

### USP2030 Joint Statement<sup>1</sup>

### Key messages on Social Protection for the World Social Summit 2025

Universal social protection is a precondition for social development to prevent and reduce poverty and inequalities. Sound policy and legal frameworks, sustainable and equitable financing, and reliable delivery systems are necessary conditions to achieve tangible progress in ensuring adequate, comprehensive social protection for all as a cornerstone for social development within planetary boundaries. The costs of investing in social protection pay off through macroeconomic multiplier effects, increased productivity and resilience. However, almost half of the global population is still not covered by any social protection. Social protection systems anchored in law provide a coherent framework to organize social policy interventions for different population groups along their life course, prioritizing marginalized and vulnerable groups. Therefore, USP2030 calls on member States and other actors convening at the World Social (WSS) to make the following commitments:

- Protection: Urging governments to accelerate progress towards universal social protection, as reflected in SDG target 1.3, by annually increasing the share of the population covered for at least one life cycle risk by at least 2 percentage points per year in line with the Global call to action to accelerate the achievement of universal social protection to reduce poverty and inequalities and to establish a related monitoring system for social protection beyond 2030 under the auspices of the UN.
- Commitment 2 Ensuring sustainable and equitable financing for social protection: Urging governments to ensure adequate

- domestic resource mobilization, drawing upon the recommendations of the USP2030 Principles for Financing Universal Social Protection. Urging development partners to strengthen international cooperation and financing for social protection by building upon existing mechanisms, such as the Global Alliance Against Hunger and Poverty and the Global Accelerator on Jobs and Social Protection for Just Transitions.
- mechanisms to ensure effective access to social protection: Calling upon governments and development partners to build comprehensive legal frameworks and reliable delivery mechanisms that ensure all people have effective access to social protection, including in situations of fragility and conflict, and to this end, accelerate investments in civil registration of all residents and harness the benefits of digital transformation for social protection systems and strengthen existing sectoral initiatives, such as the Digital Convergence Initiative (DCI).
- ► Commitment 4 Leveraging Social Protection for Climate Action: Calling for climate financing particularly from Multilateral Climate Funds (MCF) to collaborate with development financing to support the expansion and increase the flexibility of social protection systems so they can better respond also to climate risks. Calling upon governments to include social protection in their climate strategies, in particular their Nationally Determined Contributions (NDCs).

<sup>1</sup> The Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals is a global partnership of over 50 members from Governments, UN agencies, Development partners, Civil Society Organisations and Social Partners, for a full list of members and more information about the partnership visit usp2030.org.

### Social protection as a cross-sectoral precondition of social development.

National social protection systems provide protection against disruptions to people's lives and livelihoods, and act as automatic stabilizers for individuals, families, enterprises and the economy in times of crisis and transition. They also are powerful enablers of inclusive social development: by ensuring at least basic income security and access to healthcare without financial hardship, social protection supports continued investments in human capabilities, including health, quality education, nutrition, and skill development, better equipping people to access sustainable livelihoods and income-generation opportunities, thus promoting decent work. By providing support throughout the life course, social protection helps people meet the costs of essential goods and services, in particular for those left furthest behind: promoting healthy development and well-being for children, decent work for working-age people in all types of employment, inclusion of people with disabilities, and a dignified retirement for older persons, while also being responsive to the essential needs of women and other groups at risk of discrimination. Thus, in combination with other policies and programmes, social protection holds the potential to accelerate virtuous cycles of poverty reduction and prevention, socio-economic activation, formalisation, inclusion, and social cohesion. Its fundamental importance is enshrined in Article 22 of the Universal Declaration of Human Rights, which affirms social security as a human right, as well as in Article 9 of the International Covenant on Economic, Social and Cultural Rights, and in the majority of constitutions around the world.

In face of the fundamental current demographic, technological and environmental transformations societies and economies are undergoing, social protection systems are essential to ensure just transitions. In the context of climate change, social protection helps shielding people from the disruptive effects of climate change and cushions potential adverse consequences of mitigation and adaptation policies, remedying the related social consequences, addressing loss and damage, fostering resilience and encouraging climate friendly behaviour and business practices. Social protection is among the most powerful policy tools that governments can deploy to realize just transitions, thereby reinvigorating social contracts.

The World Social Summit (WSS), thirty years after the first Summit in Copenhagen, and only five years away from the horizon of the 2030 Agenda for Sustainable Development, represents a unique opportunity to reorganise and accelerate joint efforts to deliver on the promise of 'human centred' inclusive and sustainable development. Universal social protection can provide a framework of action across the different sectors of social development, acting as the connective tissue across what would otherwise be disparate and disjointed sectoral interventions. The WSS can help direct efforts and resources towards the strengthening of national social protection systems, policies, and programmes, bringing about whole-of-society solutions to the enduring threat to social development posed by poverty, hunger, inequality, vulnerability and social exclusion.

Despite some progress, only 52.4 per cent of people across the world (50.1 per cent of women and 54.6 per cent of men) are effectively covered by at least one social protection cash benefit, leaving 3.8 billion people without any social protection.<sup>2</sup> Now more than ever, countries should prioritize building comprehensive, adequate and sustainable systems of social protection for all, as called for in the 2019 <u>USP2030 Call to Action</u>, by adhering to its five key principles:

- Protection throughout the life course: Establish universal social protection systems, including floors, that provide adequate protection throughout the life course, combining social insurance, social assistance and other means, anchored in national strategies and legislation;
- Universal coverage: Provide universal access to social protection and ensure that social protection systems are rights-based, gender-responsive and inclusive, leaving no one behind;
- National ownership: Develop social protection strategies and policies based on national priorities and circumstances in close cooperation with all relevant actors;
- ➤ Sustainable and equitable financing: Ensure the sustainability and fairness of social protection systems by prioritizing reliable and equitable forms of domestic financing, complemented by international cooperation and support where necessary;

▶ Participation and social dialogue: Strengthen governance of social protection systems through institutional leadership, multi-sector coordination and the participation of social partners and other relevant and representative organisations, to generate broad-based support, ensure appropriate implementation capacities and promote the effectiveness of services.

Therefore, ahead of the World Social Summit, the USP2030 Partnership calls for a renewed commitment to Universal Social Protection, by mobilizing related investments, ensuring effective access through reliable delivery mechanisms, and leveraging social protection for climate actions through 10 concrete steps.

# Commitment to comprehensive, adequate and sustainable social protection for all

To ensure high-level commitments are translated into tangible results, including on effective coverage, the USP2030 Partnership issued a Joint Statement: A Call for Action on Financing Social Protection, suggesting countries should commit to

- ▶ Strive to achieve an annual increase of at least two percentage points in the proportion of the population covered by at least one social protection benefit (SDG Indicator 1.3.1). The 2-percentage point target should be seen as a minimum target and comprehensiveness and adequacy of coverage also be increased. This target is based on growth rates in social protection coverage achieved by 42 countries and territories between 2015 and 2023, thus representing a feasible objective, which can be financed from a variety of sources, often requiring only relatively small increases in social protection expenditures. The extension of coverage should pay particular attention to closing gender gaps in social protection.
- ▶ National progress toward achieving universal social protection should be sustained, supported and monitored in the framework of the Summit. Based on existing or newly developed national social protection policies and strategies, a broader follow up and monitoring mechanism for the WSSD outcome should monitor and review progress towards national social protection goals, drawing also on existing mechanisms under the auspices of the UN.

#### Commitment to making the necessary investments in social protection

Building social protection systems aligned with the USP2030 founding principles requires a certain level of investment. ILO estimates show that the financing gap for low- and middle income countries to ensure a social protection floor for all – including access to at least a basic level of income security (SDG target 1.3) and access to essential healthcare (SDG target 3.8) equals US\$1.4 trillion or 3.3 per cent of their average GDP annually, with 2 per cent of GDP required for essential healthcare and 1.3 per cent for the five key social protection cash benefits for old-age, maternity, disability, unemployment and children.3 For many countries, this is feasible within their own resources. but for those with limited economic and fiscal capacities implementing the social protection guarantees requires complementary international financing and support. To create the space for countries to enable their social development, it is necessary to bring about a conducive and more equitable global macroeconomic framework that facilitates national resource mobilization. At the same time, increased international solidarity to support countries facing the largest financing gaps in building up their social protection systems is necessary in the short or even medium term.

The <u>USP2030 Joint Statement: Principles for Financing Universal Social Protection</u> outlines an approach to close the social protection financing gap based on international social security standards. States have a duty, under international human rights treaties, to allocate 'maximum of [their] available resources' (Article 2 International Covenant on Economic, Social and Cultural Rights) to realize the right of all individuals to social security. In order to ensure countries at different income levels can deliver on this, efforts to close financing gap must:

Mobilize more domestic resources by, for example, reallocating them toward social spending, developing and strengthening progressive and effective tax systems, increasing revenues from social insurance by improving contribution collection and increasing coverage, and improving the efficiency and transparency of public financing of social protection across all relevant levels and agencies of government and partners. Resource mobilization efforts should ensure adequate provision of shock-responsive financing and engage in inclusive social dialogue to determine the reforms and financing options of the social protection system.

<sup>3</sup> For more information, see Cattaneo, U., Schwarzer, H., Razavi, S., Visentin, A. Financing gap for universal social protection: Global, regional and national estimates and strategies for creating fiscal space <a href="https://www.ilo.org/sites/default/files/2024-04/wp113\_web.pdf">https://www.ilo.org/sites/default/files/2024-04/wp113\_web.pdf</a>

► Create an enabling environment for domestic resource mobilization and for more and effective international support. This can be achieved through international collaboration in areas, such as debt relief and restructuring, international tax reform<sup>4</sup>, as well as related international agreements and standard setting. Other mechanisms which foster cooperation and integrated international financing require more and effective international support, such as the Global Alliance Against Hunger and Poverty, and the UN Global Accelerator on Jobs and Social Protection for Just Transitions and the Multi-stakeholder Engagement to Implement the Global Accelerator on Jobs and Social Protection for Just Transitions and the World Bank Compass.

## Commitment to building reliable delivery structures

A third necessary element to realize the human right to social security and achieve progress on inclusive social development, in addition to the political will and sustainable and adequate financing, are reliable delivery mechanisms that ensure people can effectively access the social protection benefits that they are entitled to. This includes inter alia a commitment to

- ▶ Build policy and legal social protection frameworks that ensure predictable social protection benefits and services by clearly defining eligibility criteria, benefit levels and duration.
- ▶ Build robust delivery mechanisms for all, that leverage digital solutions to ensure transparent, accountable and sound financial management and administration; respect for the rights and dignity of people covered, including privacy and data protection, and coherence across institutions responsible for the delivery of social protection.
- ▶ Ensure sound delivery structures also in fragile and conflict-affected contexts, enabling continuity in implementing social protection schemes and programs across the humanitarian-development-peace nexus (HDPN), and reinforcing capacities for scaling up in line with needs.

Improving national systems of civil registration and vital statistics as well as providing legal identity for all members of society are fundamental to any social protection delivery system. Digital solutions can also improve the reliability, effectiveness and efficiency of delivery mechanisms, provided that they are accessible, and that people's rights and dignity are protected. To guide the digital transformation in an inclusive manner and to master challenges associated with

this transformation, governments and development partners should harness the benefits of digital transformation for social protection systems and draw on existing sectoral initiatives, such as the Digital Convergence Initiative (DCI) under USP 2030.

Reliable social protection delivery mechanisms need to be resilient, responsive and adaptive to different contexts and different circumstances, including both longer term trends such as demographic change or climate change but also sudden onset shocks and fragile, conflict, and crisis contexts, for which preparedness efforts are essential. Sustained investments in national system strengthening are key to ensure that social protection reaches all people during crises - including vulnerable and affected populations; provides vital support for the recovery; and builds long-term resilience.

## Commitment to leveraging social protection for climate action

The achievement of sustainable social development risks to be undermined by the unaddressed needs, vulnerabilities, and inequalities emerging as a consequence of climate change. National social protection systems, in coordination with other relevant policies and programmes, can contribute to ensuring everyone, especially the most at risk and marginalised, are shielded from the adverse socio-economic effects of the climate crisis and associated transition policies, thus effectively enabling a just transition to greener economies for all. To this end, social protection is being increasingly recognised as a crucial enabler of climate change adaptation, mitigation, and loss and damage. Resilient, sustainable, inclusive and genderresponsive national social protection systems with wide coverage are able to deliver essential support in the face of climate-related shocks and stressors, to address losses and damages caused by them, and to build up the resilience of individuals to prepare for, cope with, and recover from adverse climate events. Additionally, social protection can help address the negative socioeconomic externalities of climate change mitigation approaches, including transitionary job losses, subsidy reforms, and other structural adjustments necessary for bringing about greener economies, therefore promoting climate justice and a just transition. More sustainable investment strategies of pension funds can also play a role in mitigation policies.

Yet in the 20 countries most vulnerable to climate hazards, a mere 8.7 per cent of the population is covered by some form of social protection, leaving 364

<sup>4</sup> For more examples of possible international solidarity mechanisms for social protection financing, see A Call for Action on Financing Social Protection, here: <a href="https://usp2030.org/wp-content/uploads/joint-Statement-DIGITAL.pdf">https://usp2030.org/wp-content/uploads/joint-Statement-DIGITAL.pdf</a>

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million people unprotected. In the 50 most climate-vulnerable countries, only 25 per cent of the population are effectively covered, leaving 2.1 billion people unprotected in the face of a more volatile climate future<sup>5</sup>. Furthermore, while the G20 countries have accounted for 76 per cent of global greenhouse gas emissions, the least developed countries and small island states that are most affected by the consequences of the climate crisis accounted for only a miniscule share (3.8 and 1 per cent respectively),<sup>6</sup> underlining the need for global justice. To better protect people against the adverse

impact of adaptation and mitigation policies and against

loss and damage, more diverse sources of financing are

needed. This requires a commitment to:

Harness collaboration with climate financing

 particularly through Multilateral Climate Funds
 (MCF) – to support the expansion of social protection systems, including floors, to all and to make social protection systems more adaptive. Parties of

- the UNFCCC should also consider the important contribution of social protection in their discussions and related documents at COP30.
- ► Increase concessional resources in MDBs to finance social protection components of just transition interventions in the context of mitigation and adaptation policies, loss and damage, and other critical climate action.
- ▶ Integrate social protection system building into national climate strategies, especially into the Nationally Determined Contributions (NDCs). This would signal the strategic value of social protection to the Multilateral Climate Funds (MCF) and other financing mechanisms. The USP2030 Working Group on Social Protection and Climate change works together with the international Task Force on Linking Adaptive Social Protection and Climate Change to support countries in integrating social protection in their NDCs.

<sup>5</sup> ILO. 2024. World Social Protection Report 2024–26: Universal Social Protection for Climate Action and a Just Transition.

<sup>6</sup> UNEP. 2023. Broken Record: Emission Gap Report 2023.