, including social protection.

Strengthening international support for social protection

Despite a number of international commitments to strengthen social protection, as well as the contribution of social protection to social and economic development, existing international financial support towards social protection remains relatively low. While ODA to social protection surged in response to the pandemic, reaching USD 5.6 billion and accounting for 2.7% of total ODA in 2020 – up from USD 2.3 billion in 2019 when it accounted for a mere 1.3% of total ODA⁵ – it is yet to be seen whether the 2020 spike will be sustained in the future.

⁵ ODA gross disbursements in current prices (2020), OECD Creditor Reporting System.



A coordinated approach to strengthening financing for social protection, including the establishment of a Global Social Protection Fund, could help mobilise the necessary resources and expertise to implement social protection floors in the world's poorest countries, in line with the Conclusions on Social Security of the 2021 ILO International Labour Conference and the UN Secretary General's Report "Our Common Agenda"⁶.

In addition to providing financial support to those countries most in need, a Global Social Protection Fund would provide technical support to build domestic capacities for financing social protection, ensuring domestic resource mobilisation for recipient countries to contribute to their national social protection systems, according to their capabilities.

The Fund could effectively build on existing coordination mechanisms and institutions at the national and global levels, including the UN Social Protection Inter-Agency Cooperation Board (SPIAC-B) and Global Partnership for Universal Social Protection (USP 2030), in line with the proposals put forward by the UN Special Rapporteur on Extreme Poverty and Human Rights⁷. It would actively involve the social partners and civil society and have the ILO as the key UN body providing technical advice, while UN agencies and international financial institutions would also have a role to play.

In this framework, the Global Accelerator on Jobs and Social Protection, launched by the UN Secretary-General in September 2021,⁸ constitutes a key stepping stone to boost development cooperation towards social protection: the Accelerator calls for bolstering ODA commitments to contribute to extend social protection floors to about four billion people currently not covered by any measures. The Global Social Protection Fund could be a central piece of the financing strategy of the Accelerator.⁹

⁶ UN Secretary General, Report "Our Common Agenda", September 2021: <https://www.un.org/en/un75/common-agenda>.

⁷ For more information, see De Schutter's report on the Global Fund presented to the UN Human Rights Council in 2021: <https://www.ohchr.org/en/calls-for-input/calls-input/2021/call-reactions-proposal-global-fund-social-protection>

⁸ <https://www.un.org/sustainabledevelopment/blog/2021/09/un-secretary-general-calls-for-accelerated-action-on-jobs-and-social-protection-to-avoid-an-uneven-global-recovery-and-prevent-future-crises/>

⁹ Report of the UN Special Rapporteur on Extreme Poverty and Human Rights, [Global fund for social protection: international solidarity in the service of poverty eradication](#), April 2021