

LABOUR AND SOCIAL JUSTICE

EXPANDING GLOBAL SOCIAL PROTECTION

Options for the Design of an International
Financing Mechanism

Markus Kaltenborn
February 2023



A solidarity-based Global Fund for Social Protection must meet certain criteria to respond adequately to the challenges of global poverty and inequality.



Key requirements include compliance with the country-ownership principle in the allocation of funds and a governance structure oriented toward equal decision-making power for the partner countries.



Both Financial Intermediary Funds and UN Multi-Partner Trust Funds are suitable in principle, whereas the World Bank Trust Fund model is not to be recommended in this respect.

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At the summit in Elmau in June 2022, the governments of the G7 countries expressed their commitment to significantly expand global social protection.¹ It is intended that, with the help of the *Global Accelerator on Jobs and Social Protection for Just Transitions*,² launched by the UN Secretary-General, four billion people who still have to live without any social protection will finally be covered.³ First and foremost, each country must itself ensure that its own social systems are set up and running. However, because some countries do not have sufficient financial resources to cope with this task on their own, support from the international community will be necessary, at least for a transitional period. In this way, global poverty and inequality would be reduced significantly and an important contribution would be made to the implementation of other development goals (including promoting gender equality, combating hunger and child labour, improving social cohesion and building more resilient societies).

For this reason, the *Special Rapporteur on extreme poverty and human rights*, Olivier de Schutter,⁴ and the *Global Coalition for Social Protection Floors*, an international alliance of over 100 civil society organisations, are calling for the establishment of a solidarity-based *Global Fund for Social Protection*.⁵ In June 2021, the International Labour Conference (ILC) took up these proposals and called on the International Labour Organization (ILO) ‘[to] initiate and engage in discussions on concrete proposals for a new international financing mechanism, such as a Global Social Protection Fund, which could complement and support domestic resource mobilization efforts in order to achieve universal social protection.’⁶ In addition, in autumn 2022,

German Development Minister Svenja Schulze announced, at a meeting with representatives of the World Bank and the ILO, that ‘options for joint financing mechanisms will be developed’ soon to enable coordinated support for partner countries.⁷

The multilateral instruments used for comparable global tasks are usually funds of the World Bank or the United Nations (see 2). It is up to the governments involved to decide whether to choose one of the already established models and how such a fund should then be designed in concrete terms. Several political and legal criteria are decisive for this, which are presented briefly in what follows (see 1).

1. WHAT CRITERIA SHOULD BE MET BY AN INTERNATIONAL FINANCING INSTRUMENT TO SUPPORT SOCIAL PROTECTION SYSTEMS IN COUNTRIES OF THE GLOBAL SOUTH?

- A key requirement for contemporary approaches to development cooperation is respect for the principle of **country ownership**. Both the *Global Partnership for Effective Development Cooperation* and the *UN Development Cooperation Forum* have emphasised the importance of this principle.⁸ In the field of social protection, this is further confirmed by the *Social Protection Floors (SPF) Recommendation*, which gives member states wide discretion in the design of their social systems.⁹ Social protection can be provided in different ways and should therefore be based on national strategies and priorities. In development cooperation, sectoral budget support would thus be the most suitable tool for assistance. In the *SPF Recommendation*, the signatories (187 governments, as well as employers and workers) have set standards that provide the framework and should therefore be used as eligibility criteria (for example, focus on universal basic coverage as defined in the SPF Recommendation; rights-based and non-discriminatory access; transparent monitoring of implementation).

1 See: <https://www.g7germany.de/resource/blob/974430/2062292/9c213e6b4b36ed1bd687e82480040399/2022-07-14-leaders-communique-data.pdf?download=1>.

2 See: <https://www.un.org/sustainabledevelopment/blog/2021/09/un-secretary-general-calls-for-accelerated-action-on-jobs-and-social-protection-to-avoid-an-uneven-global-recovery-and-prevent-future-crises/>.

3 On the gaps in global social protection, cf. ILO (2021), *World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future*, https://www.ilo.org/wcmsp5/groups/public/@ed_protect/@soc_sec/documents/publication/wcms_817572.pdf.

4 UN Human Rights Council (2021), *Global fund for social protection: international solidarity in the service of poverty eradication*, Report of the Special Rapporteur on extreme poverty and human rights, A/HRC/47/36, 22.4.2021, <https://www.ohchr.org/en/documents/thematic-reports/ahrc4736-global-fund-social-protection-international-solidarity-service>. See before already De Schutter/Sepúlveda (2012), *Underwriting the Poor. A Global Fund for Social Protection*, Briefing Note, http://www.srfood.org/images/stories/pdf/otherdocuments/20121009_gfsp_en.pdf.

5 See: <https://www.socialprotectionfloorscoalition.org/civil-society-call/>. The proposal to establish a Global Fund is compatible with the UN Secretary-General’s *Global Accelerator* concept; see Cichon/Lanz (2022), *Creating fiscal and policy space: a pragmatic two-pronged global implementation strategy for universal social protection*, FES, p. 8, <https://library.fes.de/pdf-files/bueros/genf/18914.pdf>.

6 Resolution concerning the second recurrent discussion on social protection (social security), para. 21(c), ILC.109/Resolution III, https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---rel-conf/documents/meetingdocument/wcms_806099.pdf. Cf. also USP 2030 Financing Working Group (2022), *Joint Statement: Principles for Financing Universal Social Protection*, Recommendation 3.1: ‘Further explore new international financing mechanisms to mobilize and coordinate international financial support to social protection in a long-term manner, such as a Global Social Protection Fund. Such a mechanism should focus on both increasing the overall amount of financing available for social protection, as well as ensuring its governance and decision-making is inclusive and efficient, and can enable all countries to contribute, all to benefit, all to decide.’ See https://usp2030.org/wp-content/uploads/USP2030_Financing-WG_JS_Principles_Final_Oct-13th.pdf.

7 See: <https://www.bmz.de/de/aktuelles/aktuelle-meldungen/deutschland-weltbank-und-ilo-verstaerke-zusammenarbeit-129168>.

8 For details, see Kaltenborn/Kreft (2022), *Governance principles for a global fund for social protection*, FES, p. 6; <https://library.fes.de/pdf-files/bueros/genf/19091.pdf>.

9 Social Protection Floors Recommendation, 2012 (ILO R202), para. 9 and 12, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524.

- The governance mechanisms of the financing instrument should be structured in such a way that decisions on use of the available funds are made on an equal footing between the participating governments of the contributing states and the countries implementing fund resources to build up their social protection systems. A prerequisite for this is that both groups have the same voting rights.¹⁰ If a financing approach is chosen which – following the *Global Public Investment (GPI)* idea¹¹ – leads to contributions to the fund by all states participating in the financing mechanism, based on a fair-share calculation, it would be necessary to ensure equal distribution of votes between the groups of net contributors and net recipients. Decision-making procedures that do not follow this principle of **equal decision-making power**, but instead grant donor countries priority, correspond to a paternalistic understanding of North-South cooperation that is no longer appropriate for the current context. Those who are interested in overcoming post-colonial power structures (and in this sense also in a ‘feminist’ development policy) should have an interest in increasing the use of multilateral financing mechanisms that enable the governments involved to participate on an equal footing. Equal voting rights for the groups of states participating in the financing mechanism are therefore a minimum requirement of the governance structure.
 - **Civil society** should be given a voice and a right to co-decision-making in the governing body of the financing instrument. This demand is in line with the inclusiveness principle of the *Global Partnership for Effective Development Cooperation and the UN Development Cooperation Forum*, as well as with a human rights-based approach to development cooperation.¹² Affected groups, but also NGOs working on social protection (especially those based in the Global South), as well as parliamentarians and social partners¹³ often not only have appropriate expertise on the situation at country and regional level and can therefore contribute valuable information for decision-making. They also have an important monitoring function vis-à-vis the implementing government agencies and the international organisations and development agencies involved on the ground. In this way, they also ensure sufficient transparency in the activities of the financing mechanism.
 - Another key principle that should be considered in designing a funding mechanism is **mutual accountability**. This means that transparency and adequate monitoring must be ensured. This requirement applies both to the relationship between the financing mechanism and the donors (government donors, international financial institutions), and to the relationship with the governments of the recipient countries.
 - International support for low-income countries’ social protection systems must not lead to a further deterioration of their financial situation; rather **debt** increases must be avoided. Therefore, benefits to highly indebted countries should be provided only on a grant basis through the financing mechanism adopted by the international community.¹⁴
 - The financing mechanism should be based largely on **additional funds**. The reallocation of other ODA funds or a zero-sum game between different social sectors is not appropriate because the desired effects can be achieved only in interaction with other social sectors (such as health and education).¹⁵
 - As these additional funds are intended to contribute to the establishment of rights-based national social protection systems (institution-building), the financing mechanism must be designed in such a way that it can ensure **long-term, reliable support**, until a stage is reached at which the respective countries can finance the essential social protection measures from their own resources.
 - The financing mechanism must be inclusive and capable of responding adequately to the needs of particularly **vulnerable countries**. Focusing solely on a few countries that can achieve rapid implementation successes (‘donor darlings’) is not sufficient. Such a limited approach would contradict the underlying human rights concerns of global social protection.
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- ¹⁰ In addition, non-state actors should also be entitled to vote, in particular representatives of civil society (see below) and, where appropriate, international organisations that are relevant to the sector in question. The latter, however, could also be integrated into the Fund structures in an advisory capacity.
- ¹¹ See: <https://globalpublicinvestment.org/>. According to the GPI concept, all countries are invited to become contributors depending on their financial capabilities. One of the first implementation examples of the GPI idea is COVAX, the vaccine pillar of the Access to COVID-19 Tools (ACT) Accelerator; for the COVAX governance structure, see https://www.gavi.org/sites/default/files/covid/covax/COVAX-Structure-and-Principles_2022.pdf; The GPI concept was also proposed for the design of the Pandemic Fund; see Reid-Henry et al. (2022). A new paradigm is needed for financing the pandemic fund, *The Lancet* Vol. 400, Issue 10349, 345, [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(22\)01239-9/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(22)01239-9/fulltext).
- ¹² See Kaltenborn/Kreft (2022), Governance principles for a global fund for social protection, FES, p. 10; <https://library.fes.de/pdf-files/bueros/genf/19091.pdf>.
- ¹³ On the significance of social dialogue for policy formulation, implementation and monitoring of social programmes, cf. ILO R202, para. 13 et seq.
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- ¹⁴ For this reason, financing the social protection floors of LDCs through the funds set up by the International Monetary Fund (*Poverty Reduction and Growth Trust and Resilience and Sustainability Trust*) is not advisable.
- ¹⁵ For the share of individual sectors in total ODA, see Manuel (2022), Financing social protection: Domestic and external options in low-income countries, FES, p. 11, <https://library.fes.de/pdf-files/iez/19401.pdf>.

2. WHICH FINANCING INSTRUMENTS CAN BE USED?

- **World Bank Trust Fund:** The World Bank prefers to work with trust funds, also in social protection.¹⁶ A distinction is made between *stand-alone trust funds* and *Umbrella 2.0 programmes*. The latter combine several trust funds and are thus intended to help increase the efficiency of financial assistance.¹⁷ Contributions made to *World Bank Trust Funds* by one or more donors are held and disbursed by the World Bank Group as trustee. In some cases, the World Bank itself is also involved as a contributor.¹⁸ In general, the World Bank has the authority to decide on the use of the funds.¹⁹

Stand-alone trust funds are managed by a steering committee, while partnership councils are established for *Umbrella 2.0 programmes*.²⁰ The ‘development partners’ (that is, the governments of donor countries) and the World Bank itself have seats and voting rights in these governing bodies; private-sector donors generally do not have voting rights. Representatives of other stakeholders, such as ‘client countries’ (mainly Global South countries), the United Nations, civil society, and the private sector, may be invited to attend meetings of the governing body, but they are not entitled to co-decision-making power.²¹

- **Financial Intermediary Fund (FIF):** A special category of trust funds are the *Financial Intermediary Funds*, which are managed and administered independently of the World Bank, although the World Bank also acts as a trustee and, in some cases, as an implementing unit. Typically, Financial Intermediary Funds are used to finance global tasks. For example, there are FIFs in the areas of food security (*Global Agriculture and Food Security Programme*), climate protection (*Green Climate Fund*, *Adaptation Fund*, *Clean Technology Fund*, *Global Environment Facility Trust Fund*), education (*Global Partnership for Education Fund*) and health (*Global Fund to Fight AIDS, Tuberculosis and Malaria*, *Pandemic Fund*).²²

In contrast to *Trust Funds*, such *Financial Intermediary Funds* are not subject to strict design requirements on the part of the World Bank. The only requirement for a new initiative to establish a FIF is a donor commitment of at least USD 200 million and the participation of at least three donors in the initial phase.²³ In terms of governance structures, the World Bank only recommends building on the experience of other FIFs.²⁴ The role of the Bank itself in an FIF can vary. As a rule, FIF trusteeship does not include control of the use of funds. This is rather the task of other implementing organisations that receive funds from the FIF. In addition to its role as trustee, however, the bank can also be involved as a donor and/or as an implementing organisation; it can also provide secretariat services for the fund.²⁵

- **UN Multi-Partner Trust Fund:** In the UN system, *Multi-Partner Trust Funds* are often used as international financing pools for development cooperation purposes. The governance structures of these funds can vary in detail, but there are some uniform, overarching guidelines.²⁶ For example, a steering committee is supposed to define the fund’s strategic direction and make decisions on resource allocation. As a rule, it is made up of representatives of the governments, the implementing partners and the contributors. The committee is supported technically and administratively by a secretariat and by the *Multi-Partner Trust Fund Office*, which is responsible for administration of the fund (in particular, receiving contributions to be forwarded to the implementing organisations in accordance with the steering committee’s instructions).

Some *Multi-Partner Trust Funds* have additional governing bodies. For example, the *Joint SDG Fund*, which is mentioned in the *Implementation Strategy for the Global Accelerator on Jobs and Social Protection* as a possible funding instrument,²⁷ is led by a *Strategic Advisory Group*. This body acts as a high-level forum and is responsible for, among other things, the strategic direction of the Joint SDG Fund. Its 20 seats are distributed among the largest contributors to the fund (8 seats), representatives of the programme countries, covering different country types (for example, post-conflict countries, SIDS, LICs) (7 seats), the private sector (including foundations) and civil society (3 seats), and the UN development system (2 seats).²⁸

¹⁶ See: <https://www.worldbank.org/en/programs/rapid-social-response-program#1>; <https://www.worldbank.org/en/programs/sahel-adaptive-social-protection-program-trust-fund>; <https://www.bmz.de/de/themen/soziale-sicherung/beispiel-sahelregion-125122>.

¹⁷ See: <https://www.worldbank.org/en/trust-funds-and-programs/programsdescription#umbrellaprogram>.

¹⁸ World Bank (2021), Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs. A Guide for Development Partners, p. 2, <https://thedocs.worldbank.org/en/doc/448b37c5ab031f2645de278e5ef39c24-0060072021/original/DP-Guide-2021-FINAL.pdf>.

¹⁹ Ibid. p. 3.; for details of the administration of trust funds see ibid. p. 5.

²⁰ World Bank (2020), Guidance Note Governance in IBRD IDA Trust Funds, para. 8, <https://thedocs.worldbank.org/en/doc/861481591986044862-0060022020/original/GuidanceNoteGovernanceinIBRDIDATrustFunds1.pdf>.

²¹ Ibid., para. 15, 17. An exception applies to single country trust funds: here, a representative of the recipient country can be a member of the governing body.

²² See: <https://fiftrustee.worldbank.org/en/about/unit/dfi/fiftrustee/funds>.

²³ World Bank (2019), FIF Management Framework, para. 16 d, <https://fiftrustee.worldbank.org/content/dam/fif/documents/fif-framework.pdf>.

²⁴ World Bank (2019), FIF Management Framework, para. 21, <https://fiftrustee.worldbank.org/content/dam/fif/documents/fif-framework.pdf>.

²⁵ See: <https://fiftrustee.worldbank.org/en/about/unit/dfi/fiftrustee/overview#1>.

²⁶ See: <https://mptf.undp.org/page/governance-and-management>.

²⁷ See: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/genericdocument/wcms_854430.pdf, S. 10.

²⁸ See: <https://jointsdgfund.org/sites/default/files/2019-05/20181127-TORs-JF-for-2030-Agenda.pdf>, para. 4.1.1.

The implementation of the activities of Multi-Partner Trust Funds is entrusted – either fully or predominantly – to the respective participating UN agencies.²⁹ If a participating UN agency wishes to implement its fund activities through or in cooperation with a third party, it is responsible for the fulfilment of all commitments and obligations to these third parties.³⁰ ‘Third parties’ may include, for example, government entities or international financial institutions.³¹

3. WHICH OF THESE FINANCING INSTRUMENTS MOST CLOSELY MATCH THE CRITERIA LISTED IN (1) ABOVE?

- The most important differences between the financing instruments under consideration are related to the **governance structure**. While both *Financial Intermediary Funds* and *UN Multi-Partner Trust Funds* can be designed in such a way as to ensure equal participation of Global South countries in the governing bodies and the involvement of civil society in the decision-making process, this is not the case with *World Bank Trust Funds*. Here, the client countries and civil society actors can be involved in the meetings of the governing body only on an ad hoc basis, and even then only in an advisory capacity.³² Although in individual cases workaround solutions allowing more participation are possible, because of their exceptional character they do not meet the requirements arising from the basic principles of equal decision-making power of the partner countries and the inclusion of civil society.

The TORs of the *Joint SDG Fund* provide for a board composition in which the governments of the contributors and the programme countries are represented almost equally, with eight and seven seats, respectively (see Section 2 above). A clearer commitment to a ‘partnership of equals’ can be found in various *Financial Intermediary Funds*, such as the *Global Partnership for Education*,³³ the *Green Climate Fund*³⁴ or the recently established *Pandemic Fund*.³⁵

- The different options for designing governance structures also have consequences for compliance with the **ownership principle**. Adherence to this criterion is formally possible in all three financing models (WB TF, WB FIF, UN MPTF). Indeed, this principle is explicitly addressed in the rules and regulations of numerous multilateral funds. Nevertheless, it will be difficult for the partner countries to consistently realise the ownership principle in the implementation practice of a fund (or to effectively demand its realisation) if they are not represented with voting rights in the governing bodies, as in the case of the *World Bank Trust Funds*.
- The requirement of **mutual accountability** is fairly unproblematic, at least in the conception phase of the financing mechanism. All three fund models permit an institutional design in which transparency and control are sufficiently guaranteed. Similarly, under *World Bank Trust Funds*,³⁶ *Financial Intermediary Funds*³⁷ and *UN Multi-Partner Trust Funds*, it is possible to provide benefits to partner countries in the form of grants. The risk of further **indebtedness** can therefore be avoided, regardless of the instrument chosen. The same applies to the criteria of financing through **additional funds, long-term and reliable support** for partner countries, and the inclusion of particularly **vulnerable countries**. In all three models, financing instruments can be designed in such a way that these requirements can be met.
- *UN Multi-Partner Trust Funds* are designed in such a way that the main responsibility for implementation lies with the respective participating UN organisations. As a result, other actors, such as the World Bank, may find participation unattractive. The same applies, albeit vice versa, to *World Bank Trust Funds*, in which other actors (such as the ILO, UNICEF, FAO) may show little interest because they emphasise equal participation in solving global problems. One consequence of choosing one of these models would therefore be **efficiency problems** (especially because of the likely emergence of parallel structures). The best way to avoid these problems would be to design the financing instrument envisaged for the expansion of global social protection as a *Financial Intermediary Fund*.

²⁹ See: <https://mptf.undp.org/basic-page/what-pooled-fund>.

³⁰ Multi-Donor Trust Fund Standard Memorandum of Understanding, Section III 1., <https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds>.

³¹ See: <https://mptf.undp.org/page/governance-and-management>.

³² World Bank (2020), Guidance Note Governance in IBRD IDA Trust Funds, para. 17, <https://thedocs.worldbank.org/en/doc/861481591986044862-0060022020/original/GuidanceNoteGovernanceinIBRIDATrustFunds1.pdf>.

³³ See: <https://www.globalpartnership.org/content/constituency-composition-board-directors>, para. 2.2.: ‘there are 19 Board members representing Board constituencies, divided as follows: a) Six representatives from developing country partners with an endorsed education sector plan divided on a geographical basis, including at least three from Africa; b) Six representatives from donor countries contributing financial and other support to the Global Partnership for Education; ...’.

³⁴ See: <https://www.greenclimate.fund/document/governing-instrument>, section C 1.9.: ‘The Board will have 24 members, composed of an equal number of members from developing and developed country Parties.’

³⁵ See: <https://www.worldbank.org/en/programs/financial-intermediary-fund-for-pandemic-prevention-preparedness-and-re>

sponse-ppr-fif/governance-structure: ‘The Governing Board, comprising of 21 voting members, reflects an equal balance of sovereign “contributors” (donors) and sovereign “co-investors” (countries that could receive funding).’

³⁶ World Bank (2021), Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs. A Guide for Development Partners, p. 6: ‘World Bank Trust Funds provide support – typically on a grant basis – to activities that complement IBRD and/or IDA program, ...’, <https://thedocs.worldbank.org/en/doc/448b37c5ab031f2645de278e5ef39c24-0060072021/original/DP-Guide-2021-FINAL.pdf>.

³⁷ World Bank (2019), FIF Management Framework, Annex 1: Financial Intermediary Fund Portfolio Information, para. 21: ‘Most FIFs provide concessional financing on a grant in / grant out basis.’, <https://fiftrustee.worldbank.org/content/dam/fif/documents/fif-framework.pdf>.

SUMMARY

	WB Trust Fund	Financial Intermediary Fund	UN Multi-Partner Trust Fund
Ownership can be enabled	Only limited	Yes	Yes
Equal decision-making power of the partner countries	No	Yes	Yes
Civil society participation	Only limited	Yes	Yes
Mutual accountability can be enabled	Yes	Yes	Yes
Avoidance of additional indebtedness is possible	Yes	Yes	Yes
Funding based on additional resources is possible	Yes	Yes	Yes
Long-term, reliable support is possible	Yes	Yes	Yes
Inclusion of particularly vulnerable countries	Yes	Yes	Yes
Avoidance of parallel structures is possible (effectiveness)	Rather no	Yes	Rather no

CONCLUSIONS

In principle, a *Financial Intermediary Fund (FIF)* and a *UN Multi-Partner Trust Fund (UN MPTF)* are equally well suited to fulfil the criteria relevant to the design of an international financing mechanism in the field of social protection. In order to take account of the (historically well-founded) concerns of the Global South countries about the World Bank and the International Monetary Fund, an MPTF (ideally based at the ILO) would generally be preferable. However, given the real institutional balance of power, an FIF is to be recommended because the World Bank, which has been the most important financing institution in this sector so far, may not join a UN MPTF and thus inefficient parallel structures could emerge. In this respect, an FIF designed in line with the above criteria would also be a good, albeit only second-best solution. A new *World Bank Trust Fund* or an expansion of the existing *World Bank Trust Funds* in social protection, however, are not recommended, as this would not meet some of the key requirements of a financing instrument designed on a partnership basis that is also acceptable from the perspective of the Global South.

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IMPRINT

Published by:
Friedrich-Ebert-Stiftung e. V.
Godesberger Allee 149 | 53175 Bonn | Germany
Email: info@fes.de

Issuing Department:
Division for International Cooperation /
Global and European Policy

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Editing: James Patterson
Typesetting: pertext, Berlin | www.pertext.de

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ISBN 978-3-98628-300-1

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Options for the Design of an International Financing Mechanism



In recent years, interest in expanding social protection systems has grown worldwide. From a development policy perspective, the question therefore arises of whether new financing instruments are needed to provide transitional support for countries that do not have sufficient financial resources of their own to build up such systems. One of the proposals currently under discussion is that a solidarity-financed Global Fund for Social Protection could perform this task. It would represent an important adjunct to the Global Accelerator on Jobs and Social Protection for Just Transitions launched by the UN Secretary-General.



Responding appropriately to the challenges of global poverty and inequality entails that such a financing instrument meet certain criteria. These include respect for the country-ownership principle in the allocation of funds and a governance structure that, on one hand, gives the partner countries involved – both from the North and the Global South – equal decision-making power, and on the other hand involves civil society. It is also important that the needs of particularly vulnerable countries be adequately addressed, and that additional debt be avoided.



Among the financing instruments that could be considered for establishing such a Fund, both Financial Intermediary Funds and UN Multi-Partner Trust Funds are suitable in principle. The World Bank Trust Fund model, however, is not to be recommended, as it offers no guarantee of a governance structure and allocation of funds that is also acceptable from the perspective of the Global South.

Further information on the topic can be found here:
geneva.fes.de/