

Global Fund for Social Protection

Position of INSP!R – International Network for Social Protection Rights

Scope of the Fund: a paradigm shift ?

- *The objectives of the fund should remain clear.* The current calls for the fund are prompted by the corona crisis and they try to capitalize the current “goodwill” for the objective to help out for the poorest countries. The call from the GCSPF also includes the financing of social transfers as such in its objectives. But that is a different paradigm than today, where the ILO's mandate is limited to capacity building and start-up assistance (seed money) for social protection systems. The question is whether donors will be willing to co-finance the benefits themselves on a structural basis? Domestic resource mobilisation needs to provide the basis for these benefits, we believe.
- The current call also combines emergency interventions for social protection and long term structural strengthening. Wouldn't it be better to keep a clear distinction between these objectives?
- Corona is the reason for the current call for a fund, but in terms of content the fund should be independent of the corona crisis, because it must serve primarily to establish and strengthen national social protection floors. The fund should contribute to making societies more resilient in the longer term by means of structural social protection systems, which could also absorb future shocks.
- We suggest not to limit the scope of the fund to the poorest countries. There is a larger group of countries that have been severely impacted by the corona crisis and cannot get out of the crisis on their own. Especially for capacity strengthening, middle-income countries should also have access to support from the fund. The development and strengthening of social protection systems automatically leads to “ upwards convergence”.

Management

- We suggest to hand over the management of the fund to the ILO. Programs should comply with ILO standards and relevant conventions and recommendations. This means, among other things, that local social partners and civil society organisations should be closely involved at the level of each individual program. It also implies social protection based on rights of and on solidarity between all residents of a country.
- We would strongly oppose to place the fund under the auspices of the World Bank, IMF or IDB because they have a completely different approach to social protection, with a much more minimal interpretation.
- Recipient countries should themselves bear ultimate responsibility for the priorities and for the management of their social protection systems.
- Not a top-down managed fund, but a fund managed with the full participation of all relevant stakeholders, including social partners and civil society organisations. A model of shared responsibilities and participation, because support is crucial for a well-functioning system of social protection.

- Existing structures in the countries themselves should be used for the implementation of the systems. It is not a good idea for the fund to create its own implementation units. Capacity building in the country itself is essential. In fragile states, the resources can be used to build sustainable national institutions, with the help of existing development organizations.
- Effective control and monitoring procedures are important, with internal and external audits, and evaluation and complaint mechanisms. Trade unions and other relevant civil society organizations should also be involved.

Financing

- Ideally there should be a mixed model of co-financing, where countries make a financial contribution according to their own capacities related to GDP and attract support according to their own needs and according to the constant efforts made.
- In principle, countries should therefore always co-invest in the programs which the fund supports (because of political will and support). This can persuade donor and recipient countries to commit themselves for the long term.
- In our view, the starting point should be structural public funding, so the fund should not become dependent in any way on private donors, who often have a completely different view (not necessarily in line with ILO standards) on social protection, and whose contributions can dry up quickly.