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Global
Call to Action
Against Poverty

People Rising to End Inequalities

Financing for development in the era of COVID-19 and beyond
Cluster 2: socio-economic response: social protection, gender, youth, health, education, and human rights

Consultation with NGOs and Civil Society organizations

11 March 2021

8:00-10:15am EST

Consultation with NGOs and Civil Society Organizations held under the auspices of the International Labour Organization in its role as the Lead on Cluster 2: Socio-economic response: social protection, gender, youth, health, education, and human rights, Financing for development in the era of COVID-19 and beyond.

Lead Organizer: NGO Committee on Financing for Development, a substantive committee of the Conference of NGOs in Consultative Relationship with the United Nations (www.ngosonffd.org)

Partner Organizer: Global Call to Action Against Poverty (GCAP)

Introduction

One year has passed since the onset of the COVID-19 pandemic and the world is still struggling to curtail the health crisis alongside a growing socio-economic crisis. The impact on the health, livelihood, and well-being of people around the world has been dramatic. Even prior to COVID-19, many countries were struggling to cope with growing debt burdens and limited fiscal space to finance the SDGs. National budgets are strained, forcing policy makers to take tough decisions on financing public health or providing stimulus to offset the social and economic pressures. Efforts such as the Debt Service Suspension Initiative helped many countries slow the downward spiral but were just small steps and did not solve the problem. Much more far-reaching efforts are needed to meet the magnitude and scale of the crisis.

Recognizing the urgency to develop a coordinated response to enable ambitious financing solutions, the Prime Ministers of Canada and Jamaica along with the UN Secretary General launched an Initiative in May 2020 on Financing for Development in the Era of COVID-19 and Beyond. Various stakeholders were invited to contribute to six open-ended discussion groups¹, which ultimately led to a comprehensive menu of policy options². The policies aim to address the current emergency and to promote a swift and sustainable recovery that will pave the way for a more inclusive, resilient development paradigm. Ministers of Finance reviewed the recommendations, which were subsequently welcomed by Heads of State and Government during the UN General Assembly in September 2020.

Ambition of Cluster 2: Socioeconomic Recovery

With the menu of policy options defined, the focus has now shifted to implementation. Six cluster areas have been established to define the policies and frameworks needed for implementation, each led by a UN entity.³ Under the ILO leadership, cluster 2 addresses the socioeconomic response to the crisis, including in the areas of social protection, gender, youth, health, education, and human rights.

Investing in socio-economic recovery must be considered in tandem with efforts to combat the health impact of the COVID-19 pandemic including the equitable roll-out of vaccines. Policy guidance is needed to restore progress towards the 2030 Agenda, build resilient, inclusive education systems and achieve a sustainable, inclusive, fairer, and greener recovery. Cluster 2 will provide guidance to support countries, workers, and employers' organizations, the private sector, and other actors to mobilize public and private investments for a human-centered socio-economic response. The focus also remains on determining the specific priorities, governance, and architecture to implement global standards underpinning the socio-economic response at global, regional, and national levels, and to align the financial system with the relevant SDGs.

Multi-stakeholder Consultations

The overarching objective of the exercise is to identify concrete, ambitious and actionable recommendations for financing a socioeconomic recovery based on the Menu of Options (or if needed beyond). A work plan has been established for Cluster 2, organized around three main themes: 1) Global Standards and Norms which aims to commit governments to align national frameworks with human labour rights; 2) Alignment of national spending, planning and implementation to promote socio-economic impact investing in areas such as decent work, SMEs, social protection, universal health coverage, gender, youth, and education; and 3) Enabling environment and private sector

¹ See in particular the report of Discussion Group 1 : External Finance and Remittances, Jobs and Inclusive Growth https://www.un.org/sites/un2.un.org/files/dg1_external_finance_and_remittances_jobs_and_inclusive_growth_background_document.pdf ² See

Menu of Options: Part 1:

https://www.un.org/sites/un2.un.org/files/financing_for_development_covid19_part_i_hosg.pdf

Part II: https://www.un.org/sites/un2.un.org/files/financing_for_development_covid19_part_ii_hosg.pdf ³ 1) Sustainability and climate action, UNDP; 2) Socioeconomic response: social protection, gender, youth, health, education and human rights, ILO; 3) Finance and technology, UNCTAD; 4) Liquidity and debt vulnerability, DESA; 5) Illicit financial flows, RECs; 6) Addressing special country needs, DESA

engagement aimed at promoting innovative finance instruments aligned with the SDGs and national priorities and developed through social dialogue.

To ensure the exercise benefits from a broad set of expertise and captures a range of considerations and priorities, a number of stakeholder consultations are planned. The consultations are expected to support FfD policy implementation and identify actions needed at both global and country levels that are aligned with the Cluster 2 ambitions. The outcome of the consultations will be compiled and incorporated into the final set of recommendations that will be presented during a High-Level UN meeting expected to take place during the General Assembly in September 2021.

Quantifying the Socioeconomic Impact of the Crisis

COVID-19 has dramatically affected the world of work. National measures to contain the pandemic have required different types of workplace closures leading to high losses in working-hours. In 2020, 8.8 percent of global working hours were lost relative to the fourth quarter of 2019, equivalent to 255 million full-time jobs. The working-hour losses are reflected in higher levels of unemployment and inactivity and have translated into substantial losses in labour income. The ILO estimates a global decline in labour income of 8.3 per cent in 2020, which amounts to US\$3.7 trillion, or 4.4 per cent of GDP.¹ The prospects for 2021 point to persistent decent work deficits.

The impact of the fiscal stimulus measures on employment has been positive but uneven. In high income countries, the announced fiscal stimulus measures equate to 10.1 per cent of total working hours, while estimated working-hour losses averaged 9.4 per cent. In low-income countries, the stimulus is equivalent to only 1.2 per cent of total working hours, while working-hour losses averaged 9 per cent. This “fiscal stimulus gap” is therefore around US\$982 billion in low-income and lower middle-income countries. Filling this gap requires greater international solidarity while improving the effectiveness of stimulus measures.

The loss of labour incomes can lead to poverty in the absence of other sources of income, such as social protection transfers. ILO research finds that the financing gap for ensuring a basic social protection package, including health, is estimated at 1.192 billion dollars, representing about 3.8 per cent of developing countries' GDP in 2020.² COVID-19 aggravated social protection needs, increasing the pre-existing financing gaps by around 30 per cent in 2020. Moreover, 60 per cent of workers globally, work in the informal economy and are thus unlikely to be protected by social protection schemes, and consequently very vulnerable to income losses and poverty. The relative poverty rate is expected to increase by almost 34 percentage points globally for informal workers, ranging from 21 percentage points in upper-middle-income countries to 56 percentage points in lower-middle-income economies. For migrants and refugees, the effects are stark. Even as they are recognized more than ever as “essential”

¹ See ILO Monitor:

https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_767028.pdf

² See ILO, 2020. Financing gaps in social protection:

Global estimates and strategies for developing countries in light of the COVID-19 crisis and beyond.

while being among the hardest hit by the pandemic, migrant workers are still being denied the pillars of decent work: fair wages, the right to social protection,

occupational safety and health, and other protections. The pandemic has exposed the weaknesses in temporary labour migration programs that treat migrant workers as disposable³.

Education is a global common good and a primary driver of progress across all 17 Sustainable Development Goals as a bedrock of just, equal, inclusive peaceful societies. As it is expected that Government spending and external financing on education will suffer in 2021 and that parents in low- and middle-income countries will struggle to maintain the considerable resources they devote to their children's education⁴, it is critical that governments protect educational financing and prioritize it as part of their pandemic response strategy.

The risks of a stalled recovery due to unsustainable financial conditions and rising debt levels and their consequences on poverty and inequality threaten to exacerbate development challenges and the risk of social unrest. The ILO has called on governments that have access to finance, to use it and not resort to premature fiscal consolidation. Given the scale of socioeconomic disruption and loss of jobs and livelihoods, investment decisions are critical to maximize impact and ensure finances address both the health and socio-economic fallout. Various strategies can be deployed to help unlock fiscal space, but experience shows that efforts are most effective when designed through national social dialogue.

The UN Secretary General in his report on the priority theme for the Commission of Social Development stated under the heading of alternative models for sustainable development "That shift in thinking with regard to economic activity is behind the growing body of research on metrics related to well-being that go beyond GDP." Para 20. The COVID 19 crisis has revealed fault lines that contribute to and give rise to increasing inequality. These inequalities are systemic in nature and require the global community to launch new paradigms towards equality and the well-being of all confronting neo-capitalism, patriarchy, and the need to develop a care economy in tandem with sustainable development. Tweaking the system will never generate the change that is required. Substantive resources need to be put at the service of health, universal social protection including floors and climate related issues. Valuing persons and the planet demand this radical action and is contrary to exploitation practices, informal work practices and profit at all costs, it demands an end to financing war and destruction towards investing in the 2030 Agenda /Blueprint for Sustainable Development.

Guiding Questions

The consultation with civil society will be organized around four topics on which concrete policy measures will be recommended (the topics will be the focus of simultaneous breakout sessions). The

³ Civil Society Action Committee, "Which Way Forward on the Implementation on the Global Compact on Migration in the Era of COVID-19, 2020

⁴ <https://blogs.worldbank.org/education/protecting-education-finance-covid-19s-triple-funding-shock>

topics and selected policy questions, each of which may be addressed through a gender, youth, and human rights lens, may help address public concerns raised by the experience of the pandemic:

Universal Social Protection

The enduring value of effective social protection systems was underlined by the urgent need to transfer emergency funds to most people in each country as the economic and health impact of the

pandemic was increasingly realized. Most countries discovered weaknesses in their social protection systems, including identifying unprotected populations, limited mechanisms by which many people would receive cash transfers quickly and efficiently, and limited bureaucratic capacity to scale up systems.

- Which measures should governments take to tackle the immediate pandemic while also investing in the resilience of their health and social protection systems? Could you share good practice examples that other countries might wish to emulate?
- How should governments finance investments in social protection floors to ensure people are protected against income insecurity and poverty now and in the future? Should there be a focus on special groups (e.g., children, informal sector workers)? Could you share good practice examples?
- Government's obligation to establish social protection flows directly from the right to social security, which is articulated in Article 25 of UDHR and in Article 9 of the ICESCR. COVID-19 is rolling back years of progress made on human rights. How should governments ensure that their socio-economic responses are human rights based?
- What measures can governments implement to ensure relief funds reach whom it is intended for and ensure transparency, oversight, and accountability in the disbursement of funds?
- What measures can the world community take to implement the international portability of social security rights, allowing migrants and refugees to preserve, maintain, and transfer acquired social security rights independent of nationality and country of residence.

Universal access to Education, Skills and Lifelong Learning

National educational systems were challenged by the pandemic as many were shut down out of concern not to spread the virus. Many countries were thus reminded of how their education systems provide additional essential services besides education, including meals and health services to children, all of which were curtailed when schools closed. A clear lesson is that national education systems need to be more robust, as well as provide comprehensive education and related services to all children of relevant age. The question of the content of educational systems has also been highlighted, as we are increasingly concerned that our schools and other means of training and education are not adequately serving their purpose.

- As the crisis is exacerbating pre-existing educational disparities for vulnerable groups and “as some 23.8 million additional children and youth (from pre-primary to tertiary) may drop out or not have access to school next year due to the pandemic’s economic impact alone⁵”, how should governments finance education with a particular view to ensure education systems are flexible, equitable and inclusive and ensure children and youth can overcome the digital divide? Could you share good practice examples?
- In the face of significant skill mismatches and as a large number of employers report hiring problems due to skill shortages⁶, what measures should governments take to meet the changing skill needs of the labour market and ensure adequate funding to sustain the efforts?
- Women are a disproportionate part of the health workforce and of the informal sector. To meet the rising demand for more workers in both fields, what measures should governments take to target investments and ensure the necessary skills training and tuition support are provided to meet the needs?

Decent and well remunerated work

The economic consequences of the pandemic have been devastating, not only as the virus interrupted the ability of economies to continue normal production but also as the economic consequences in other countries interrupted markets for exports and the ability to transport goods internationally. Rich countries tempered the economic effects through emergency support to unemployed workers to a far greater extent than lower income countries facing limited access to sources of credit. These countries need greater capacity to mobilize funds at home and abroad for government support in emergencies. If countries are to actually “build back better,” governments will need to pay greater attention to the employment consequences of development strategies.

- How can macroeconomic policies be geared to provide strategic priority to the creation of decent jobs, as envisioned in SDG8, especially in the areas where social demands are growing and the potential of job creation is strong (e.g., health and care sectors, digital, green economy)?
- Which dimensions should be addressed specifically by the socio-economic response plans by redirecting finance: labour market demand, labour market supply, green transition, labour institutions? Could you share good practice examples?
- Can you share examples of social dialogue contributing to well-financed socio-economic recovery plans?

Capable states sustainably financed

Another lesson of the pandemic is that in many countries, states assumed they were less needed to provide essential social services, invest in public goods, and adequately regulate private business activity. Increasingly, governments are acknowledging that “market fundamentalism” was a recipe for disaster.

⁵ https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2020/08/sg_policy_brief_covid-19_and_education_august_2020.pdf page 2

⁶ https://go.manpowergroup.com/hubfs/MPG_WhatWorkersWant_2020.pdf?hsLang=en

There is a rethinking of the role of the state, how much its responsibilities should be devolved to for-profit providers, and how important it is to finance the state through adequate, effective, and fair tax systems. People who trust their government to deliver the services it promises are also people who more willingly pay their taxes. Some people will always succumb to the temptation of corruption, but public integrity is a powerful antidote, as is public access to information about government and public input to government decisions.

- How can social partners contribute to the design, financing, and implementation of socioeconomic recovery plans? How can they contribute to building social protection systems that can act as automatic stabilizers in the event of future crises (climate-related, pandemic, or economic)?
- Which social services are currently most acutely underfunded whose absence negatively impacts youth? How might governments better learn and respond to the needs of youth?
- [Integrated national financing frameworks](#) (INFFs) are a tool to translate sustainable development strategies into finance for national priorities, operationalizing the Addis Ababa Action Agenda at country level. To what extent have you been involved in discussions on designing INFFs? If your government were to develop an INFF, how might your voice be heard?
- Free speech and accurate reporting are crucial for taking timely and targeted steps to address the challenges ahead. In the face of rising human rights violations and global crackdown⁷ on human rights defenders and journalists, what concrete and urgent measures should Member States and UN bodies take to protect their rights and respond to state violations of human rights with accountability and transparency?
- What role does the private sector play in the public sphere? What role should voluntary guidelines like the global compact play in the absence of government regulation? What are the most effective and appropriate ways for private financing to complement public financing?

⁷ <https://www.theguardian.com/global-development/2021/feb/22/human-rights-in-the-time-of-covid-a-pandemic-of-abuses-says-un-head>

Tentative Program

Date: March 11, Time: 8am -10:15am EST

Location: By Zoom

7:45 - 8:00 am	Arrival of participants
8:00 -8:05 am	Welcome remarks, Ms. Anita Thomas, Chair, NGO Committee on Financing for Development
8:05 - 8:20 am	Overview of Financing for the Development in the Era of COVID-19 and Beyond Initiative (FFDI) and next steps: <ul style="list-style-type: none">• Mr. Alberto Padova, Chief, Strategic Engagement and Policy Integration Branch, UN FSDO Overview of cluster 2 expectations and ensuring the menu of options are implementation ready. <ul style="list-style-type: none">• Ms. Beate Andrees, Special Representative and Director, ILO Office for the United Nations
8:20– 8:45 am	Interactive thematic panel discussion <ul style="list-style-type: none">• Mr. Vernor Muñoz, Head of Policy, Advocacy & Campaigns, Global Campaign for Education• Dr. Roopa Dhatt, Executive Director and Founder, Women in Global Health• Ms. Ana Zeballos, Global Coordinator, Global Coalition for Social Protection Floors• Mr. David Boys, David Boys, Deputy General Secretary, Public Services International Moderator: Mr. Paul Divakar Namala, Co-Chair, Global Call to Action Against Poverty (GCAP)

8:45 -9:45 am	<p>Breakout sessions</p> <p>Session 1: Universal Social Protection</p> <ul style="list-style-type: none"> • Facilitators: Sr. Winifred Doherty, Congregation of Our Lady of Charity of the Good Shepherd & Ms. Leslie Wright, Zonta • Resource Person: Ms. Shahra Razavi, Director, ILO Social Protection Department <p>Session 2: Decent and well remunerated work</p> <ul style="list-style-type: none"> • Facilitators: Mr. Daniel Perrel, Baha'i International Community • Resource Person: Mr. Sangheon Lee, Director, ILO Employment Policy Department • Resource Person: Mr. Jim Campbell, Director, Health Workforce, WHO <p>Session 3: Universal access to Education, Skills and Lifelong Learning</p> <ul style="list-style-type: none"> • Facilitators: Sr. Teresa Kotturan, Sisters of Charity Federation & Mr. Joseph Klock, New Humanity, Focolare Movement • Resource Person: Mr. Paul Comyn, Senior Skills and Employability Specialist Employment Policy Department, ILO • Resource Person: Mr. Herve Huot-Marchand, Chief of Section of Youth, Literacy and Skills Development, UNESCO
	<p>Session 4: Capable states sustainably financed.</p> <ul style="list-style-type: none"> • Facilitators: Ms. Gemma Adaba, Social Justice in Global Development & Ms. Rosa Lizarde, Feminist Taskforce • Resource Person: Ms. Resina Katafono, Economic Affairs Officer, Financing for Sustainable Development Office.
9:45- 10:00am	Regroup and key recommendations
10:00-10:15 am	Closing Remarks: ILO; Wrap- up and next steps.

ILO Focal Point: Amber Barth, Senior Program Officer, ILO Office for the United Nations

Event Moderator: Anita Thomas, Chair, NGO Committee on Financing for Development & Representative to the UN, Virginia Gildersleeve International Fund (DBA Women First International Fund)

Zoom Moderator: Gillian D’Souza – Nazareth, Red Dot Foundation

Event Planning Group:

Group lead: Anita Thomas (NGO Committee on FfD & Virginia Gildersleeve International Fund (DBA Women First International Fund)).

Members: Barry Herman (Social justice in Global Development), Sr. Winifred Doherty (The Congregation of Our Lady of Charity of the Good Shepherd), Ingo Ritz (Global Call to Action Against Poverty (GCAP), Gillian D’Souza (Red Dot Foundation), Christopher Hanway (Jacob A. Riis Neighborhood Settlement, and NGO Committee on Migration), and Thomas Pallithanam (Salesian Missions Inc.)