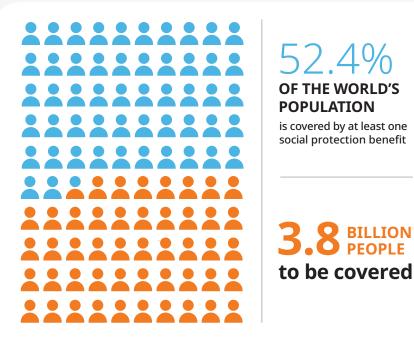




#### **3.8 BILLION PEOPLE WITHIN REACH:**

## **A Call for Action on Financing Social Protection**





Extending coverage by at least 2 percentage point per year

Additional 1.3% of GDP annually in low and middle income countries

**OF THE WORLD'S** 

social protection benefit

BILLION

PEOPLE

POPULATION is covered by at least one

UNCOVERED Children 0-18 **38.9% COVERED 146 MILLION UNCOVERED** Persons with severe disabilities



**79.6% COVERED 165 MLLION UNCOVERED** 

23.9% COVERED **1.8 BILLION** 

**Older persons** 

Sustainable financing in all contexts

Tap into innovative financing mechanisms

#### Joint Statement

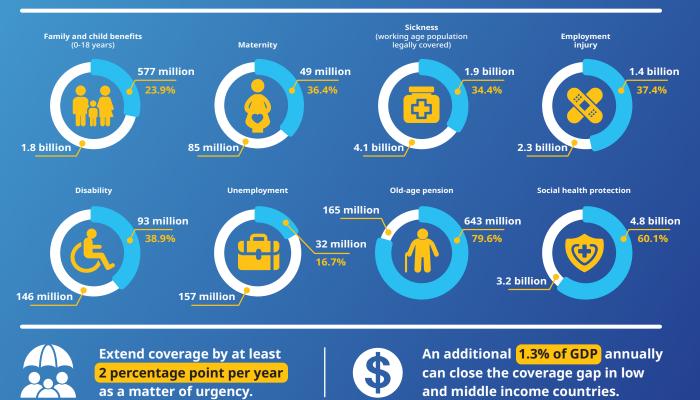
by the Global Partnership for Universal Social Protection (USP2030) Financing Working Group and the UN Special Rapporteur on Extreme Poverty and Human Rights in the Framework of the 4th International Conference on Financing for Development (FfD4)

February 2025

3.8 billion People Within Reach: **A Call for Action on Financing Social Protection** 

# 52.4% OF THE WORLD'S population protection benefit 3.8 FILLION to be covered

#### **EFFECTIVE COVERAGE BY SOCIAL PROTECTION BRANCH, 2023**



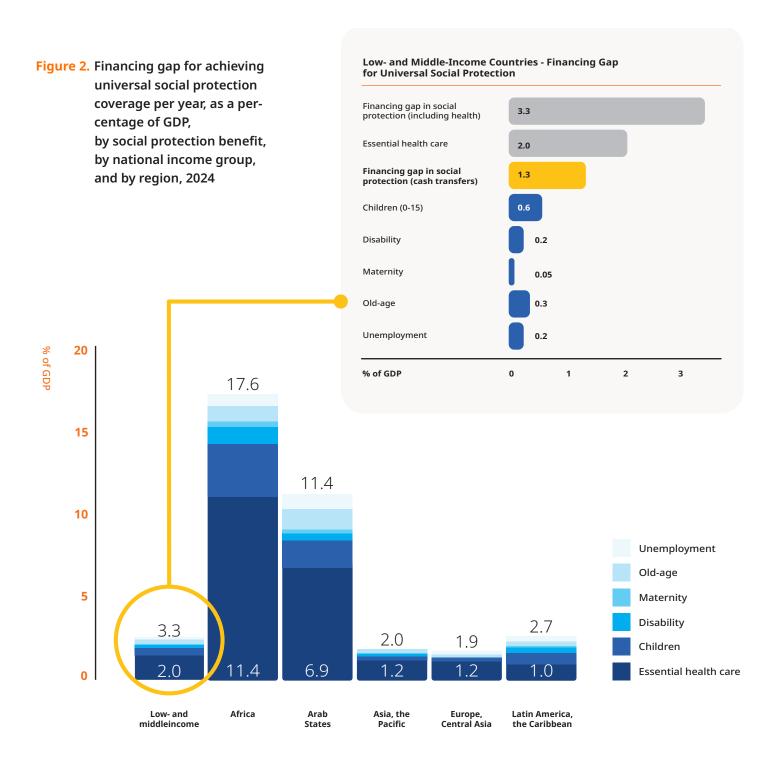
## Time to act is NOW: Urgency of expanding social protection

SDG 1.3 upholds the promise of universal social protection by 2030. As the world confronts uncertain times with sluggish economic growth, political instability, geopolitical tensions, and an ever-evolving climate crisis, protecting and expanding social protection coverage is an essential and strategic investment. It delivers economic and fiscal returns, acts as both a safeguard and a catalyst for resilience, and is an essential tool for addressing recurring shocks and protracted crises. However, progress towards international commitments—such as the Addis Ababa Action Agenda and the SDGs—has been underwhelming. For the first time, more than half of the world's population (52.4%) is covered by at least one social protection benefit (SDG indicator 1.3.1) (Figure 1). This is welcome progress. Still, an alarming 3.8 billion people remain unprotected with a US\$552.3 billion annual financing gap for the five key social protection cash benefits (1.3% of GDP) in low- and mid-dle-income countries (Figure 2). These gaps often reflect a lack of decisive policy decisions, arising from challenges at the intersection of political will, fiscal constraints, and financing difficulties, leaving social protection underfunded and vulnerable to competing priorities. FfD4 is a pivotal opportunity to move from rhetoric to action and mobilize necessary financing that turns commitments into action.

## Figure 1. SDG Indicator 1.3.1: Effective social protection coverage, global, regional and income-level estimates, by percentage of the population group, 2015 and 2023



Source: ILO, 2024. World Social Protection Report 2024–26 : Universal social protection for climate action and a just transition



Source: Cattaneo, U., Schwarzer, H., Razavi, S., Visentin, A. 2024. Financing gap for universal social protection: Global.

# Actionable solutions for progress

To ensure progress towards the SDGs, including ending poverty in all its forms everywhere (SDG 1) and the realization of universal social protection (SDG 1.3), USP2030 and the UN Special Rapporteur on Extreme Poverty and Human Rights propose four key actions for a strategic investment push for sustainable development in the renewed global financing framework:

1. Include a concrete and measurable commitment to expand Social Protection Coverage:

Prioritize investments to increase coverage by at least two percentage points per year (measured by SDG indicator 1.3.1), focusing on populations and countries with the greatest gaps (ILO USP2030 Call to Action). This is a necessary and achievable target, which will drive progress toward SDG 1 and contribute to the achievement of other SDGs while mobilizing resources to sustain and expand social protection.<sup>1</sup> Countries should strive to meet and exceed the minimum target with urgency wherever feasible, focusing their investments in areas where coverage is low, including in fragile and conflict contexts and focus on ensuring that the most vulnerable access social protection guarantees - such as children and youth, persons with disabilities, workers in informal employment and older persons. This will help accelerate achievement of universal social protection.

2. Recognize the role and relevance of social protection as an essential component of action, including in response to climate and conflict-related risks. Progress towards universal social protection addresses life-cycle risks, climate and conflict-related risks, by strengthening the resilience to climate shocks, rapid onset and protracted conflicts and by INCREASE COVERAGE BY AT LEAST TWO PERCENTAGE POINTS PER YEAR AS A MATTER OF URGENCY

enhancing public acceptance of climate mitigation policies. Social protection plays a key role in facilitating necessary transitions, particularly for workers of the sectors that must decarbonize quickly and for low-income households who should not bear the burden of the economic costs of decarbonization.

Ensure Sustainable Financing in all contexts: 3. Diversifying sources of financing will facilitate sustainability and ensure greater predictability of funding for countries that seek to invest in social protection floors. Establishing such floors is a multi-year effort and for low- and middle-income countries, this would need strategic financial planning to build political will and, in turn, increase domestic resource mobilization. This can be achieved through predictable and integrated support provided throughout the process, such as within the Global Accelerator on Jobs and Social Protection framework. A coordinated approach is needed, leveraging domestic and international funding sources, including humanitarian, development, private sector, and climate finance. ODA for social protection should be used strategically as catalyzer and be in the form of grants or highly concessional loans. Streamlining various forms of international support for social protection, could help achieve this.

<sup>1</sup> ILO calculations based on ILO World Social Protection Database (WSPDB), 2025. Between 2015 and 2023, 42 countries and territories, representing 51 per cent of the global population, achieved an average growth rate in aggregate social protection coverage at or above 2 percentage points per year.

 Tap into innovative mechanisms for financing: These alternative forms of financing can play a vital role when grounded in global solidarity. Different options can be considered, including the following that could be further explored: Debt-for-social protection swaps could be considered on a case-by-case basis. A 0.5% global solidar-

ity tax on corporate profits could generate over \$50

billion annually, significantly closing financing gaps. Solidarity levies on air and maritime transport or on financial transactions could be promising ways to increase revenue to close the financing gap low-income countries face. **Stronger international tax cooperation** could curb illicit financial flows, which cost developing countries up to \$416 billion annually.<sup>2</sup>

## Why now?

Achieving SDG 1.3 is a policy choice—one that carries profound social justice implications. With less than five years until 2030 and social development progress under threat, building resilience for 3.8 billion people in the face of emerging challenges is not just an economic necessity but a moral imperative. The solutions are clear, and the financing mechanisms exist. What remains is an urgent call to action: to implement these measures decisively and ensure that no one is left behind.

## Proposed inputs to the zero draft FfD4 outcome document

USP2030 and the UN Special Rapporteur on Extreme Poverty and Human Rights welcome the <u>zero draft of the FfD4</u> <u>Outcome Document</u>, recognizing it as a strong articulation of a renewed global financing framework capable of addressing key challenges of financing for development. We welcome the encouragement made to countries to *"provide nationally appropriate, and fiscally sustainable social protection systems and measures for all, including floors, and fully integrate the financing of essential social spending into medium-term development plans"*.

To strengthen the document and ensure progress towards the SDGs, including the realization of universal social protection (SDG 1.3), we call for the inclusion of the following commitments in the FfD4 outcome document:

<sup>2</sup> Global Financial Integrity (2023), GFI-Final-Audit-Report-FY23.pdf



4th International Conference on Financing for Development Inputs for the Preparatory Committee for the Fourth International Conference on Financing for Development (FfD4)



#### **Prioritizing Social Protection Investments**

(Addition to Para 14, Section on Realizing Sustainable Development)

We commit to increasing investments in critical social sectors including social protection by leveraging all sources of finance across humanitarian, development, private sector, and climate programming, and strategically using official development assistance as a catalyzer of development finance.



### **Protecting and Expanding Social Protection Spending**

(Addition to Para 29(d) & 29(e), Section on the alignment of fiscal systems with sustainable development)

We commit to aligning fiscal policies and public financial management reforms with social sector development outcomes. This includes delivering social sector services and addressing financial challenges in critical areas such as education, health, nutrition, social protection, and water, sanitation and hygiene to enhance the efficiency and effectiveness of allocated funds.

We commit to safeguarding social protection spending within government budgets and prioritizing other equitable forms of domestic financing, with a commitment to achieving concrete and measurable outcomes, such as a minimum extension of social protection coverage of 2-percentage-points per year (measured by SDG indicator 1.3.1).



### Extending Coverage & Mobilizing Resources

(New Addition to Para 38, Section on International Development Cooperation)

We commit to achieving a minimum annual increase of two percentage points in effective social protection coverage (SDG Indicator 1.3.1), particularly in low- and middle-income countries.

#### The USP2030 Financing Working Group

<u>USP2030</u> is a global partnership which brings together governments, international and regional organizations, social partners and civil society organizations, in a shared commitment towards ensuring social protection for all to achieve the Sustainable Development Goals (SDGs). <u>USP2030 Working Group</u> <u>on Financing</u> was established to facilitate dialogue and the development of shared policy priorities among a range of actors working in the area of social protection financing.

## United Nations Special Rapporteur on extreme poverty and human rights

Olivier De Schutter is the United Nations Special Rapporteur on extreme poverty and human rights. He is appointed in accordance with resolutions 8/11 and 53/10 of the Human Rights Council. His mandate is to examine and report back to Member States on initiatives taken to promote and protect the rights of those living in extreme poverty, with a view to advancing the eradication of such poverty.

- **J** USP2030 financing policy brief on social protection
- **#** Global Call to Action to accelerate accelerate achievement of USP
- Financing social protection floors, Contribution by the UN Special Rapporteur on extreme poverty and human rights for the FfD4





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