



## **AGENDA**

# **ODI International Conference on Financing Social Protection in LICs: Finding the Common Ground**

**26 & 27 May 2011**

**London**

## Conference Objectives and Session Overview

The objective of this conference is to promote dialogue between key research and policy agencies working on issues relating to the financing of social protection in Low Income Countries, and to contribute to effective policy responses to the challenge of the provision of large scale social protection provision in the 2010s in a rapidly changing political and economic climate.

Social protection has gained prominence in the development discourse in recent years, and has become established as a key dimension of national government and donor policy responses to poverty. Now that the desirability of social protection provision has become widely accepted, it is an appropriate time to reflect on the key question of financing social protection. This question has been somewhat contested in the international discourse, and the debate has been fragmented across different institutions. This conference offers an opportunity to share knowledge, ideas and experiences on financing social protection, and for finding the common ground to inform effective policy, programming and research in the future.

The conference is particularly timely given the current development of the World Bank's Social Protection and Labour strategy, and the work of the UNDP for the G20 Development Working Group.

With a focus on Low Income Countries, we will aim to provide an opportunity to

Explore new financing challenges related to financial crises, food price volatility and shifting donor financing options and preferences

Sharing recent research on cost, affordability and financing of SP and

Debate alternative perspectives and seek common ground on approaches to assessing cost, affordability and financing options.

## Conference Structure

The conference will be divided into three sections;

- the cost of social protection,
- the affordability of social protection, and
- financing social protection.

In each section major issues and current challenges will be identified by a resource person to orient the discussion, and key questions will be identified by the group. Next a series of short presentations will be offered by participants working on these issues to i) share information and ii) stimulate informed discussion. This will be followed by a plenary discussion. Each section will comprise 2 x 1.5 hour sessions, and will include 3 – 5 x 10 minute presentations. Key issues to be explored in each of the three sessions are outlined below.

### Section One: The cost of social protection

The *cost of social protection* component will examine and compare current costing models, with the objectives of i) information and technology sharing, ii) reviewing consistency of cost analysis and iii) exploring the adequacy and compatibility of current approaches. This section will examine cost from at least two perspectives; cost as advocacy tool, and cost as efficiency measure, in relation to cost benefit analysis and value for money. The session will also explore recent research into actual levels of spending on social protection provision.

The starting point for this discussion is the seminal work carried out by the ILO. Other costing models, and actual cost analysis will be presented, and the challenges relating to the norms and conventions of costing discussed. In order to promote understanding of the issues relating to cost, the specification of the leading models will be discussed and compared, in order to identify areas of consistency and difference. Issues relating to the norms governing social protection costing analysis will also be interrogated, for example, which interventions are or should be included, what costs should be included, and how different measures of cost might be relevant in relation to different purposes (% GDP, %GNP, % government expenditure). This session is intended to create opportunities for improved analytical coherence within the research community.

## **Section 2: The affordability of social protection**

The *affordability of social protection* section will explore both normative and empirical aspects of 'affordability', encompassing issues of social justice, contribution to economic growth, political economy and fiscal constraints. Again we anticipate exploring the issues from at least two perspectives: the efficacy of focusing on affordability and the political nature of affordability.

Arguments about the objective affordability of social protection at national level are contested, and the usefulness of such approaches questioned, particularly when they place social protection in direct competition with a range of alternative and equally important sectoral lobbies. The political nature of affordability is increasingly being highlighted and these issues will be explored during this section of the conference, opening space for reframing the affordability and fiscal space debate.

Recent shifts in sources and modes of donor funding have brought about significant changes in national government and donor attitudes to the affordability of social protection. With the prospect of sources of donor finance which have been critical in shaping the development of social protection provision in many LICs over the last decade, such as PEPFAR and HIPC, coming to an end, affordability is becoming an ever more pressing question for donors and governments.

## **Section 3: Financing social protection**

The *financing social protection* section will explore both LIC government approaches to finding fiscal space for provision, and also how different donor funding modalities might play a role in influencing recipient government perspectives on social protection.

The implications of the changing economic environment from both national government and donor perspectives will be discussed and the pros and cons of new financing options including TNCs, wealth taxes and mineral dividends considered in this context. The relationship between financing and sustainability will also be explored and the relative importance of national government ownership compared to national financing considered.

In addition the potential role of new modalities of donor financing, such as SWAP or COD will be explored, along with the implications for donor coordination.