



Leveraging public financing through development cooperation on integrated employment and social protection policies for just transitions

Discussion Note¹

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Executive summary

Public finance is the main source of sustainable policies to create decent jobs and expand universal social protection for just transitions. Recent global commitments, including the Fourth Financing for Development Conference's (FFD4) *Compromiso de Sevilla* outcome and the Second World Summit for Social Development's (WSSD2) Doha Declaration, reaffirm that countries have the primary responsibility for their own economic and social development, while international cooperation must help expand, not replace, domestic public financing. Against a global SDG financing gap of around US\$4 trillion annually, a social protection financing gap of US\$1.4 trillion, declining ODA, and

private finance that remains unevenly distributed across countries and sectors, it has become increasingly important that development cooperation supports governments to mobilize, allocate and manage public finances more effectively.

This note argues that technical assistance (TA) can be a catalytic form of development cooperation when it strengthens national capacity to finance integrated employment and social protection policies. Its value lies in supporting governments to make better use of existing resources, identify and expand fiscal space, strengthen contributory and tax-financed systems, and align public and private

¹ This note was produced by the Secretariat of the Technical Support Facility of the Global Accelerator on Jobs and Social Protection for Just Transitions. The author of the note is André F. Bongestabs, Specialist on Financing for Social Protection and Jobs for Just Transitions, from the International Labour Organization (ILO). The note benefited from the insights and contributions from: Christina Behrendt, Umberto Cattaneo, Moussa Dieng, Mauricio Dierckxens, Valeria Esquivel, Luca Fedi, Pedro Moreno da Fonseca, Xiao Jiang, Jean-François Klein, Sacha Levy-Bruhl, Shahra Razavi, Valérie Schmitt, Helmut Schwarzer, and Ippei Tsuruga (ILO), Maya Marques and Nenad Rava (Joint SDG Fund).

investment with decent work and social protection outcomes. Technical assistance should be grounded in government ownership, tripartite social dialogue, national priorities, and international labour standards, including the Social Security (Minimum Standards) Convention, 1952 (No. 102), Employment Policy Convention, 1964 (No. 122), and the Social Protection Floors Recommendation, 2012 (No. 202).

Three interlinked pathways through which TA can help leverage public finance are presented. TA can enable governments to identify underfunded priorities, reduce fragmentation, improve execution, and reallocate resources towards social protection and employment policies with higher social economic and labour market returns. TA can also increase public revenues by strengthening tax systems, expanding contributory social security schemes, and supporting formalization strategies. And it can mobilize and align investments by integrating employment, skills, formalization and social protection objectives into public investment projects, infrastructure pipelines, International Financial Institutions (IFIs) and Public Development Banks (PDBs) operations, and investment decision making and appraisal systems.

The path from TA to budget allocation, execution and measurable expenditure may take several years. Thus, distinguishing expected leverage, committed allocations, executed expenditure and verified results is critical for proper attribution and measurement. Monitoring and evaluation systems must be embedded from the outset to track the contribution of TA across results chains.

Development cooperation can achieve greater and more durable impact when it uses TA to unlock national public resources and improve the quality of public investment. The Global Accelerator on Jobs and Social Protection for Just Transitions (Global Accelerator) provides an operational platform to support countries move from fragmented projects to nationally owned financing strategies that embed decent jobs, universal social protection and just transitions into fiscal policy, budget processes and investment decisions. The Global Accelerator approach enables TA to unlock short- and long-term financing for decent jobs and social protection policies, as a catalyst for stronger, fairer and more sustainable public finance, facilitating just transitions.

1. Public Finance at the centre stage for Financing Jobs and Social Protection

The Fourth Financing for Development Conference's (FFD4) *Compromiso de Sevilla* reaffirmed the need to mobilize additional investments at scale - public and private - to address the persistent global financing gap that constrains progress towards sustainable development. FFD4's conclusions emphasized that meeting global financing needs will require the combined use of all available resources, including domestic public funds, international public finance, and responsibly leveraged private capital. Likewise, the *Doha Political Declaration* of the Second World Summit for Social Development (WSSD2) calls for exploring additional public and private financing,

making sure that private finance supplements, not replaces, public commitments.

The conclusions of both FFD4 and WSSD2 emphasize the importance to scale up investments in social protection as well as in full and productive employment and decent work, recognizing these areas as drivers of inclusive and sustainable development. These investments are recognized not only as essential for advancing human well-being, but also as catalysts for economic transformation, fiscal sustainability, and long-term resilience and preconditions for achieving just transitions.

While Member States committed to an ambitious set of reforms aimed at expanding fiscal space, resolving debt challenges in developing countries, and reducing the cost of capital, both FFD4 and WSSD2 conclusions highlight that each country retains the primary responsibility for its own economic and social development. This places domestic, and in particular public financing, as the backbone of development – as explicitly stated in the *Compromiso de Sevilla*: “Public resources, policies and plans will be at the heart of our efforts for a sustainable development investment drive”.

There has been growing attention and efforts to attract private finance for development, with significant global growth in volume of investments over the past years – growing 28 per cent from 2020 to 2023 – reaching US\$ 70 billion mobilized in 2023. Nonetheless, more than 50 per cent of the total private finance mobilised over 2020-23 benefited middle-income countries, with LDCs amounted to only about 12 per cent of the total – despite higher development needs.²

On the other hand, Official Development Assistance (ODA) has declined recently, with expectations that this trend will continue over the next few years. OECD DAC members’ ODA amounted to US\$ 226.2 billion in 2023 - equivalent to 0.2 per cent of the World’s GDP. Out of this, only about US\$ 40 billion were directed to social protection.³ Estimates for 2025 foresee a decline between 9 to 17 per cent in total ODA, from a drop of 9 per cent in 2024, a trend expected to continue in 2026.⁴

The SDG financing gap is estimated to be of around US\$ 4 trillion per year, as of 2024⁵. The social protection financing gap alone is estimated at US\$1.4 trillion per year across all low- and middle-income countries⁶. In addition, an estimated \$982 billion fiscal gap persists for economic and labour

market recovery. Therefore, the contributions of private finance and ODA would need to be multiplied several times to meet the development financial needs alone. This is unlikely to happen in the pace required to meet countries’ development needs, let alone the Agenda 2030.

Domestic public resources remain the main source for development financing. For example, global social protection expenditure amounted to an estimated 12.9 per cent of global GDP in 2024⁷ – around US\$ 13.7 trillion – more than 340 times ODA flows to the sector, and about 200 times all private development financing in 2023. This illustrates the scale of the financial capacity of countries to invest in sectors such as social protection. Thus, domestic public resources should be seen as the primary channel to close the financing gaps for social protection and employment policies – even modest growth of global public expenditure in social protection could represent manyfold the volume of private and ODA resources allocated to all development sectors combined. Evidence from the ILO shows that domestic resource mobilization can be expanded even in low income-income settings, by improving tax systems, strengthening contributory mechanisms, and reallocating public spending more efficiently.⁸

As reaffirmed in recent global commitments, countries bear primary responsibility for their own economic and social development, and domestic public finance remains the most reliable and sustainable source of long-term investment in social protection systems and employment policies.⁹ Moreover, an increased focus on domestic public finance mobilisation is justified on the scale of financing needs, and the abovementioned trends on mobilization of private finance and international assistance. Progress

² OECD, 2025. Tracking private finance mobilization: Latest trends and ways forward - [here](#).

³ OECD, 2026. OECD Data Explorer: DAC5: Aid (ODA) by sector and provider - [here](#).

⁴ OECD, 2026. Cuts in official development assistance. - [here](#).

⁵ UN, 2025. Financing for Development - [here](#).

⁶ 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 - [Here](#).

⁷ ILO, 2026. Social Protection Dashboard - [here](#).

⁸ Bierbaum, M., Schmitt, V. 2022. Investing more in universal social protection: Filling the financing gap through domestic resource mobilization and international support and coordination. [Here](#).

⁹ ILO, 2024. World Social Protection Report 2024-26 - [Here](#).

toward meeting national goals on social protection and decent jobs and closing SDG financing gaps will continue to depend fundamentally on countries' ability to sustainably mobilize, allocate, and manage their own public resources.

Thus, developing and implementing comprehensive, adequate and sustainable of social protection systems, and promoting productive employment and decent work creation, requires countries to continue to mobilise domestic resources, expand contributory social protection schemes, skills financing instruments, and direct public investments towards policies and projects that maximize their impact on decent job creation and social protection extension. Nonetheless, among competing national priorities, multiple and concurrent shocks, and general political and economic uncertainty, countries face growing difficulties in expanding fiscal space and attracting investments to create more and better jobs and extend social protection to all.

While declining in volume, international development cooperation remains important. In this context, it becomes ever more important that ODA is used in a way that maximizes impact and sustainability of its investments, such as serving as a catalyst for domestic financing — strengthening countries' ability to sustainably mobilize and manage their own resources for social protection

2. Leveraging public financing for social protection and jobs

Leveraging public financial resources for jobs and social protection requires a combination of evidence-based reforms, strengthened systems, and coordinated public investment strategies. TA can play a critical role in enabling these reforms, for instance, by supporting governments to identify fiscal space, expand contributory schemes, improve the efficiency of spending, increase and better align investments with development objectives - thus

and employment policies and decent work creation. The strategic use of development cooperation – technical assistance (TA) in particular - to help countries broaden their fiscal space, to unlock and leverage domestic public finance is critical to continue the progress towards the SDGs and to meet national social protection and employment targets. It is critical that international development cooperation remains based on strong government ownership, adapted to local contexts, needs and priorities, and support the development of robust legal frameworks, effective institutions and systems.¹⁰

This technical note provides an overview of how TA, and in particular the Global Accelerator on Jobs and Social Protection for Just Transitions (Global Accelerator), can support countries in making better use of existing resources and unlocking further investments to create decent jobs and extend social protection for all. The note presents the underlying rationale and pathways on how TA can influence and guide the allocation and use of public resources, boost revenues to create more fiscal space and attract and align investments to employment and social protection outcomes. It also outlines the main tools that the Global Accelerator can offer to countries in the pursuit of strengthening sustainable financing for jobs and social protection.

leading into scalable and sustainable development financing at country level.

In the context of leveraging public financing for social protection, employment policies and the creation of decent jobs, it is important to acknowledge that the rationale for financing these policy areas and how investments translate into the desired impacts differs significantly.

¹⁰ USP2030 and OECD, 2025. 6th Policy Dialogue on Social Protection and Development (PD-SPD) -- 12 November 2025 (Paris and online).

With public spending on employment policies and decent jobs creation, usually most jobs will be generated and/or impacted in the private sector. As per ILO's Employment Policy Convention, 1964, No. 122 (C122), States' employment policies should *promote full, productive and freely chosen employment*. Thus, the role of the public sector rests on ensuring an enabling environment for these outcomes, through employment and labour market policy and legal frameworks, by creating incentives or a conducive environment to increase the volume and quality (in terms of decent work outcomes) of private sector investments, and by providing relevant public services, such as skills development, public employment services and active labour market policies (ALMPs). When well designed, implemented and funded, these policies will lead to the desired employment outcomes, but usually indirectly, through the private sector. Moreover, when policies impact the behaviour and resource allocation of the private sector, for instance by creating incentives for business to incorporate labour and social security standards into their procurement processes, companies can become a vector to promote decent work and social protection into their supply chains – these generate multiplier effects of primary and secondary order that may exceed the magnitude of the public investments in many orders.

There are also forms of employment-oriented investments that have a direct effect on employment outcomes, usually by creating public sector employment, both as part of “regular” employment in the public sector (e.g. civil servants, public officials, etc), as well as an employer of last resort, in public works or employment guarantee programmes (part of ALMPs).

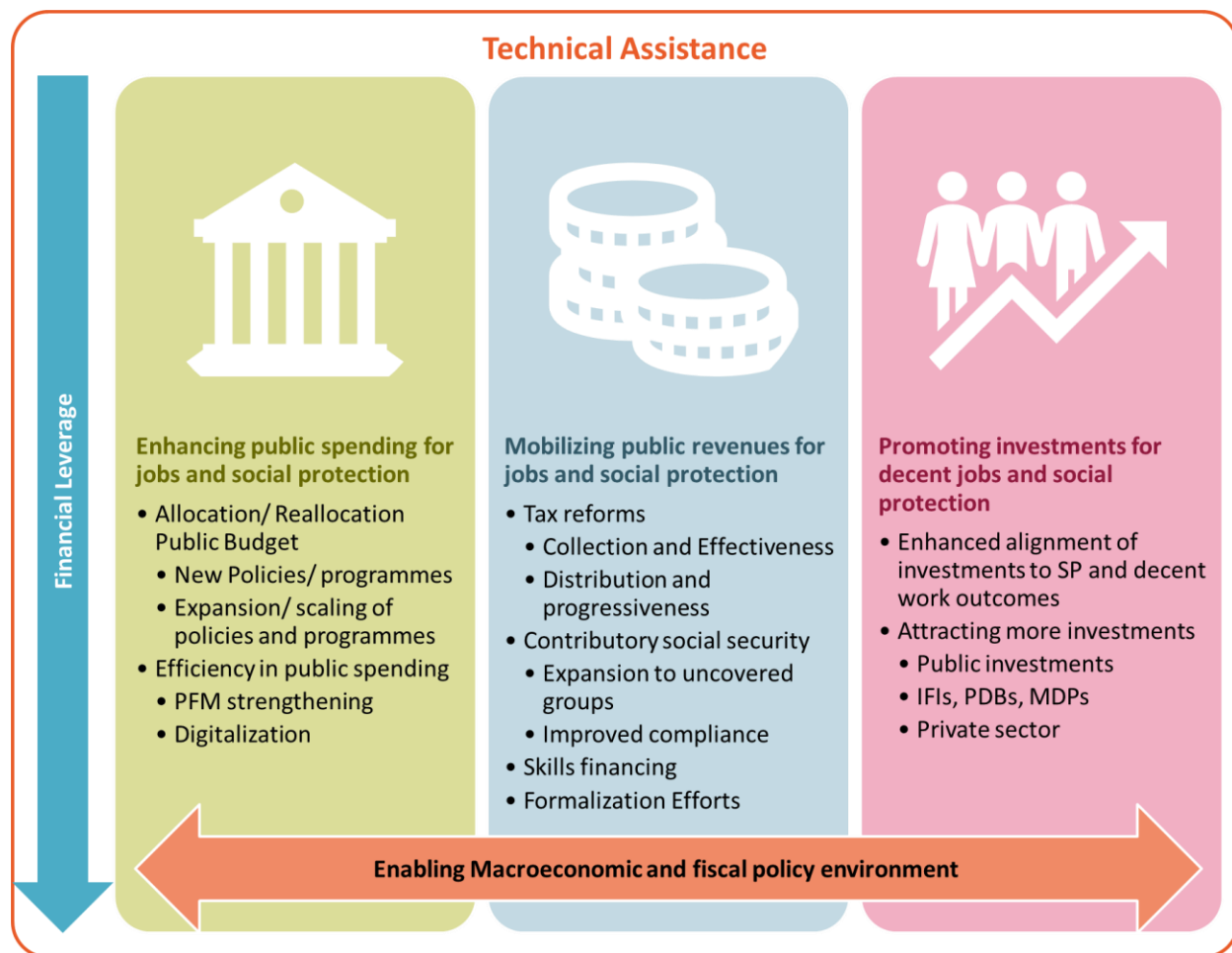
On the other hand, public investments in social protection policies generally have more direct causal link between schemes and desired outcomes. The State has a direct role as provider of benefits (both contributory and non-contributory),

and therefore, more control over the design and delivery of social protection schemes. Governments have the authority to set the eligibility, level of benefits, frequency, duration and mean of payment of benefits, and other parameters of social protection schemes (ideally through social dialogue), resulting on the ultimate responsibility is of the State to finance such policies, even if contributory schemes are jointly financed by workers and employers' contributions – as per ILO Social Security (Minimum Standards) Convention, 1952, No. 102 (C102) – and frequently, in higher overall volume of public expenditure than that of employment-related policies.

Therefore, it is important to acknowledge the above-mentioned differences when measuring the financial leverage of TA to these policy areas – including in cases of integrated employment and social protection policy measures. While the financial leverage generated through social protection investments may be more easily identifiable (e.g. increases in scheme's budgets, increases in benefit expenditures, and or in the volume of collected social protection contributions), the effects of investments in employment and labour market policies may require dedicated efforts to capture their full impacts (beyond leveraging directly the public budget).

TA can support countries to leverage financial resources for the implementation of social protection and employment policies through three interlinked pathways: i) Enhancing public spending for jobs and social protection ii) Increasing public revenues for jobs and social protection; iii) Mobilizing investments for decent jobs and social protection. These pathways should be accompanied by efforts to shape the macroeconomic environment in support of decent work and social protection outcomes. Figure 1 illustrates the different pathways, and the following section elaborates on each of them

Figure 1: Pathways for leveraging public financing for social protection and jobs through TA



Pathway I - Enhancing public spending for jobs and social protection

Technical assistance can support governments expand fiscal space for social protection and employment policies in ways that contribute to just transitions. This includes evidence-based policy advice, support to social dialogue, and generating the analytical foundations to support decisionmakers in advocating for increased and more effective public spending in employment and social protection policies, in line with international labour standards such as Conventions No. 102 and No. 122 and Social Protection Floors Recommendation, 2012, No. 202 (R202).

As employment and social protection programmes are often dispersed across ministries, TA can support the consolidation of information on budgets and support coordination to identify overlaps and gaps and defend reallocations at system level. TA can guide budget reallocation towards priority interventions by conducting expenditure reviews, producing cost estimates and undertaking *ex ante* impact or return-on-investment assessments for the introduction or reform of policies and programmes. These tools support governments to articulate

distributional impacts of reforms and strengthen the case for strategic resource allocation to social protection and employment measures.

Effective reforms require tripartite social dialogue, which builds consensus, strengthens ownership and ensures the alignment of policies with national priorities. Engaging workers' and employers' organizations as well as civil society, development partners and other stakeholders, ensures coherence across sectors and institutions, facilitates implementation, and enhances the legitimacy of fiscal and policy decisions.¹¹

TA can also support improving the way public resources are planned, allocated and managed is essential to ensuring that social protection and employment policies achieve their intended outcomes. TA can make a significant contribution by helping governments strengthen public financial management (PFM) systems, reduce inefficiencies and ensure that available resources are used strategically and transparently. This includes making employment and social protection objectives explicit within budget decision processes — steering resources towards quality employment-rich policies and comprehensive social protection systems, while identifying early delivery bottlenecks. Strengthening PFM systems can increase the credibility of budgets, reduce leakages, and improve the timely execution of expenditures—key factors in delivering social protection benefits and employment services effectively.¹²

TA can support governments in enhancing budget planning, execution and monitoring, using tools such as economic modelling, costing frameworks and expenditure-tracking methodologies. These tools allow policymakers to better estimate financing needs, assess implementation capacity and monitor results across full policy packages, rather than on a programme-by-programme basis. This shift supports more strategic decision-making and strengthens the case for mobilizing additional domestic resources or reallocating existing ones.

A further important area that TA can support is the digitalization of administrative and financial processes, which can significantly improve efficiency and accountability. Digital tools—such as interoperable registries, electronic contribution collection, automated payment systems and real-time monitoring—help reduce administrative costs, minimize errors, curb fraud and enhance compliance. Digitalization also strengthens transparency, improves accessibility for people in remote areas, facilitates linkages between social protection and employment-related services, and builds trust in public institutions, thereby contributing to the political and fiscal sustainability of social protection and employment policies.¹³

By improving allocative and operational efficiency, these reforms make it possible for governments to expand current levels of allocation and achieve more with the resources they already have, creating a stronger basis for arguing for additional investments in the future.

Box 1: Reallocation of fossil fuel subsidies to Family benefits in Senegal

The project *“Consolidating the financial sustainability and coverage of the social protection system in Senegal”*, supported national institutions with improvements in social protection scheme design, governance, coordination mechanisms, and benefit adequacy —particularly for vulnerable groups such as persons with disabilities and informal economy workers.

The TA provided contributed to concrete advances in public financing for social protection. A major achievement was the reallocation of part of the fiscal space created by the reduction of energy subsidies to

¹¹ Bierbaum, M., Schmitt, V. 2022. Investing more in universal social protection: Filling the financing gap through domestic resource mobilization and international support and coordination. [Here](#).

¹² ILO, UNICEF, GCSPE, 2023. Social protection and public finance management: an assessment tool – [Here](#).

¹³ ILO, 2025. Digital transformation is pivotal to achieving the goal of universal social protection. [Here](#).

social protection. According to the IMF, Senegal planned to reduce energy subsidies from about 4.2 per cent of GDP to 3.15 per cent of GDP in 2023, while strengthening targeted support to vulnerable households. The fiscal space created as result of the reallocation amounted to FCFA 161 billion.¹⁴ Research carried out by the ILO, under the programme *Improving Synergies between Social Protection and Public Finance Management* supported by the European Union, showed that energy subsidies benefited wealthy and middle-income households more than lower income households.

This enabled the increase of government budget to social protection, resulting in an increase in the family security grant from 25,000 FCFA (±US\$ 41) to FCFA 35,000 (±US\$ 58) per quarter, a 40% rise.^{15; 16} The reallocation raised the programme's budget from FCFA 35 billion in 2022 to FCFA 51.4 billion (about 10 per cent of the fiscal space from the reduction of fuel subsidies) and benefited approximately 2.7 million people nationwide.

In addition, parliament established a *Social Protection and Financing Network* to reinforce long-term financing and budgeting practices, further institutionalizing progress in fiscal space and programme sustainability.

Measuring financial leverage from enhanced public spending

Domestic public financing leveraged through TA can often be observed when governments (re)allocate budgets or commit public investments to policies, programmes or reforms that were developed, adapted or expanded with TA support. The financial leverage in these cases can be measured by the amounts of public budget allocated to the relevant policy measures, through new allocations in the case of new interventions, or from increases in the levels of spending resulting from TA's contributions.

The gains from strengthened efficiency in public spending are less easily quantifiable. Improvements in PFM systems may lead to cost reductions, productivity gains or enhanced financial

oversight, but these benefits do not always translate into directly measurable monetary figures. Evaluating the financial leverage of efficiency reforms generally requires dedicated assessments to estimate the value of these improvements.

While the financial leverage of TA focused on efficiency is not easily quantifiable, it complements the efforts described under all pathways, by ensuring that increases in public budgets, public revenues and investments translate into tangible improvements in coverage, adequacy and service delivery. Thus, enhancing efficiency remains critical to demonstrating results and building stronger arguments for future investments.

Box 2: Delivery and management systems for the Social Security Fund (SSF) in Nepal

The ILO, through the programme *Improving Synergies between Social Protection and Public Finance Management* supported by the European Union, supported the SSF in reviewing and enhancing their PFM and delivery systems, with the view of providing better service delivery to workers and employers, as well to improve internal controls, transparency and the efficiency of the institutions' processes.

A detailed business process review of the SSF's core workflow functions was undertaken, with the key objective of improving workflow processes, innovating internal operations, increasing process performance

¹⁴ IMF, 2023. Senegal: Sixth review under the Policy Coordination Instrument and request for a Stand-By Arrangement and an arrangement under the Standby Credit Facility—Press release; staff report; and statement by the Executive Director for Senegal (IMF Country Report No. 23/30). [Here](#).

¹⁵ ILO, 2024. *Improving Synergies between Social Protection and Public Finance Management* - Final joint evaluation. [Here](#).

¹⁶ Global Accelerator Technical Support Facility, 2026. Building the Case for the Global Accelerator on Jobs and Social Protection for Just Transitions. [Here](#).

and improving the SSF's service delivery, focusing on: (i) employer registration; (ii) contributor registration; (iii) grievance redress mechanism; (iv) contribution collection and reconciliation; (v) hospital registration; (vi) medical claim management; (vii) nonmedical claim management; (viii) claim payment; (ix) loan administration; (x) payroll; and (xi) investment process.

The review process informed short-term improvements in processes, such as the development of procedures to receive and respond to complaints registered through a call centre, and the creation of automatic verification on contribution compliance by employers, along comprehensive enhancements implemented through a new Management Information System (MIS) for the institution, which supports gains in efficiency and transparency of operations. The new system allows for better real-time reporting for the Fund's management on several operational and financial aspects of the institution, while at the same time providing workers with a digital channel to check contributions, their eligibility for benefits, and make claims.¹⁷

Pathway II — Mobilizing public revenues for jobs and social protection

Robust public revenues, through improved tax systems, the extension of contributory social security schemes and skills financing mechanisms, are the foundations of predictable, sustainable, recurrent financing through contributions from workers, employers, alongside public budget allocations. Therefore, a core element of fiscal-space analysis is to identify options to increase revenues — covering tax reforms, extension of contributory social protection, revenue compliance, and other measures aligned with good practices in expanding fiscal space.¹⁸

TA can support efforts to strengthen tax systems and public revenue channels. This may involve identifying opportunities to increase overall revenues or earmark specific revenue streams for social protection or employment policies — such as dedicated levies (e.g. excise taxes), natural-resource royalties, or proceeds from public enterprises or sovereign funds. TA can also support the review of tax systems' distributional effects, to support tax reforms towards a progressive tax mix, that supports the effectiveness of social protection and employment policies. It is important to note that social security contributions are not included

under this umbrella, as their nature and functioning differs significantly from taxes and require specific attention.

Contributory social protection systems remain a cornerstone of sustainable and rights-based social security, covering 35 per cent of the global population, while tax-based schemes cover only about 17.3 per cent. Lower-middle income countries rely more on tax financed social protection than contributory schemes (17.5 per cent and 14.9 per cent coverage, respectively), while low-income countries have higher contributory schemes coverage than tax financed schemes (5.6 per cent and 4.1 per cent, respectively). However, coverage gaps persist across all income groups^{19,20}, driven by structural barriers such as legal exclusion, high informality, limited contributory capacity, low trust in public institutions, and insufficient administrative capabilities.²¹

Technical assistance can play a pivotal role in expanding contributory schemes' coverage to previously uncovered workers, and their families, and strengthening the schemes' financial sustainability. This includes supporting legal and

¹⁷ ILO, 2024. Improving Synergies between Social Protection and Public Finance Management - Final joint evaluation. [Here](#).

¹⁸ ILO, 2019. Fiscal Space for Social Protection. A Handbook for Assessing Financing Options - [Here](#).

¹⁹ World Social Protection Data Dashboards - [Here](#).

²⁰ ILO, 2024. World Social Protection Report 2024-26 - [Here](#).

²¹ ILO, 2021. Extending social security to workers in the informal economy: Lessons from international experience - [Here](#).

regulatory reforms, revising scheme parameters, and ensuring that contribution rates, benefit formulas and financing arrangements are actuarially sound as coverage expands. TA can also guide governments in aligning schemes with international labour standards and human rights principles, and in subsidizing participation for groups unable to contribute immediately — consistent with Convention No. 102's emphasis on collective financing.

A crucial element of TA is improving administrative and operational processes to better reflect the needs of diverse workers, including those in the informal economy. This can involve simplifying registration and reporting procedures, digitalizing enrolment and contribution systems, adjusting contribution schedules to account for irregular or seasonal incomes, or introducing flexible or matching contributions. TA can also support innovative approaches and practical ways to adapt social protection to local needs and contexts, such as automatic affiliation in specific sectors or value chains through collaboration between social security institutions, employers' and workers' organizations, and private sector actors. These measures can significantly accelerate coverage extension and improve adequacy.

Beyond scheme design, TA can strengthen compliance and enforcement mechanisms, including inspection capacity and behavioural incentives such as reduced contribution rates for

new registrations, grace periods, or linkages to complementary services. Such measures can encourage sustained participation and build trust in public institutions.²²

Skills development, supported by adequate quality assurance and certification also play an important role, by allowing workers, especially the ones informally employed, to meet entry requirements into formal employment and, consequently, contributory systems.

Over the longer term, TA also contributes to formalization strategies, which expand the tax base and social insurance revenues. As more workers and enterprises formalize, new, sustainable sources of public financing emerge. Achieving these gains requires investments to remove barriers to formalization and provide support and subsidies for those with limited contributory capacity – these may offset new revenues in the short term. Integrated policy and financing approaches, as outlined in the Transition from the Informal to the Formal Economy Recommendation No. 204, are essential to ensuring balanced and inclusive outcomes.²³

Together, these forms of support enable countries to build inclusive, rights-based contributory social security schemes and tax systems that promote formalization, while reinforcing the long-term financial sustainability of social protection institutions.

Box 3: JKP Scheme – Indonesia's Unemployment Insurance design and introduction

Indonesia introduced JKP Unemployment Insurance scheme in 2021²⁴. The scheme provides cash benefits, job-matching services, and vocational training to eligible workers who lose their jobs through no fault of their own²⁵. The scheme cash benefits amount to up to 60 per cent of last monthly wage (reference earnings capped at IDR 5 million ≈ USD 302, resulting in a maximum monthly benefit amount of IDR 3 million ≈ USD 181), for up to 6 months.²⁶ JKP is designed as a hybrid public-social insurance model.²⁷ Workers do not pay contributions. Employers contribute 0.14 per cent of monthly wages to JKP, while the government subsidises

²² ILO, 2021. Extending social security to workers in the informal economy: Lessons from international experience – [Here](#).

²³ ILO, 2025. ILC.113/Record No. 7A - Outcome of the General Discussion on addressing informality and promoting the transition to formality for decent work – [Here](#).

²⁴ Government Regulation No. 37/2021, later revised by Government Regulation No. 6/2025.

²⁵ And that have contributed for at least 12 months within the 24 months prior to the end of employment.

²⁶ One Asia Lawyers, 2025. Government Regulation No. 6 of 2025 on amendment to Government Regulation No. 37 of 2021 on the Implementation of the Unemployment Benefits System. [Here](#).

²⁷ Tsuruga, I., Brimblecombe, S., and Landry, A., 2023. Unemployment insurance in Indonesia: Challenges and recommendations. [Here](#).

the scheme with the equivalent to 0.22 per cent of the monthly wages through the State budget and reallocation from other social insurance funds.²⁸

The scheme was designed with extensive TA support from the projects “*Unemployment Protection in Indonesia – Quality Assistance for Workers Affected by Labour Adjustments*” and “*Promoting and building social protection in Asia (phases 3 and 4)*” (supported by Fast Retailing Co. and the Government of Japan, respectively), and included policy guidance, actuarial valuations and capacity development, and implementation advice on JKP design and roll-out (e.g., governance, integration with other services).

The scheme had provided cash benefits to 124,180 recipients (since start of payments) with 14.6 million workers protected by the scheme by end of 2024. The estimated average annual contribution per worker to JKP was of IDR 203,033 (≈ US\$ 12.17) in 2024 – amounting to about IDR 2.97 trillion (≈ USD 178.5 million) of contributions collected in that year.²⁹

Measuring financial leverage on increased public revenues

Increases in public revenues—whether from rising social security and tax systems participation, improved tax collections, adjusted contribution rates, new schemes or revenue streams, or improved compliance — represent public financial

resources unlocked with the support of TA. These measurable increases in tax revenues and contributions from workers, employers and governments constitute tangible evidence of financial leverage.

Pathway III — Promoting investments for decent jobs and social protection

Mobilizing greater volumes of public investments is essential to close the financing gaps for universal social protection and full productive employment. TA can improve the alignment of public investment decisions — including capital spending and infrastructure projects — with national objectives on decent work and social protection to maximize their developmental impact. These public investments can be financed through taxation and other forms of public revenues, or through investments from IFIs, PDBs or multilateral development actors.

By systematically integrating employment and social protection considerations into the design of public investment projects, TA can help enhance the impact of these investments in decent job creation and the extension of social protection and ensure their alignment with policy objectives and priorities. TA can further support countries in identifying high-impact sectors, assessing job-creation

potential, and measuring social outcomes, while advising governments on the use of instruments such as blended finance, thematic bonds, public-private partnerships (PPPs), and other mechanisms to crowd in private capital for social objectives, complementing public investments.

These efforts can be complemented by support to governments in leveraging private finance for social protection and employment, with a similar approach to align private investment flows with social objectives, and by creating conditions to attract more private investment. TA can support reforms on regulatory frameworks to promote responsible foreign direct investment (FDI) and designing incentives that channel private capital toward sectors with high decent job-creation potential and integrating decent work and social protection standards into procurement and investment practices.

²⁸ Government Regulation No. 37/2021, later revised by Government Regulation No. 6/2025.

²⁹ ILO, 2026. Republic of Indonesia: Actuarial valuation of the Unemployment Insurance Scheme (JKP) administered by BPJS Employment as of 31 December 2024. [Here](#).

Box 4: Aligning public investments with jobs, social protection and sustainable growth in Senegal

Senegal has refined, in a more inclusive manner, a set of major strategic public investment projects — including rural electrification, agricultural mechanization, improved accessibility to isolated border areas, development of agricultural cooperatives, and the expansion of Universal Health Coverage — by integrating support from the UN Global Accelerator through dedicated workshops within its national public investments preparation process (referred to as the “maturation process”).

The Global Accelerator worked closely with project leads from sectoral ministries to integrate national priorities on decent employment and universal social protection into the design and preparation of these projects. This support helped government teams better understand how employment, training, and social protection considerations can be systematically embedded within infrastructure, agricultural, or industrial projects, ensuring that these investments generate broader social and economic benefits.

The technical assistance also strengthened inter-ministerial coordination and guided project developers to align their proposals with the logic and priorities of Senegal's Global Accelerator roadmap. Through expert facilitation and targeted dialogue, the workshops enabled ministries to re-examine how their projects could enhance employment-intensive activities, extend social protection coverage, and address major transitions such as digitalization, environmental sustainability, demographic change, and formalization. By shaping projects to maximize their developmental impact before they enter the finance bill, the Global Accelerator's support ensures that Senegal's strategic investments become more efficient and are better positioned to create decent jobs, strengthen livelihoods, and accelerate the extension of social protection nationwide.³⁰

Together, these efforts demonstrate how technical assistance has helped Senegal channel additional domestic resources toward more inclusive and better-coordinated social protection systems, with the potential to directly improve the lives of millions. To ensure this long-standing impact, the implementation of a monitoring and evaluation process is under discussion.³¹

Measuring financial leverage mobilized investments

Through this pathway, financial leverage occurs when TA influences the design or implementation of public investment decisions, including those funded through loans or grants from IFIs, PDBs or multilateral development partners, or from different forms of government bonds (that can be funded from private sources). Measuring leverage

in these cases may be complex, as TA often affects only specific components or outcomes within larger investment operations; nevertheless, quantification is possible with a clear understanding of the investment structure and change processes supported by TA.

³⁰ UN Global Accelerator on Jobs and Social Protection for Just Transitions, 2025. Senegal takes bold steps to align public investments with jobs, social protection and sustainable growth - [Here](#).

³¹ Batchabi, D., Dieng, M., Lévy-Bruhl S., and Schmitt V. Forthcoming. Leveraging Public Investments for Social Outcomes through the Global Accelerator: Lessons from the Maturation Process in Senegal

Box 5: Macroeconomic policies for jobs, social protection and just transitions

Macroeconomic choices shape fiscal space and outcomes. Decisions on debt sustainability, deficit targets and interest rates often pre-empt discussions on how much can be spent on health, education, social protection and labour-market policies. Conversely, employment and social protection outcomes are strongly influenced by fiscal and monetary stances; an ‘austerity’ turn or restrictive monetary policy can have major, long-term repercussions on employment and social security prospects.

Macroeconomic policy frameworks must enable long-term transformation. Static, one-way fiscal rules — such as exogenous debt or deficit ceilings — often overlook country-specific needs and potential. Similarly, narrow monetary targets do not, by themselves, ensure sustained and inclusive development. A forward-looking macro-policy mix is required to protect long-term gains from short-term shocks and support structural change, decent job creation and social protection expansion.

Thus, TA to expand fiscal space should not only assess macro-fiscal conditions; it should help adjust macroeconomic and fiscal policy settings to improve employment and social protection outcomes — grounded in national dialogue, evidence and international labour standards.³²

Considerations on attribution and measuring financial leverage of TA

Attribution must be assessed with care. In some cases, TA is clearly decisive—without it, reforms would likely not have materialised—so recognising the contribution and the resulting financial leverage is justified. In other cases, TA may have influenced decisions only indirectly or alongside other factors; these situations require a balanced analysis with stakeholder involvement to ensure transparency and methodological rigour.

The pathway from TA to verifiable financial leverage requires several steps – which are rarely straightforward. TA informs policymaking; policies must then be translated into budget allocations; budgets often require legislative approval; effective execution by implementing institutions then turns allocations into actual expenditure, which are later reflected in national statistics. As a result, there is often a multi-year lag between providing TA for policymaking and the availability of reliable, published data that can demonstrate leverage.

Nonetheless, TA can also support the different steps within this process, such as by supporting budget preparation and advocacy for allocation and legislative approvals, improving spending effectiveness and monitoring, or strengthening data and reporting systems – among other measures.

At early stages, it is possible to estimate expected financial leverage, but such figures are necessarily based on assumptions and must be validated over time before they can be treated as robust.

To ensure fair, transparent and accurate measurement of financial leveraging of public resources, monitoring and evaluation systems should be embedded from the outset of TA projects. This allows changes to be tracked along the results chain and provides the data needed to attribute and quantify leveraged public resources credibly.

³² ILO, 2024. Macroeconomic diagnostics for decent jobs, social protection and just transitions – [Here](#).

3. How the Global Accelerator Supports the Leveraging of Public Finances

The Global Accelerator on Jobs and Social Protection for Just Transitions supports countries in promoting decent jobs and universal social protection as part of broader structural transformations, including climate transitions, demographic change, sectoral reforms and digitalization. It does so through three interconnected pillars: integrated national policies and strategies; integrated financing and investment frameworks; and strengthened multilateral and multi-stakeholder cooperation.³³

In the current global financing landscape, domestic public finance represents the most significant and reliable source of investment for reforms that create decent jobs, expand social protection and facilitates just transitions – including the implementation of Global Accelerator national Roadmaps. At country level, UN Country Teams use the Global Accelerator platform and support to convene ministries of finance, economy, planning, sectoral ministries and social partners to embed employment and social protection priorities into national budgets, medium-term expenditure frameworks and major public investment plans.

The UN Country Teams and the Global Accelerator's Technical Support Facility (TSF) provide technical assistance for governments to unlock additional domestic resources and improve the effectiveness of existing public spending. In doing so, the Global Accelerator leverages national public resources to amplify the social and economic returns of catalytic UN investments, including financing provided through the Joint SDG Fund.

The TA from the Global Accelerator supports all pathways to leverage public finances for jobs and social protection. The Global Accelerator supports countries in developing financing strategies for

their national roadmaps. These financing strategies are framed under four dimensions³⁴ – each offering a series of financing options that should be considered vis-a-vis the national socioeconomic context, the nature and scale of required investments, the governance of the Global Accelerator at country level and the broader geopolitical context. These dimensions align closely to the three pathways for financial leveraging described. The four dimensions for the financing strategies support national countries to answer key questions:

- **Public spending on social protection and jobs** (aligned to Pathway I) – How much is being spent on employment and social protection policies? Is the distribution and investment levels adequate to meet the Global Accelerator objectives? How can countries do more with the existing resources?
- **Revenue mobilization for social protection and jobs** (aligned to Pathway II) – How can countries increase public revenues to finance the Global Accelerator priority actions? How can tax systems and collection of social security contributions can be enhanced? How to formalize the economy, increasing tax and social security coverage, as well as productivity and working conditions?
- **Investments with a social impact** (aligned to Pathway III) – How can countries direct more public and private investments towards employment and social protection outcomes? How to engage PDBs, IFIs and private sector to invest in employment and social protection? How to attract more FDI and leverage ODA?
- **Macroeconomic and fiscal policies** – How can macroeconomic and fiscal policies be better aligned to contribute to employment and social protection outcomes? How can the country

³³ The Global Accelerator delivers support to countries through its [Technical Support Facility \(TSF\)](#), and [Hub of Expertise, UN Joint Programmes at country level](#), led by the UN Resident Coordinators, and participating UN Agencies' technical teams at global, regional and national levels.

³⁴ Global Accelerator, 2026. Guidelines for the Development of Financing Strategies for the Global Accelerator Roadmaps. [Here](#).

ensure that its priority policy measures on employment, social protection and just transitions are adequately addressed in its overarching Financing Strategy?

In support to the national roadmap financing strategies, the Global Accelerator deploys a comprehensive set of technical assistance tools and analytical methods to help countries mobilize and better use public finance for social protection and employment. These tools contribute across the three pathways for financial leverage and are tailored to national priorities.

Employment and Social Protection Expenditure Reviews (ESPER)

ESPER support countries in monitoring the level, composition and alignment of public spending on employment and social protection. They help identify fragmentation, overlaps and gaps across ministries; assess how expenditure aligns with national priorities; and reveal opportunities to reallocate or improve the efficiency of spending. This whole-of-government perspective provides evidence to support more coherent and strategic investments in employment and social protection policies.

*Countries supported: Cambodia, Democratic Republic of the Congo, Namibia, Malawi, Paraguay, Viet Nam.*³⁵

Costing of policy reforms and implementation

Costing tools help governments estimate the financial resources required to introduce or expand policies and programmes — such as social protection schemes or care policies. These tools can inform policy design by comparing different policy options, and they also support medium-term budgeting and investment planning.

Countries supported: Albania, Nepal, Philippines.

Macroeconomic diagnostics and Fiscal space analysis

Conducts in-depth analysis of potential adjustments to macroeconomic policies and/or options to open additional fiscal space for investments in social protection and employment policies. This includes review of tax policies and administration, fiscal and monetary policies, reallocation of public resources, among other options.

Countries supported: Colombia, Malawi, Nepal, Senegal, Philippines.

Structural Model for Sustainable Development (SMSD)

The SMSD is an economy-wide quantitative simulation tool that enables *ex ante* assessments of policy reforms or public investments. It estimates macroeconomic and labour-market effects and assesses distributional outcomes, including impacts on poverty, inequality and household income. This supports evidence-based decision-making and investment planning.

Countries supported: Cambodia, Guinea, Malawi, Namibia, Philippines, Senegal.

Aligning public investments to social protection and employment outcomes

This approach supports governments in integrating decent job creation, skills development, formalization and social protection objectives into major public investments—including in infrastructure, agriculture and other sectors. This ensures that national commitments to employment and social protection are reflected not only in strategies but also in investment appraisal, budgeting and implementation processes.

Countries supported: Guinea, Malawi, Namibia, Senegal.

Optimizing decent work and social protection outcomes on IFIs investments

³⁵ Some countries are conducting the expenditure review only on employment policies, while others are concentrating solely on social protection.

The Global Accelerator collaborates with IFIs to ensure that their operations maximize their impact on decent work and social protection outcomes. This includes integrating employment and social protection objectives into project design, implementation and monitoring frameworks, and aligning IFI operations with national Global Accelerator Roadmaps. The Global Accelerator is working with the ADB, AFD, CEB and IFAD, to streamline decent work and social protection in their investments in Global Accelerator countries.

Countries supported: Cambodia, Malawi, Pakistan, Philippines, Senegal, Uzbekistan.

Extension and reforms of contributory social security

The Global Accelerator supports countries in introducing, expanding and strengthening contributory social protection schemes through legal reforms, actuarial valuations, scheme costing, operational adjustments to meet the needs and capacities of specific target groups, and

awareness-raising. It also facilitates partnerships with employers' and workers' organizations and private sector actors to adapt scheme design and administration—such as automatic affiliation, simplified contribution processes or digitalized payments—to increase coverage and improve financial sustainability.

Countries supported: Cambodia, DRC, Guinea, Malawi, Namibia, Pakistan, Paraguay, Rwanda, Senegal, Uzbekistan.

Public finance management (PFM) strengthening

PFM support helps countries assess and improve the efficiency, transparency and accountability of public finance systems related to social protection and employment. These reviews and reforms contribute to more credible budgets, better execution rates, improved monitoring of expenditure and stronger evidence for advocating increased allocations.

Countries supported: Albania, DRC, Nepal, Malawi, Namibia, Uzbekistan.

4. Conclusions

Achieving the ambitions of the 2030 Agenda requires sustained and increased investment in decent jobs and universal social protection. Yet many countries continue to face deep fiscal, institutional and macroeconomic constraints that limit their capacity to expand coverage, improve adequacy and deliver services effectively. In this context, leveraging public finance for employment and social protection depends on evidence-based reforms, stronger systems and more coherent public investment strategies. Technical assistance plays a vital role—not as a substitute for domestic capacity or financing, but as a catalyst that strengthens governments' ability to mobilize, allocate and manage their own resources.

Through its integrated approaches and tools, the Global Accelerator helps countries translate policy priorities into financially sustainable reforms. It supports governments in identifying and unlocking fiscal space, aligning public investment with employment and social protection objectives, and leveraging external financing to reinforce national priorities. By providing coherent, comprehensive and strategic technical assistance, the Global Accelerator acts as a driver of nationally owned policies and financing strategies that accelerate progress towards decent work, universal social protection and the Sustainable Development Goals.