

Side event on Safeguarding Social Protection Expenditure: actionable recommendations for FfD4

12th February 2025

3.00 - 4.30 pm, Duration 1 h 30 min

Conference Room C, UNHQ, New York

The International Labour Organization (ILO), the Global Coalition for Social Protection Floors and the USP2030 Financing Working Group are pleased to convene a side-event offering actionable recommendations for FfD4 on how to safeguard social protection expenditure. Excellencies and invited experts will share insights on why FfD4 presents a unique opportunity to boost the political will to safeguard social protection expenditure and to close the financing gap. In doing so, the panellists will examine what could work in terms of global, regional and national commitments on shielding social protection expenditure and expanding the fiscal space for social protection highlighting national practices and collaborative approaches. The session will foster dialogue among UN Member States, national policymakers, multilateral and bilateral agencies, social partners and other key stakeholders highlighting the pivotal role of social protection as a cornerstone of equitable and sustainable development.

Background

- **What are the prospects for the expansion of fiscal space for social protection?**

In response to the global COVID crisis, an unprecedented effort in the realm of social protection was initiated, leading to expectations that some of these measures might become permanent, thereby significantly reducing poverty and inequalities. The ILO's Social Protection Monitor reported that over 1,900 measures were put into action by 211 countries and territories between January 2020 and September 2023. However, the majority of these measures were rolled back at the pandemic's end, as many countries opted for fiscal consolidation measures, heightening concerns about a new wave of fiscal austerity, which will further exacerbate inequalities.¹ Prospects for the expansion of fiscal space for social protection expenditure in most developing countries look dim due to softer external demand, volatile commodity prices, high borrowing costs and fiscal consolidation pressures. High levels of debt amid subdued growth continue to constrain fiscal space, making it harder for governments to borrow and invest.²

- **How much do we need to invest to make universal social protection and universal health coverage a reality for everyone?**

Despite the constraints on the expansion of the fiscal space for social protection, it must be recalled that Member States have agreed to goals on universal social protection (USP-SDG target 1.3) and universal health coverage (UHC-SDG target 3.8) in line with human rights instruments and international labour standards. Social protection is a human right, and it is defined as the set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the life cycle. Estimates show that only 52.4 per cent of the global population have access to at least one social protection benefit (effective coverage), leaving 3.8 billion people entirely uncovered. Under-investment in social protection continues to be one of the main reasons for the low coverage rates. Public expenditure on social protection (excluding healthcare) was, on average, 12.9 per cent of GDP worldwide (in 2023) and expenditure on health was 6.5 per cent of GDP.³

To ensure at least a social protection floor, low- and middle-income countries require an additional investment of US\$ 1.4 trillion or 3.3 per cent of the aggregate GDP (2024) of these countries per annum, composed by 2.0 per cent of GDP or US\$ 833 billion for essential health care and 1.3 per cent of GDP or US\$

¹ Ortiz, Isabel and Matthew Cummins. 2022. End austerity. [A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25](#).

² UNDESA. 2024. [Financing for Sustainable Development Report 2024](#).

³ ILO 2024, 'World Social Protection Report 2024-26: Universal Social Protection for Climate Action and a Just Transition', 2024.

552 billion for five social protection cash benefits.⁴ This represents an average increase in social protection expenditure of 10.6 per cent of the existing government expenditure in low- and middle-income countries.

- **To progressively mobilize the resources to safeguard social protection expenditure and extend coverage the ILO and USP2030 have launched a global call to action. What is it?**

The ILO and the USP2030 Global Partnership⁵ propose to include in the FfD4 outcome document a quantitative target to increase social protection coverage by at least two percentage points per year. ([ILO USP2030 call to action on extending social protection coverage](#)). If countries growing below the 2pp per year align with the call to action, the proportion of population covered by at least one social protection benefit will be at 64.5 per cent in 2030 or 5.5 billion people. If countries growing below the 2pp per year align with the call to action, the proportion of population covered by at least one social protection benefit will be at 64.5 per cent in 2030 or 5.5 billion people. Complying with the ILO call to action on extending social protection coverage in LMICs, in 2024 would require an investment of US\$17.4 billion or 0.04 per cent of their GDP. Low-income countries would need only US\$2.5 billion or 0.4 per cent of GDP, while lower-middle-income and upper-middle-income countries would need US\$6.4 and 8.5 billion respectively, equivalent to 0.07 per cent and 0.03 per cent of their respective GDP.⁶

Participants

Ms. Shahra Razavi, Director of the Universal Social Protection Department, ILO [Opening remarks & moderation] (3 minutes)

- **James Heintz**, Andrew Glyn Professor of Economics, University of Massachusetts Amherst (6 minutes)
- **H.E. Alicia Buenrostro Massieu**, Ambassador and Permanent Representative to the UN of Mexico (6 minutes)
- **Prudence Kaoma**, Acting Permanent Secretary (Planning and Administration), Ministry of Finance and National Planning, Zambia (6 minutes)
- **Christina Behrendt**, Head, Social Policy Unit, Universal Social Protection Department, ILO.
Umberto Cattaneo, Public Finance Specialist, Universal Social Protection Department, ILO (3 minutes).
- **Thomas Taylor**, Policy Adviser ITUC (6 minutes)
- **Shea Gopaul**, IOE Permanent Representative to the UN and co-chair for the Business and Industry major group (6 minutes)
- **Jennifer Yablonski**, Representative of USP2030 (6 minutes)
- **Robert Powell**, IMF Special Representative to the UN (6 minutes)
- **Lena Simet**, Representative of the Global Coalition for Social Protection Floors (6 minutes)

⁴ Such investment would ensure universal coverage of basic benefits to all children, mothers of newborns, persons with severe disabilities, the unemployed, and older persons, as well as universal essential health care. Cattaneo, U., Schwarzer, H., Razavi, S., Visentin, A. 2024. [Financing gap for universal social protection: Global, regional and national estimates and strategies for creating fiscal space](#), ILO Working Paper 113 (Geneva, ILO).

⁵ USP2030 is co-chaired by the World Bank and the ILO and its mission is to achieve the promise of SDG 1.3: "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.". USP2030 has 53 members, including among others, IFIs (e.g. World Bank, IDB), UN Member States (e.g. Belgium, France, Germany, Kenya, Sweden, United Kingdom, United States), UN entities (eg. UNICEF, FAO, UNESCO), and civil society organizations (e.g. WIEGO, HRW).

⁶ This is the required investment to increase social protection coverage in 2024 by 2 percentage points for each of the following groups: children, persons with disabilities, mothers of newborns, old-age persons and the unemployed. Calculations based on Cattaneo, U., Schwarzer, H., Razavi, S., Visentin, A. 2024. [Financing gap for universal social protection: Global, regional, and national estimates and strategies for creating fiscal space](#), ILO Working Paper 113 (Geneva, ILO).