



A Global Fund for Social Protection

Introduction

Over half the world's population has no access to social protection. This shocking fact is underpinned by serious under-investment in social protection, itself the outcome of structural inequalities in the global financial and development architectures. The situation is unfortunately [only getting worse](#), with debt service absorbing an average 38 per cent of budget revenue and 30 per cent of spending across the South. While the need to take action is becoming increasingly evident, the way forward to close these social protection gaps has not always been clear. One potential solution which has circulated in the global policy arena for over a decade has been to establish a dedicated Global Fund for Social Protection (GFSP). First proposed in 2012 by UN special rapporteurs Magdalena Sepulveda and Olivier de Schutter, the idea of a GFSP elicited interest as a potential mechanism for mobilizing resources and increasing the capacity of countries to invest in their social protection systems to better withstand the effects of crises and shocks.

Given the impact of the COVID-19 pandemic and the ever-growing climate crisis, it is no surprise that this idea has taken an even stronger hold in the past few years. In 2021, at the International Labour Conference (ILC), constituents asked the ILO to “explore options for mobilizing international financing for social protection (...) based on international solidarity and initiate and engage in discussions on concrete proposals for a new international financing mechanism, such as a Global Social Protection Fund, which could complement domestic resource mobilization efforts of countries”.

ILO is making a two-fold response to this call, recalled **Shahra Razavi** (ILO), with one important contribution being its work, along with other UN agencies and development partners, to take forward the UN Secretary General's initiative, [Global Accelerator on Jobs and Social Protection for Just Transitions](#). The initiative provides technical support to countries to create an integrated employment and social protection policy push and to find the much-needed financing, both domestic and international, to help create decent jobs at scale in the green, care and digital sectors and extend social protection to the population that is currently excluded. The second response from the ILO was to commission a comprehensive research paper to draw key lessons from the diverse experiences of global health, agriculture and climate funds to guide the possible design and implementation of a GFSP, and also feed into the Global Accelerator, especially its governance mechanisms.

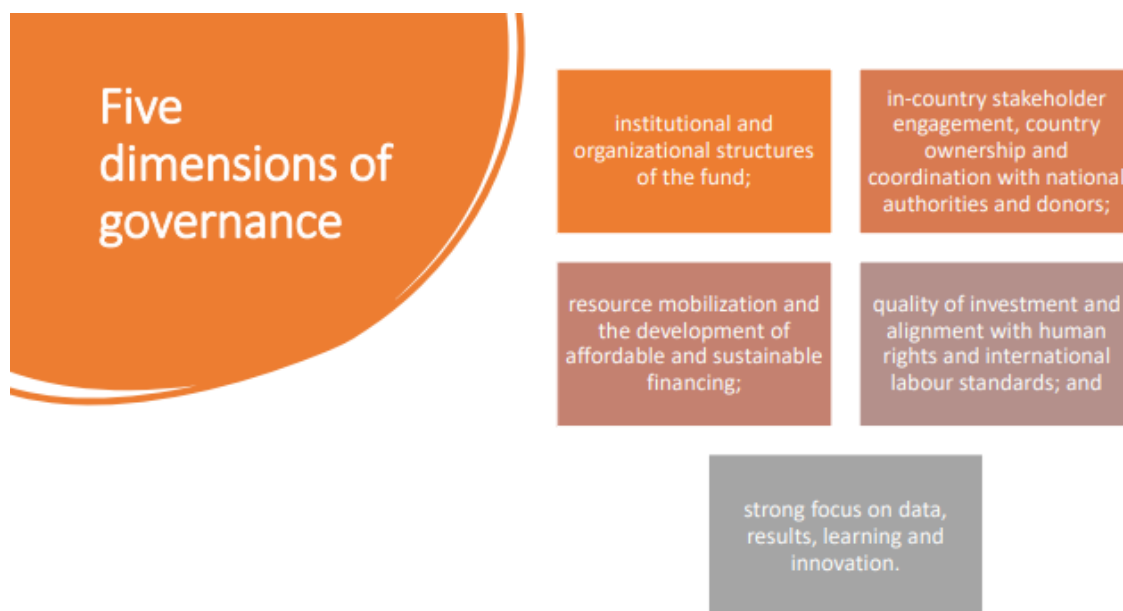
On 26th October 2023, the ILO organized a webinar to discuss the key findings and recommendations of the recently-published paper [“A global fund for social protection. Lessons from the diverse experiences of global health, agriculture and climate funds”](#).¹ Attended by over 150 people, the webinar drew together the lead authors of the paper as well as discussants with expertise in global governance and social policy to explore the various challenges and questions arising from this research. Supplemented and guided by engaging questions from the audience, the panellists presented experiences of setting up global funds across various sectors and the potential implications for a putative GFSP. The discussion focused on institutional governance arrangements of existing

¹ ILO Working Paper 97. N. Yeates, C. Holden, R. Lambin, C. Snell, N. Idris, S. Mackinder.

global funds and what they tell us about critical issues that need to be carefully navigated in the design and institutionalization of a GFSP.

What could a Global Fund for Social Protection look like?

The research led by **Nicola Yeates** (Open University, UK) and **Chris Holden** (University of York, UK) focused on the main question: What might the governance structures and mechanisms of a putative GFSP look like? The research drew on the experiences of seven global funds in health, climate, and agriculture, all with different modes of governance, institutional organization, and resource mobilization. The authors identified five key dimensions of governance based on the collective experiences of these funds: institutional and organizational structures; in-country stakeholder engagement, country ownership and coordination with national authorities and donors; resource mobilization and the development of affordable and sustainable financing; quality of investment and alignment with human rights and international labour standards; and focus on data, results, learning and innovation.



Yeates & Holden ILO webinar presentation, 26th October 2023

A mechanism for closing the financing gap

These five dimensions were presented in the webinar and certain themes emerged which informed the direction of the discussion. In particular, the authors noted that while a GFSP could be a key mechanism for closing the financing gap for social protection, there are risks and challenges to this approach that cannot be ignored. An additional global fund could lead to further fragmentation, as the authors noted had been widely observed in the case of global health funds. Rather than contributing to the building of sustainable national social protection systems, a GFSP could lead to the creation of parallel structures and duplication of goals, fragmenting funding to low-income countries further and ultimately undermining its own goals. On the other hand, as **Olivier De Schutter** (UN Special Rapporteur on Extreme Poverty and Human Rights) pointed out, fragmentation already exists in social protection. It is not a possibility in the future, but a reality that social protection systems have to contend with in the present. A global fund, he argued, dedicated to social protection could help consolidate the currently fragmented financing that is going to social protection.

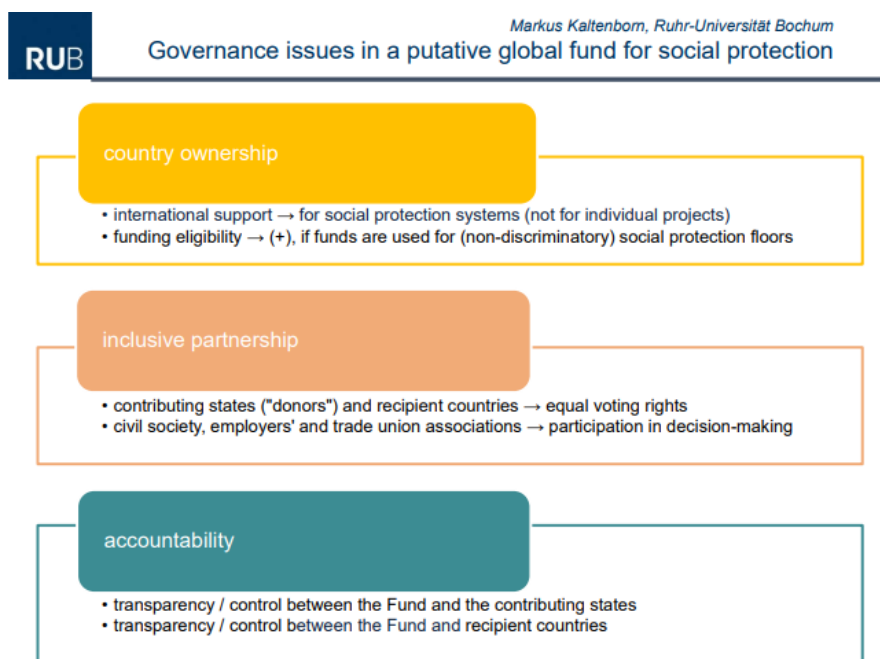
Parallel to fragmentation is the question of adequate financing for such a fund. Multiple attendees posed the questions of how to address the risk of further fragmentation and how to secure adequate funding if there is no “new money” coming in, particularly in the context of austerity policies which are becoming increasingly prevalent. As Chris Holden reflected in response to these questions, fragmentation is a known risk within development funds. However, in the case of climate funds, this risk was somewhat mitigated by the fact that these funds were all established under the United Nations Framework Convention on Climate Change (UNFCCC), which facilitates coordination and a division of responsibility between funds. Regarding financing, he also cautioned against the allure of “innovative financing” as a solution to funding gaps:

“Innovative Finance is a broad category referring to a range of mechanisms. These might help pull some funding forward, for example, but we would caution against thinking that they are a panacea: the money needs to come from somewhere, so we need to think about what the real source of the funding is.”

This reflection was echoed by **Markus Kaltenborn** (Ruhr University, Germany). While ambitious financing mechanisms have often been advocated for in this specific field, he said, it is far more important that the mechanism to increase social protection coverage should be adequately funded and operate in a fair and equitable manner.

Country ownership, inclusive partnership and accountability

Regardless of the institutional framework that such a fund for social protection might take, as Markus Kaltenborn pointed out, there are certain basic governance principles that must be observed: country ownership, inclusive partnership, and accountability. Markus Kaltenborn argued that a future global fund should comply with these principles, particularly because it would be an important requirement for such a fund to gain broad acceptance in the international community and to work successfully in practice.



Source: Kaltenborn ILO Webinar presentation, October 26, 2023

Country ownership requires that funding should be based on a country's needs and priorities. As the authors reflected, both in the research paper and in the webinar Question-and-Answer session, the direct access model seen in some of the global climate funds contributes more to national ownership than funds which additionally involve an intermediary. However, as Kaltenborn pointed out, a fund for social protection would be somewhat different from existing funds for global health or the climate sector:

“When it comes to international social protection we are dealing with a different situation. Here it is always necessary to provide financial support for entire systems that are organized and supervised by the State and are long-term in nature because otherwise a rights-based life cycle approach to social protection cannot be realized.”

Moreover, for global financial instruments such as a fund for social protection, inclusive partnerships between donor and recipient countries are crucial. Both groups must have equal voting rights, rather than a system of governance that favours the donor which, as Kaltenborn pointed out, is a neo-colonial approach squarely at odds with development policies and paradigms that most countries are attempting to adhere to.

Drawing on her experiences in the public health area and the varied trajectories of major global health funds, **Gita Sen** (Public Health Foundation of India) presented further comments on the role of country ownership in the governance structures of global funds.

Global health funds, she argued, have received the lion's share of funding when it comes to global funds at large. GAVI and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) are able to pull together large sums of money, particularly from the private sector, and are more flexible than State health programmes while focusing on critical concerns such as child immunization. However, it is impossible to ignore the fact that much of the decision-making in these funds is driven by for-profit, private sector motivations.

Taking the example of GAVI, which is well known as a public-private partnership (PPP), Gita Sen drew attention to GAVI's focus on costly new vaccines even though less expensive older ones are still available—a critique that has received ample attention. The pitfalls of focusing largely on technology-driven solutions with a dominant role for private-for-profit corporations are clearly visible in this case. As a lead partner for vaccine access during the COVID-19 pandemic, GAVI promised over 2 billion vaccine doses in 2021. However, it clearly fell short, delivering less than a billion doses.

Questions of accountability and transparency are thus of utmost importance here, and Gita Sen pointed out that when discussing a GFSP, we need to go beyond simply calling for country ownership and recognize the power dynamics in the design and management of such a fund which is central to their results. When setting up such funds, it is necessary to examine whether there is genuine country ownership, and who administers the funds in the first place. Finally, it is also important to ask whether these funds actually address the root causes of the problem or leave them untouched, possibly even exacerbating the situation due to narrow focus and poor leadership. It is only when different elements of systems mesh and work well that a potential global fund can actually have a positive impact.

Do we need another Global Fund?

While much of the webinar led to discussants and attendees examining potential challenges and key concerns for the establishment of a GFSP, another key theme that emerged asked a much more fundamental question: do we really need yet another global fund?

Olivier De Schutter, one of the earliest proponents of the creation of such a fund, reflected on this theme in his remarks. He mentioned that while social protection needs more international funding and a new global funding facility, that does not require setting up an entirely new organization with a separate legal personality; nor does it require negotiating a new international instrument. Setting up a new instrument might take years, whereas what social protection systems across the world need right now is adequate sources of funding. It might be more realistic, he argued, to fund already existing actors and instruments rather than establishing another vertical fund which, as many people and the research report point out, runs the risk of further fragmentation.

Pierre Vincensini (International Organisation of Employers, IOE) recalled that IOE had been closely involved in the 2021 ILC discussion, and the call to explore more options for international financing for sustainable social protection. He too said that while a global fund would make sense to close the gaps in social protection systems, this should not necessarily mean the creation of new mechanisms or structures, as this might lead to duplication and underfunding. He stressed the need to strengthen ILO coordination with international financial institutions, in particular the World Bank which is a key player when it comes to global funds. He also underlined the importance of approaching the question of global funding by integrating the national level, in a difficult context of informality and debt crisis in many countries, considering all funding options without any prejudice, including private schemes.

Alison Tate (International Trade Union Confederation, ITUC), however, was strongly of the opinion that a GFSP is a step in the right direction. She pointed out that while social protection coverage is a huge challenge in many low-income countries, ILO's research shows that these countries can finance their own social protection systems, but they need international support to kickstart them. What is necessary at this juncture is to foster country ownership and coherence in a meaningful way, building synergies between different actors within the country - government, social partners and civil society - to create more robust and resilient social protection systems, and support them at the global level.

Concluding Remarks

The idea of a GFSP has been circulating within UN and related circles for many years now. The research paper and webinar discussions made a critical contribution to that debate by consolidating some of the key considerations and important recommendations through rigorous empirical research on the experiences of a range of global funds. In particular, the five dimensions of governance based on the experiences of existing global funds proved useful in guiding the discussion and focusing on the critical factors requiring clear strategic thinking when implementing a prospective GFSP. Drawing on the research paper as well as on their own experiences, the webinar presenters and discussants brought thought-provoking analyses and questions to the table.

Markus Kaltenborn's three pillars of country ownership, inclusive partnership and accountability with transparency were carried forward in different ways by other discussants. The webinar amplified a key point in Nicola Yeates and Chris Holden's presentation – that if a GFSP were to come into existence, it would need to be established on the basis of meaningful country ownership and a recognition of the power relations inherently present in such mechanisms. Equally important is the question of financing. When it comes to social protection systems, which are already woefully underfunded, key considerations for international financing are even more crucial. The discussants presented their thoughts on various financing solutions, including the role of “innovative finance” and the potential implications of involving private sector entities as key funders. Given that financing for social protection systems is fundamentally different from financing the agricultural or climate sectors, however, the research paper and webinar discussants were quick to acknowledge that while lessons and recommendations can be taken from existing global funds, the key issue is to think about ways to

finance entire systems over the medium and long term rather than specific interventions and projects, while recognizing the overall and primary responsibility of the State in guaranteeing the right to social security.

Providing international sources of financing for national social protection systems while simultaneously mobilizing domestic resources requires an international financial architecture that supports rather than undermines countries' own efforts. While ultimately, most of the social protection financing will come from domestic resources, most notably social security contributions and taxes, the ability of countries to allocate sufficient resources to social protection is being seriously undermined by the ongoing debt crisis and other disabling features of the global financial architecture, such as the global tax system which leaves too much room for tax avoidance and evasion that are particularly harmful to low- and middle-income countries. Establishing a GFSP, therefore, requires also establishing mechanisms that allow for domestic and international financing sources to complement one another in a mutually reinforcing manner to build resilient social protection systems.

The research paper and webinar reignited these critical debates around a GFSP and highlighted possible concrete, feasible ways forward for the same. As Olivier De Schutter said, much has been said and written about a GFSP over the past decade. Perhaps the best thing to do now is to mobilize this knowledge, existing actors, organizations, and resources so that we can act *now* to develop better social protection systems for everyone, everywhere.

The full webinar recording and participants' presentation slides can be accessed [here](#).

Agenda

Introduction to the event	
Introduction by the moderator	Shahra Razavi Director, Social Protection Department, International Labour Organization
Presentation of the research study	Nicola Yeates Professor of Social Policy, School of Social Sciences and Global Studies, the Open University <i>and</i> Chris Holden Professor of International Social Policy, University of York
First round of questions and answers	
Panel discussion	
Governance issues in a putative global fund for social protection	Markus Kalternborn Professor of Public Law at the Faculty of Law & Co-Director of the Institute of Development Research and Development Policy, Ruhr- University Bochum
The concrete experience of global funds in the area of health	Gita Sen Honorary Senior Advisor and Distinguished Professor, Ramalingaswami Centre on Equity &

	Social Determinants of Health, Public Health Foundation of India, Bangalore
The case for a global fund for social protection	Olivier De Schutter UN Special Rapporteur on extreme poverty and human rights
Workers' perspectives	Alison Tate Director, Economic and Social Policy, International Trade Union Confederation
Employers' perspectives	Pierre Vincensini Senior Advisor, International Organization of Employers
Second round of questions & answers	
Closing remarks	Shahra Razavi

Speakers

Chris Holden

Chris Holden is Professor of International Social Policy at the University of York, UK, where he is Director of the Centre for Research in Comparative and Global Social Policy (CRCG). He has published widely on the relationships between the global economy, transnational corporations and health and social policy. He is co-editor with Nicola Yeates of *Understanding Global Social Policy* (3rd Edition, 2022). He is Chair of the Editorial Board for the *Journal of Social Policy* and a member of the International Advisory Board of the journal *Global Social Policy*.

Markus Kaltenborn

Markus Kaltenborn is Professor of Public Law at the Faculty of Law and Director of the Institute of Development Research and Development Policy (IEE), Ruhr-University Bochum, Germany. His main areas of research are health law, the law of development cooperation, human rights law and social protection law. He is a member of the board of supervisors of Oxfam Germany, the German Institute for Human Rights (DIMR), and of the Global Coalition for Social Protection Floors (GCSPF).

Shahra Razavi

Shahra Razavi is the Director of the Social Protection Department at the International Labour Organization. She is a development economist, holds a Bachelors from the London School of Economics and a Masters and PhD from Oxford University, with more than 25 years of experience working on social policy, social protection, and gender and development. Before joining the ILO in 2020, she was Chief of the Research & Data Section at UN Women, and prior to that Senior Researcher at the United Nations Research Institute for Social Development (UNRISD).

Olivier De Schutter

Olivier De Schutter was appointed the UN Special Rapporteur on extreme poverty and human rights by the Human Rights Council at its 43rd session, in March 2020. He was the Special Rapporteur on the right to food from 2008 to 2014, and a member of the Committee on Economic, Social and Cultural Rights between 2015 and 2020. Prior to those appointments, he was Secretary-General of the International Federation for Human Rights (FIDH). He holds a LLM from Harvard University, a

diploma cum laude from the International Institute of Human Rights (Strasbourg) and a PhD in Law from UCLouvain.

Gita Sen

Gita Sen has over 40 years of experience working nationally and internationally on gender equality and women's human rights. A citizen of India, she holds a PhD in Economics from Stanford University. Some positions she has held include as co-chair of the *Gender and Rights Advisory Panel* of WHO's Dept of Reproductive Health Research, and on the governing boards of UNRISD and UNU.

Alison Tate

Alison Tate is the Director of Economic and Social Policy of the ITUC, a body representing 207 million workers in 165 countries. She has worked in Australia, Asia-Pacific and internationally in trade union, human rights and community development. In her role at ITUC, she represents unions in bodies including the UN, the G20 and international financial institutions.

Pierre Vincensini

Pierre Vincensini is senior adviser at the IOE, dealing with employers' activities related mainly to the ILO. His areas of expertise include social and labour issues related to occupational safety and health, social protection, environment and sustainability. Pierre is also leading the GOSH network, an exclusive information-sharing platform on OSH issues for MNEs. Prior to joining IOE, Pierre worked for MEDEF, advising and assisting French companies on European and International labour law. He also worked at BUSINESS FRANCE - the French international development agency. Pierre is graduated in political sciences (Sciences Po) and holds two master's degrees in economics and social affairs.

Nicola Yeates

Nicola Yeates is Professor of Social Policy at The Open University, UK. Her research focuses on the dynamics of global social policy with regard to state and non-state actors in domestic and cross-border spheres of governance. She has published widely on social protection, migrations, health and social care, and trade.