

SUMMARY REPORT

JOINT SIDE EVENT ON THE
MARGINS OF THE 2021
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ON SUSTAINABLE DEVELOPMENT

12 JULY 2021

SOUTH-SOUTH COOPERATION FOR MORE INCLUSIVE AND SUSTAINABLE SOCIAL PROTECTION SYSTEMS IN THE COVID-19 RECOVERY AND ACHIEVEMENT OF THE 2030 AGENDA



United Nations
Office for South-South Cooperation



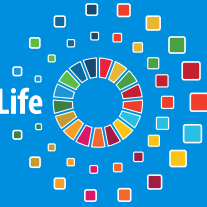
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Shared Prosperity Dignified Life





Shared Prosperity **Dignified Life**



VISION

ESCWA, an innovative catalyst for a stable, just and flourishing Arab region

MISSION

Committed to the 2030 Agenda, ESCWA's passionate team produces innovative knowledge, fosters regional consensus and delivers transformational policy advice. Together, we work for a sustainable future for all.



Economic and Social Commission for Western Asia

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Beirut

Note: Only salient points and a summary of remarks of speakers have been captured due to space constraints. All received written statements, presentations and transcripts of recordings are on file with the UNOSSC-ESCWA organizing team.



The **COVID-19** pandemic has revealed **major shortcomings** in **social, health and economic policies** in most countries. **Impacts** were **devastating**, with a similar trend across the world: those groups that were **vulnerable and least protected** before the pandemic **suffered the most** as the COVID crisis hit. **Broad social groups** have been **left further behind**, entrenching **inequality** within and between countries.



Prior to the pandemic, there had been a significant **underinvestment in social protection**. In the **Arab region** for example, despite reforms, the “**missing middle**” – those in the **informal sector, the young and unemployed, the majority of women, migrant workers, the elderly** – were not covered by existing schemes and thus remained vulnerable to shocks and crises. Around **85 per cent** of **young people** in the region are estimated to **work in the informal sector**, outside any kind of social protection coverage. In **Asia and the Pacific**, **54 per cent** of the population live **without** any form of **social protection**; investment in social protection in the region amounts to **4.9 per cent of GDP**, less than half the global average. In **Latin America**, despite efforts over the past two decades to expand social protection coverage, **asymmetries and inequalities persist** between **contributory and non-contributory measures**, between **men and women** and between **generations / age groups**, all of which undermine **social cohesion**. Add to the above the **institutional challenges** related to **information sharing, monitoring and evaluation, coordination and challenges in implementing progressive taxation**, among others.



6,000
response
measures

194
Countries

In response to COVID-19, many countries **unlocked resources** and **expanded social protection services** at **unprecedented rates**. The **COVID-19 Stimulus Tracker: Global Observatory on Social Protection and Economic Policy Responses**, developed by **ESCWA and its partners**, has registered over **6,000 measures** taken in **194 countries**. **Governments** have indeed been quick in mitigating the **impact of the crisis** through a range of social protection measures ranging from **wage subsidies** to **direct cash transfers** to **vulnerable populations**. Innovations and solutions have emerged, demonstrating that **Governments can step up their efforts to strengthen social protection**.



Financing
needs

\$5
trillion
globally

\$0.5
trillion
Arab Region

However, the **sustainable financing of social protection systems** remains a **challenge** for many **developing countries**, many of which are burdened by debt and face a shrinking fiscal space. Based on **data** from the **COVID-19 Stimulus Tracker**, **developing countries** around the world need an additional **\$5 trillion** to recover from **COVID-19** and **catch up** to the **global average** of fiscal support as share of **GDP**. The **Arab region** alone needs around **half a trillion dollars**. In addition to **financial resources**, countries need **diversified partners, ideas, new methodologies and inspiring examples, highlighting the relevance of South-South cooperation**.



▶ Experiences of member States

Before the pandemic, **Egypt** had been undertaking a strong reform programme involving structural economic adjustments and redistribution of subsidies, which enhanced Egypt's resilience to the crisis. During the pandemic, the **conditional cash transfer programme was expanded by 20 per cent** and emergency support was provided to informal workers and other vulnerable groups. Economic support measures were introduced, benefiting affected sectors such as tourism, notably SMEs, such as preferential rates on loans and extended grace periods. The Egyptian Red Crescent and the Ministry of Social Solidarity provided support to civil society organizations in different countries such as Djibouti, Ethiopia, Lebanon, the State of Palestine, Somalia, the Sudan, Tunisia and Yemen, which reflects a step forward in South-South cooperation. Among the lessons learned from the pandemic is the need to have a strategy for informal workers and to strengthen preparedness through an insurance fund. Digital transformation proved to be critical through a common database of interventions by all partners, online support portals, digital payments, etc. Partnerships within Egypt and beyond were critical success factors.

In the **State of Palestine**, the pandemic has compounded an already complex political, economic and financial context resulting from occupation. A national study of the impacts of the pandemic identified the following imperatives: (1) improving the shock responsiveness of the **social protection** system so that no one is left behind; (2) investing in and developing disaggregated data continuously to speed up

intervention, improve targeting and develop the right tools; (3) enhancing synergy and integration between international humanitarian aid and the national social protection system; and (4) strengthening synergy and interlinkages between the efforts of Governments to provide relief and humanitarian support and their efforts for economic recovery to build the resilience of individuals, small enterprises and society in general. Moving forward, South-South dialogue and cooperation ought to be strengthened in several areas, namely: (1) contextualizing definitions and approaches related to multi-dimensional poverty, resilience and vulnerability, and adopting approaches that are consistent with the political, cultural, social and economic contexts; (2) mobilizing financial resources and activating national and regional development banks; (3) building a community of practice in the field of social protection in countries of the South; and (4) revamping the concept of solidarity among countries of the South.

Costa Rica has prioritized several domains to advance social development in a more inclusive way, including **digitalization** as a predeterminant to reduce inequality. From the prospects of South-South cooperation, Costa Rica is calling for a paradigm shift to leverage the benefits of various types of solidarity-based cooperation channels, including South-South cooperation. Costa Rica is chairing ECLAC's Committee on South-South Cooperation, which has helped to advance multilateral dialogue and build more active partnerships to reduce the impacts of the pandemic.





Mechanisms and programmes by regional and international organizations



The Islamic Development Bank (IsDB) has a long history of supporting the most disadvantaged and marginalized groups within its member countries. In 2019, it approved four main policies which are currently under implementation: **Women's Empowerment Policy, Youth Development Strategy, Civil Society Engagement Policy and Fragility and Resilience Policy.** IsDB has supported South-South cooperation since its very founding, targeting various dimensions including technical cooperation, promoting South-South trade and facilitating cross-border investments. It has scaled up its engagement in South-South cooperation through the Reverse Linkage modality, connecting member countries and providing wide-ranging support to several sectors including renewable energy, agriculture, health and vocational training.



A priority for United Nations organizations continues to be support for the development of effective and inclusive social protection systems as a key pathway for reducing vulnerabilities and building resilience to shocks, reducing poverty and achieving the SDGs. Several initiatives have already been implemented and many are currently underway, including through relevant issue-based coalitions at the regional United Nations system level.



In response to a call by its member States, ESCWA has established the Group of Experts on Social Protection Reforms. This technical committee is a mechanism for discussion among Arab ministries of social affairs with the aim of supporting work on, and reform of, social protection in the region. ESCWA has also developed several interactive policy tools, notably the aforementioned COVID-19 Stimulus Tracker, which offers a wealth of harmonized information to strengthen policymaking capacity and improve government readiness to formulate effective responses to future shocks.



ESCAP member States have adopted the action plan to strengthen regional cooperation for social protection in Asia and the Pacific, which is a framework of twelve national measures and three regional actions to be implemented by 2030 to move towards universal social protection. ESCAP is working with its Member States to translate this shared commitment into action with support of the United Nations development system, the United Nations Office for South-South Cooperation (UNOSSC) and sister regional commissions.



ECLAC member States have adopted the Regional Agenda on Inclusive Social Development, a technical and political instrument to support the comprehensive implementation of the social dimension of the 2030 Agenda. The Agenda reflects an emerging consensus on the need to put forward universal social protection systems.



UNOSSC, with its global and United Nations system-wide mandate, seeks to improve exchanges of experiences, know-how and development solutions among countries and Southern institutions, professionals, civil society, academia and private-sector organizations. This would also be in line with the United Nations system-wide Strategy for South-South and Triangular Cooperation, approved by the Executive Committee of the Secretary-General last year. UNOSSC also has several platforms that can be leveraged at any time by all partners.



The Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC), one of the main think tanks in Latin America, plays an active role in South-South cooperation networks. One key lesson learned from Latin America that might be of use for other regions is focusing on compounding inequalities – simultaneously working on inequalities and on main determinants that can help close the existing gaps. The second lesson is that, when designing social protection interventions, it is crucial to analyse the pre-existing inequity in access to social protection systems if social cohesion is to be enhanced.



The International Policy Centre for Inclusive Growth (IPC-IG), a partnership between the United Nations Development Programme (UNDP) and the Government of Brazil, is supporting the exchange of experiences and knowledge between Maghreb and Latin American countries on innovative social protection practices. IPC-IG hosts a platform for social protection knowledge sharing and supports one-on-one technical sessions. In response to COVID-19, IPC-IG supported the establishment of a task force and produced knowledge on policy responses to the pandemic. The use of zakat to mitigate the impact of the crisis in several Muslim countries represents one of several interesting experiences worth learning from.



Despite challenges, seven networks of civil society organizations (CSOs) in the Arab region including the Arab NGO Network for Development managed to create a common platform on sustainable development, as a complementary process to the efforts launched by ESCWA and the League of Arab States. South-South cooperation among these CSOs and with CSOs and think tanks at the regional and global levels has helped produce knowledge and advocacy material on issues such as democratic governance, social policies and private sector accountability.



Conclusions and way forward

The pandemic has confirmed that building resilience must go hand in hand with comprehensive and shock-responsive social protection. It also brought an understanding of the type of social protection policies that must be maintained post-COVID because they correspond well to labour markets and employment policies and can therefore help address inequalities, promote more inclusive growth and leave no one behind.

The pandemic is an opportunity to redefine what is possible in terms of social protection, including universal social protection systems. It is also an opportunity to redistribute resources, recognize identities and rights and achieve a transformative recovery with equality and sustainability as signposts. The crisis has also made it clear that isolated efforts are not enough. In order to accelerate recovery and the achievement of the 2030 Agenda, it is crucial to leverage the benefits of South-South cooperation as a solidarity-based mechanism for the exchange of experiences, lessons learned and best practices as well as the promotion of one voice and shared approaches on more inclusive and sustainable social protection systems post-COVID-19.

South-South cooperation is also crucial to accelerate the shift from a tilted global power balance – very clearly illustrated by unequal access to COVID-19 vaccines, knowledge asymmetry and the participation deficit of Southern voices – towards more equitable and fair engagement on global issues.

South-South cooperation can provide more space for consultation and civil society engagement both in policymaking and in the implementation and evaluation/assessment of the implementation of these policies. At the heart of South-South cooperation is sharing experiences, not only by Governments, but also by think tanks, expert groups and others. The Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation (BAPA+40) also refers to the role of think tanks, communities of practice, CSO networks and expert groups.



