ILO Inputs for the Elements Paper on Financing for Development

08 October 2024

[I. A global financing framework (including cross-cutting issues) 2](#_Toc178777164)

[II. Action areas 2](#_Toc178777165)

[a. Domestic public resources 2](#_Toc178777166)

[b. Domestic and international private business and finance 3](#_Toc178777167)

[c. International development cooperation 4](#_Toc178777168)

[d. International trade as an engine for development 4](#_Toc178777169)

[e. Debt and debt sustainability 5](#_Toc178777170)

[f. Addressing systemic issues 5](#_Toc178777171)

[g. Science, technology, innovation and capacity building 8](#_Toc178777172)

[III. Emerging issues 8](#_Toc178777173)

[IV. Data, monitoring and follow up 9](#_Toc178777174)

[V. Overarching reflections 9](#_Toc178777175)

1. A global financing framework (including cross-cutting issues)

The International Labour Organization (ILO) recognizes that eradicating poverty and reducing inequality are foundations for sustainable development. As affirmed in the Declaration of Philadelphia, the ILO upholds that “poverty anywhere constitutes a danger to prosperity everywhere,” and lasting peace can only be built on the foundation of social justice. The ILO is fully committed to addressing the cross-cutting challenges of financing sustainable development, particularly the need for inclusive and equitable growth, decent work for all, and the promotion of universal social protection. Key to this mission is the ILO’s Decent Work Agenda, which prioritizes the creation of decent jobs, the promotion of workers’ rights, and strengthening universal social protection systems. The decent work agenda also aims to empower women, youth, children and vulnerable groups—including, persons with disabilities, migrants and vulnerable workers in informal economy —and work toward a future where no one is left behind.

In this context, the ILO stresses the urgency of scaling up investments in decent jobs, social protection, training and education, and healthcare, and calls for international cooperation to address systemic challenges, such as inequality, climate change, and digital transformation. The ILO supports the need for a just transition to sustainable economies that ensure decent work for all, especially in the context of emerging global risks. In collaboration with governments and social partners, the ILO will continue to promote equitable and sustainable economic policies that are responsive to evolving global challenges, including climate change and technological transformation. This human-centered approach will help build societies that are more resilient, just, and inclusive.

1. Action areas
2. Domestic public resources

Generating domestic public resources is fundamental to achieving the Sustainable Development Goals (SDGs) and building inclusive economies. For developing countries, sound economic, social, and environmental policies must create an enabling environment for securing the necessary fiscal space and a sustainable mobilization of domestic public resources. As highlighted in the Financing for Development Forum 2024, investments in social protection, job creation, and economic resilience depend on developing countries’ ability to raise sufficient domestic resources through progressive tax systems, efficient tax collection, social security contributions and modernized revenue administrations. Investments in social protection should be prioritized as they generate considerable benefits in terms of poverty and inequality reduction,[[1]](#endnote-2) as well as GDP growth through its multiplier effects.[[2]](#endnote-3) This is in line with the Social Protection Floors Recommendation, 2012 (No. 202), which calls for at least basic income security and access to essential healthcare for everyone as a key step to realize the human right to social security as enshrined in the Universal Declaration of Human Rights (1948). However, ILO estimates show that only 52.4 per cent of the global population had access to at least one social protection benefit (effective coverage), leaving 3.8 billion people 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]](#endnote-4)

To ensure at least a social protection floor, low- and middle-income countries require an additional 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$ 552 billion for five social protection cash benefits.[[4]](#endnote-5) 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. These estimations show that to deliver on the agreed goals of universal social protection (USP) under SDG target 1.3 and universal health coverage (UHC) under target 3.8, there is a need to broad the tax base with progressive taxation and social security contribution levels from employers and workers, which in turn also supports the formalization of enterprises and employment.

In most countries, social security contributions are proportional to earnings and, thus, provide the necessary income-smoothing mechanisms. However, certain workers do not have sufficient contributory capacity and therefore need to rely on non-contributory (usually tax-financed) social protection benefits and/or contribution subsidies. For this reason, it is of paramount importance to complement social security contributions with progressive taxation, including progressive taxes on income and profits, as well as wealth taxes, rather than over-reliance on largely regressive consumption taxes. Such sources of government finance are usually managed by ministries of finance, therefore it is crucial to facilitate their engagement with ministries of labour, as well as with workers and employers’ organizations, in order to enhance policy coherence in the formulation of financing strategies for social protection.

In the context of the climate crisis, reallocating some public expenditures, such as fossil fuel subsidies, is of utmost importance to both mitigate a warming planet and expand domestic financing of social protection.[[5]](#endnote-6) Such reforms can support increasing expenditure for non-contributory social protection benefits, eliminating or reducing user fees for health care services or subsidizing the extension of social insurance coverage for those with low contributory capacity, thereby facilitating transitions of enterprises and workers from the informal to the formal economy. Furthermore, at the domestic level, eliminating illicit financial flows, including money laundering, tax evasion, trade mispricing, and other financial crimes, is essential to generate additional fiscal space for social protection and health systems.

It must be noted that domestic resource mobilization is the main avenue for financing social protection, considering that building both health and social protection systems implies long term commitments. Priority should be given to building social protection floors that can guarantee at least a basic level of protection. The FfD4 process should consider establishing a quantitative target on increasing social protection coverage, which is preferable to one on expenditure, as not all expenditure on social protection leads to an increase in social protection coverage. In countries where social protection is not yet universal, Member States should commit to raising social protection spending to increase effective coverage (SDG indicator 1.3.1) by 2 percentage points annually. This level of ambition is close to the annual increase in social protection coverage observed in upper-middle-income countries between 2015 and 2023 (1.8 pp/year).[[6]](#endnote-7)

1. Domestic and international private business and finance

The private sector is essential for financing the Sustainable Development Goals (SDGs). Governments and regulatory bodies play a key role in creating an enabling environment for responsible business conduct aligned with national sustainable development priorities and for directing private finance toward productive, sustainable investments that foster decent work and build economic and social resilience. For this purpose, policies promoting fair competition, transparency, and long-term investments in strategic sectors that create decent jobs and enhance coverage and adequacy of social protection are crucial.

Governments should develop due diligence, disclosure and reporting frameworks for both private business and finance that explicitly address the social aspects of sustainable development as well as sustainable finance policies that guide the financial sector. When developing such policies and frameworks, governments should consider proportionality of the full range of sustainability-related requirements, i.e. social, environmental, and economic, for different contexts as well as interoperability with other (international) frameworks. A Taskforce on Inequality and Social-related Financial Disclosures (TISFD) was recently created to fill a related crucial void.

Foreign Direct Investment (FDI) plays a critical role in structural transformation, a process that reallocates resources from low-productivity sectors to higher-productivity ones, thereby driving economic growth and the creation of decent jobs. To maximize decent job creation, investment incentives should be conditional on the quantity and quality of jobs created. However, FDI alone is not sufficient an inclusive transformation. Governments must ensure that investments contribute to inclusive development and avoid exacerbating inequalities. To achieve this, macroeconomic and industrial policies must be aligned with employment goals, ensuring that the private sector contributes to formalizing the economy and generating higher-quality jobs, particularly in developing countries where informality and low productivity remain challenges.

Just transitions are the means for achieving structural transformations that are truly inclusive and environmentally sustainable. Investments should have both positive environmental and social outcomes, particularly ensuring that workers and vulnerable populations are protected and empowered. A just transition requires private capital to be aligned with climate action and social justice, with mechanisms in place to ensure that benefits are shared equitably.

In line with their development mandate, public development banks can lead the efforts to finance sustainable development. Governments can review the current policies guiding the operations of national and international development banks and increase the importance of social aspects in decision-making, driving change in national financial sectors and thus amplifying their impact through their influence on private finance.

Governments can encourage and facilitate a wider use of instruments that channel both private money from the global financial markets and public resources towards projects contributing to decent work. Blended finance approaches can serve to reduce perceived risks for private sector investors and attract capital, while use-of-proceeds and sustainability-linked instruments can support financing towards projects and activities that align with sustainability objectives including on maximizing decent work outcomes.

Lastly,governments can facilitate capacity building on financing for sustainable development of key stakeholders in the financial system, including Ministries of Finance, Central Banks, other financial sector supervisors and regulators as well as financial institutions and their networks. For this, they can lean on international cooperation, International Organizations, industry platforms, academia and other stakeholders. This is especially relevant in the context of the increasing need to consider social aspects of the transition to a low carbon economy and other emerging social topics.

1. International development cooperation

International development cooperation remains crucial for achieving the Sustainable Development Goals (SDGs) through shared responsibility and collaboration. In particular, for African countries, international solidarity is crucial to support their efforts in ensuring universal social protection, given their significant financing gap 17.6.[[7]](#endnote-8) In many of these countries, Official Development Assistance (ODA) should kick-start and support efforts to strengthen the delivery of social protection and healthcare benefits, which in turn contributes to enhanced productivity and inclusive growth, thereby broadening the tax base and expanding government revenues.

It is known that jobs gaps are exceedingly high in developing countries under financial stress, debts.[[8]](#endnote-9) North-South cooperation, through financial aid and technical support from developed countries, continues to be a cornerstone of development efforts, but there is a growing recognition of the increasing impact of South-South cooperation, where countries in the Global South share knowledge, experiences, technologies, and resources to address common challenges, which should complement the traditional North-South cooperation. In this regard, it is essential that all countries scale up and fulfil their respective official development assistance commitments, including the commitment by many developed countries to achieve the targets of 0.7 per cent of gross national income for official development assistance to developing countries and 0.15 to 0.20 per cent to the least developed countries.

Current levels of assistance remain insufficient to meet the ambitious targets of the 2030 Agenda, particularly in the least developed countries (LDCs). ODA must be seen not only as a financial contribution but as a comprehensive tool to support institutional capacity-building and technology transfer, helping countries achieve sustainable development goals. Furthermore, by aligning ODA with national priorities of recipient countries and empowering local governance, development cooperation can ensure that external assistance fosters development that is tailored to each country’s specific conditions, effectively addressing each country’s unique challenges and opportunities.

Multilateral Development Banks (MDBs) play a central role in financing international development cooperation, but their current models need reform to meet today’s complex challenges. MDBs possess significant untapped capital that can be deployed more efficiently to mobilize both public and private investments for sustainable development. By updating their mandates and expanding their focus on social justice and climate resilience, MDBs can better align their activities with the Sustainable Development Goals (SDGs). Reforms should prioritize using innovative financing tools, such as blended finance and risk-sharing mechanisms, to attract private capital into high-impact projects, particularly in developing countries.

Moreover, MDBs need to strengthen their coordination with national governments to ensure that development assistance aligns with domestic priorities, henceforth the enhancement of project relevance, sustainability, ownership and effectiveness. By improving governance models and enhancing cooperation with governments, MDBs can play a pivotal role in directing international financial flows toward projects that reduce inequality and build long-term resilience. These efforts would ensure that MDBs contribute more effectively to a truly global partnership for development, enhancing the impact of international cooperation on the ground.

1. International trade as an engine for development

International trade can be a driver of sustainable development and decent job creation, but to reach its full potential, it must be grounded in a framework that promotes fairness, inclusivity, and transparency. A universal, rules-based, non-discriminatory, open, and equitable multilateral trading system is essential for ensuring that the benefits of trade are broadly shared between countries and within countries. Such a system enables countries to participate in global trade on fair terms, which is critical for advancing the Sustainable Development Goals (SDGs).

Member states should align trade with international labor standards, while reaffirming their existing commitments under the relevant environmental, trade and social multilateral agreements to which they are parties, including the Marrakesh Agreement establishing the World Trade Organization, the Rio Declaration on Environment and Development, the 2030 Agenda for Sustainable Development and its Sustainable Development Goals and the Declaration on Fundamental Principles and Rights at Work. Incorporating labor standards into trade agreements ensures that economic growth is accompanied by the creation of decent jobs and improved working conditions. Upholding core standards including the Fundamental Principles and Rights at Work —such as freedom of association, collective bargaining, and workplace safety and health—helps prevent a race to the bottom in labor rights, ensuring that trade benefits workers as well as businesses.

Skills development is also essential to ensuring that workers and businesses can take advantage of the opportunities presented by global trade. Governments must invest in education, vocational training, and technology adaptation to help workers meet changing labor market demands. Furthermore, supporting small and medium-sized enterprises (SMEs), which often face barriers to participate in global markets, is crucial for expanding access to decent work opportunities.

At the same time, social protection systems need to be strengthened to mitigate the potential negative impacts of trade liberalization on vulnerable populations. Workers displaced by shifts in trade pattern and structure must be supported through social protection, such as unemployment benefits and retraining programs, to ensure that trade-induced economic transitions do not lead to greater inequality.

Finally multilateral cooperation is also vital to ensuring that trade serves as an engine for sustainable development. International organizations, governments, and international trade bodies should align efforts to balance economic, social, and environmental objectives. Multilateral platforms should support knowledge sharing and capacity building for developing countries, helping them diversify economies, strengthen industries, and integrate into global supply chains in ways that create decent jobs and foster sustainability. Cooperation should also ensure that trade policies align with global environmental commitments, supporting a just transition to greener economies.

1. Debt and debt sustainability

Debt relief has been moving at a very slow pace for the dozens of heavily indebted poor countries that have been spending more on debt service than vital domestic social needs; only two countries have benefited thus far from the initiative established for this purpose during the Covid crisis, the [Common Framework for Debt Treatments](https://clubdeparis.org/en/communications/page/common-framework). Tackling debt distress is critical for ensuring that developing countries can meet their economic and social goals, particularly in light of the rising costs of debt servicing, which are squeezing fiscal space and limiting the capacity of nations to invest in essential services like social protection, education and training, and healthcare. Debt challenges must be addressed through concerted international cooperation and improved multilateral debt mechanisms.

Although government borrowing is not a sustainable solution for closing the financing gap for universal social protection, the effective management of sovereign debt can unlock additional resources to allocate to social protection and health spending. In 2022, 3.3 billion people lived in 48 countries where interest payment on debt was greater than investment in education and/or healthcare.[[9]](#endnote-10) Member states should explore solutions to reduce borrowing costs and improve access to more sustainable financing options. In particular, there is an urgent need for multilateral mechanisms that ensure private creditors actively participate in debt restructuring efforts alongside public lenders, sharing the financial burden equitably. The international community must support the reform of these mechanisms to align debt management with the long-term development needs of heavily indebted countries. This will enable these nations to restore fiscal health while prioritizing investments that promote decent work and social justice.

It is essential that all stakeholders, particularly private creditors, are held accountable in these debt treatments, ensuring that restructuring efforts contribute to sustainable development outcomes. Further, wealthier countries should continue to support initiatives that alleviate the pressure on highly indebted nations, enabling them to achieve their development objectives without sacrificing progress on the Sustainable Development Goals (SDGs).

1. Addressing systemic issues

The primary systemic issue in respect of financing for development is the large gap in resources necessary to drive the major increase in action on sustainable development and climate change implied by the SDGs and Paris agreement. This relates to all of the topics addressed above. The primary missed opportunity in this regard is the ongoing underutilization of the resources and authorities already invested by the international community in the international financial institutions. The MDBs and IMF have unexploited potential to mobilize a step change in the resources available to developing countries. While they recently have taken significant steps to harness their resources and authorities more effectively for this purpose, for which their leadership and board shareholders deserve credit, much more reform along these lines is both needed and feasible. [[10]](#endnote-11)

Indeed, far more is possible through the deeper reform of the international financial architecture that leaders called for in the recent UN Pact for the Future. Member states should commit to implementing such reform to help deliver a systemic shift towards a more socially and economically just, inclusive, peaceful, resilient and sustainable world for people and planet, for present and future generations, taking into account current and ongoing initiatives.

For example, the following three sets of reforms would make possible a tripling of ODA-related external flows for the benefit of over 110 low and middle income countries during the next seven years.[[11]](#endnote-12) This $2 trillion increase in international development and climate finance would enable the substantial increase in investment that the IMF has [estimated](https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2019/01/18/Fiscal-Policy-and-Development-Human-Social-and-Physical-Investments-for-the-SDGs-46444) will be required of most developing countries to be on track to achieve the Paris Agreement and the SDGs. It would also fund the replacement and avoidance of about half of the world’s coal-fired power generating capacity over the next ten to fifteen years—the largest single near term step humanity needs to take in order to stay within the Paris agreement’s well-below-2 degree (let alone its 1.5 degree) target. In addition, it would underwrite a *doubling* of global research and development in clean energy and climate-resilient land use, recognizing that technological innovation is probably humanity’s single greatest long-term hope in this regard. Finally, it would finance a fundamental enhancement of the Common Framework to deliver developing country debt relief similar to the last major successful international initiative in this regard, the Enhanced Heavily-Indebted Poor Country (HIPC) initiative of the early 2000s, while providing a major infusion of international support for the construction of [social protection floors](https://www.social-protection.org/gimi/Flagship.action) in poor countries in view of the indispensable role these play in eradicating extreme poverty, which is literally and figuratively SDG #1. The following three reforms could also ensure that low-and middle-income countries have access to international emergency financing in the face of macroeconomic shocks and crises to enable them to regularly invest in universal social protection and universal health coverage in a climate-volatile world, rather than succumb to repeated rounds of austerity.

Specifically:

* First, developed countries and China would donate 60 per cent of their share of the 2021 SDR issuance (about US$265 billion) to financing the climate mitigation and adaptation needs of these poor countries. This is a level not much beyond the “at least 50 per cent” goal agreed in the Pact for the Future.
* Second, MDBs would exploit roughly two-thirds of their [estimated](https://www.bancaditalia.it/pubblicazioni/qef/2019-0488/index.html?com.dotmarketing.htmlpage.language=1&dotcache=refresh) US$750 billion in unutilized capital headroom, of which 40 per cent would be devoted to increased lending and concessional assistance directly (US$200 billion) and the remaining 60 per cent (US$300 billion) would be used to catalyse private investment in SDG-related sustainable infrastructure and industry through co-financing, partial guarantees and portfolio recycling (selling mature or “brownfield” assets), leveraging US$3 to $4 of private capital for every US$1 in MDB capital. This last item would require an important shift in the MDBs’ “business model” from essentially direct lender to equal parts lender and risk-mitigating facilitator of the much larger pools of private capital, both domestic and international, yet to be engaged at scale despite years of discussion about blended finance.
* Third, the IMF would adjust its operating model for the recent SDR issuance so that the Resilience and Sustainability Trust (RST) serves as a funding window rather than direct issuer of loans for climate mitigation and adaptation projects. Project and sectoral lending is the comparative advantage of development finance rather than monetary institutions, and the MDBs are already “accredited facilities” or authorized partners of the RST. The Fund should also waive the restrictive conditions currently applied to these loans, both the standard Fund policy conditionality (these loans are not being made for the purpose of balance of payments adjustment) and the expectation that donating countries retain a “reserve asset” claim on the resources (these are long-term project loans and not monetary swaps meant to provide temporary liquidity in a currency crisis).

On this last point, sooner rather than later the international community should recognize that that the IMF’s SDR issuance authority is the most financially and politically feasible tool available for galvanizing the large and rapid strategic interventions on climate change which scientists advise must take place within the next decade to avert the [devastating impacts](https://www.nature.com/articles/s41586-024-07219-0) to the biosphere and economies and societies they forecast during the adulthood of our children and grandchildren (e.g., replacement and avoidance of coal-fired power and methane emissions around the world). Adjusting the IMF’s authority in the manner suggested above would have the effect of applying the same necessity-is-the-mother-of-invention flexibility at the international level that domestic monetary authorities employed at home during the Great Financial and COVID-19 crises through quantitative easing and other extraordinary measures. The only substantive, as opposed to procedural, reason not to do so would be if this additional global liquidity were inflationary. But there is little to no chance of periodic issuances of, for example, $500 billion worth of SDRs every five years for the next two decades having any material effect on inflation in a world economy whose estimated broad money supply and outstanding stock of debt exceed US$80 trillion and US$300 trillion, respectively.

In sum, these three reforms would genuinely generate the scale of resources necessary to “turbocharge” global climate action and sustainable development as called for by leaders in the Pact for the Future, and this is possible purely through better deployment of the International Financial Institutions (IFIs). If government representatives of developed and developing country governments on the boards of these institutions were to rally around these changes, the combined effect would be to triple ODA-related external flows to all low- and most middle-income countries for the next seven years. This would amount to an increase in international financial assistance each year equivalent to about 4% of GDP per year for the 82 economies classified by the World Bank as low income or lower-middle income, or more than 3% of GDP per year for an expanded group of 110 economies having a GDP per capita below US$7,500. This estimate does not include the substantial additional domestic resources that developing countries would have an incentive to mobilize in response, which could yield a further US$1 trillion or more.

Such a large increase in financing for development represents the difference between continued incremental and truly transformational progress on the poverty and inequality challenges as well as environmental and health risks that humanity faces. It matches the additional external financing requirements for emerging and developing economies other than China that were estimated in four key areas by an international team under the guidance of Lord Nicholas Stern.[[12]](#endnote-13)

Thus, the key systemic risk that humanity faces in respect of financing for development is not an inherent lack of resources. It is an ongoing failure to fully utilize the tools of international cooperation already at its disposal. To be certain, strong collective leadership within the boards of these institutions will be necessary to bring about these changes. This could be a useful focus of the UN financing-for-development initiative at its 2025 Summit: i.e., leveraging the high-level political character of the meeting to build the coalition of developed and developing countries necessary to effect such changes within these boards, building on the options and recommendations with respect to MDBs of two independent expert groups organized as part of the Italian and Indian G20 presidencies in 2019 and 2023, respectively.[[13]](#endnote-14)

1. Science, technology, innovation and capacity building

Science, technology, and innovation are pivotal drivers of sustainable development and the creation of decent jobs, but their benefits must be equitably shared to promote inclusive growth. Technological advancements, particularly in the digital economy, offer significant potential for improving productivity and creating decent jobs, but they can also exacerbate inequality if access to technology, skills, and infrastructure is uneven.

To fully harness the potential of technology for sustainable development, it is essential to invest in digital infrastructure and ensure that technology becomes accessible and affordable, especially in developing countries. This requires investments in skills development and lifelong learning systems, ensuring that workers are prepared for the rapidly evolving technological landscape. Such efforts will allow workers to transition and adapt to new jobs and industries, fostering economic resilience and reducing inequality.

While technology can improve job quality by reducing hazardous work and increasing productivity, it also presents new challenges for labor protection. The use of digital technology and artificial intelligence in the workplace requires greater transparency and oversight to ensure that workers’ rights, including privacy and protections from biased algorithms, are safeguarded. Investments in regulatory frameworks and digital oversight mechanisms are necessary to ensure that technology is deployed responsibly and that labor standards are upheld. International cooperation is key to establishing these frameworks and ensuring that technological innovations promote decent work.

Moreover, fostering inclusive innovation ecosystems that are open and equitable is essential for maximizing the societal benefits of technological progress. Governments and businesses must increase investment in innovation that empowers workers and stimulates economic growth at same time. International organizations can play a key role in guiding these investments and ensuring that they align with development goals. By prioritizing responsible innovation, investments in technology can drive more equitable and resilient economies that leaves no one behind.

1. Emerging issues

The international financial architecture, including its business models and financing capacities, must be made more fit-for-purpose, equitable and responsive to the financing needs of developing countries, to broaden and strengthen the voice and participation of developing countries in international economic decision-making, norm-setting and global economic governance.

Developed countries, which hold the majority of votes in IFIs and have the world’s largest capital markets, bear certain historical responsibilities with respect to global inequality[[14]](#endnote-15) and climate change.[[15]](#endnote-16) Recent crises and global warming are further entrenching inequalities and perceptions of injustice around the world. Many shareholder governments and the leadership of MDBs are committed to modernizing these organizations to enable them to serve the international community much more effectively in this unprecedented moment of need. Reforms are needed in the interests of the long-term cohesion of the international system as well as of countries’ own national security, in the spirit of the ILO’s 1919 Constitution words: “If you desire peace, cultivate justice.”

1. Data, monitoring and follow up

Strengthening data production systems and enhancing monitoring capacities are essential to track progress toward the Sustainable Development Goals (SDGs) effectively. National statistical systems face challenges in producing reliable, consistent, and comparable data, particularly given the broad scope of indicators under Agenda 2030. Many developing countries lack the necessary infrastructure and resources to ensure data availability and effective use, which limits their ability to monitor development comprehensively.

To overcome these challenges, capacity-building and technical assistance must be prioritized. Providing targeted support to countries, particularly low- and middle-income nations, is crucial for improving data collection processes and enhancing statistical capacities. International cooperation, including partnerships among global institutions and development actors, is vital to help countries build sustainable data systems that align with global standards.

We must also continue to strengthen efforts to collect, analyze, and disseminate relevant and reliable data, disaggregated by sex, age, disability, and other characteristics relevant to national contexts. Disaggregated data is critical for addressing inequalities and ensuring that no one is left behind when policies are formulated. Furthermore, expanding data collection in these areas will provide deeper insights into how policies impact different population groups, allowing for more targeted interventions.

Additionally, South-South and Triangular Cooperation offers valuable avenues for sharing best practices and technical expertise. Through peer-to-peer learning and knowledge exchange, countries can improve their data systems and adapt innovative solutions that meet their specific needs.

1. Overarching reflections

A global resource mobilization partnership would greatly accelerate implementation of the objectives set out in the Paris climate agreement, 2030 Agenda (SDGs), ILO Centenary Declaration for the Future of Work and Global call to action by greatly increasing investment in the people of low- and middle-income developing countries—in their health, decent work, labour productivity and economic opportunity, as well as in their social and environmental security.

The multilateral system already has the means at its disposal to become a truly transformational force for the reversal of global disease, inequality and greenhouse gas emissions, strengthening social cohesion and political stability along the way. The United Nations has called for a “decade of action”[[16]](#endnote-17) on the SDGs and the Secretary General has presented a supporting “SDG Stimulus” proposal;[[17]](#endnote-18) this agenda would go a long way towards bringing about the more networked and effective form of multilateralism required to make such action and financing a reality.[[18]](#endnote-19) The resulting sustained increase in median household income, decent work, labour productivity and consumer confidence would raise aggregate demand and economic growth within developing economies and far beyond, creating a virtuous circle of more rapid and resilient *global* growth and development.

1. Razavi S., Cattaneo U., Schwarzer H. and Visentin A., 2024 forthcoming. “Combatting Inequalities: What Role for Universal Social Protection?” [↑](#endnote-ref-2)
2. Cardoso, Dante, Laura Carvalho, Gilberto Tadeu Lima, Luiza Nassif-Pires, Fernando Rugitsky, and Marina Sanches. 2023. ‘[The Multiplier Effects of Government Expenditures on Social Protection: A Multi-Country Analysis](https://socialprotection-pfm.org/wp-content/uploads/2023/11/wp18_multiplier-multi-country.pdf)’. Department of Economics - FEA/USP, Working Paper Series. [↑](#endnote-ref-3)
3. ILO 2024, ‘[World Social Protection Report 2024-26: Universal Social Protection for Climate Action and a Just Transition’](https://www.ilo.org/media/593496/download), 2024. [↑](#endnote-ref-4)
4. 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](https://www.ilo.org/publications/financing-gap-universal-social-protection-global-regional-and-national), ILO Working Paper 113 (Geneva, ILO). [↑](#endnote-ref-5)
5. ILO, ‘[World Social Protection Report 2024-26: Universal Social Protection for Climate Action and a Just Transition’](https://www.ilo.org/media/593496/download), 2024. [↑](#endnote-ref-6)
6. ILO, 2024, ‘[World Social Protection Report 2024-26: Universal Social Protection for Climate Action and a Just Transition’](https://www.ilo.org/media/593496/download). [↑](#endnote-ref-7)
7. 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](https://www.ilo.org/publications/financing-gap-universal-social-protection-global-regional-and-national), ILO Working Paper 113 (Geneva, ILO). [↑](#endnote-ref-8)
8. See ILO Monitor. <https://ilostat.ilo.org/methods/concepts-and-definitions/description-ilo-monitor/> [↑](#endnote-ref-9)
9. GCRG (United Nations Global Crisis Response Group on Food, Energy and Finance). 2022. “Global Impact of the War in Ukraine: Billions of People Face the Greatest Cost-of-Living Crisis in a Generation.” Briefing 2. New York: United Nations. [↑](#endnote-ref-10)
10. The G20’s independent [expert group](https://icrier.org/g20-ieg/pdf/The_Triple_Agenda_G20-IEG_Report_Volume2_2023.pdf) on MDB reform has estimated that ten times the amount of reform now in the pipeline will be required and is within the realm of possibility. In addition, of the approximately $100 billion in SDRs pledged to be rechannelled to poor countries, only about [$6 billion have been committed](https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/06/24/Interim-Review-of-The-Resilience-and-Sustainability-Trust-and-Review-of-Adequacy-of-550939) and 1 billion disbursed for climate change thus far. [↑](#endnote-ref-11)
11. See Chapter 6 of Richard Samans, [*Human-Centred Economics: The Living Standards of Nations*, Palgrave Macmillan in association with the ILO, 2024.](https://link.springer.com/chapter/10.1007/978-3-031-37435-7_6) [↑](#endnote-ref-12)
12. See Nicholas Stern, *G7 Leadership for Sustainable, Resilient and Inclusive Economic Recovery and Growth: An Independent Report Requested by the UK Prime Minister for the G7*, London, London School of Economics and Political Science, 2021, <https://www.lse.ac.uk/granthaminstitute/publication/g7-leadership-for-sustainable-resilient-and-inclusive-economic-recovery-and-growth/> This London School of Economics/Brookings Institution team determined that an increase in annual investment of between 5% and 6% of GDP would ultimately be needed in these countries to address key SDG objectives, with half coming from external (international) public and private financing. The external half is approximately the same amount that would be generated by the three deep reforms of the international financial architecture outlined in this paper. [↑](#endnote-ref-13)
13. See G20 Indian Presidency, “G20 Roadmap for the Implementation of the Recommendations of the G20 Independent Review of Multilateral Development Banks’ Capital Adequacy Frameworks, July 2023, <https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/G20_Roadmap_for_MDBCAF.pdf>; and G20 Indian Presidency, “Strengthening Multilateral Development Banks, The Triple Agenda: Report of the Independent Expert Group,” Volume 1, June 30, 2023, <https://www.cgdev.org/sites/default/files/The_Triple_Agenda_G20-IEG_Report_Volume1_2023.pdf> [↑](#endnote-ref-14)
14. For an overview of research on the legacy of colonialism in this regard, see Patrick Ziltener and Daniel Kunzler, “Impacts of Colonialism: A Research Survey”, *Journal of World-Systems Research*, Vol. 19, No. 2 (2013), pp. 290–311, <http://jwsr.pitt.edu/ojs/jwsr/article/view/507> [↑](#endnote-ref-15)
15. See, for example, Hannah Ritchie, “Who Has Contributed Most to Global CO2 Emissions?” *Our World in Data*, 1 October 2019, <https://ourworldindata.org/contributed-most-global-co2> [↑](#endnote-ref-16)
16. <https://www.un.org/sustainabledevelopment/decade-of-action/> [↑](#endnote-ref-17)
17. United Nations, “United Nations Secretary-General’s SDG Stimulus to Deliver Agenda 2030”, February 2023, <https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/02/SDG-Stimulus-to-Deliver-Agenda-2030.pdf> ; See also United Nations, “Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture,” May 2023, <https://www.un.org/sites/un2.un.org/files/our-common-agenda-policy-brief-international-finance-architecture-en.pdf> [↑](#endnote-ref-18)
18. See the UN Secretary-General António Guterres’ vision of “networked multilateralism” and a “renewed social contract” in his landmark report to the UN General Assembly upon the United Nations’ 75th anniversary: United Nations, *Our Common Agenda: Report of the Secretary-General*, New York, 2021, pp. 65–8 and 22–34, respectively, <https://www.un.org/en/content/common-agenda-report/assets/pdf/Common_Agenda_Report_English.pdf> [↑](#endnote-ref-19)