

## Speaking points

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### **High-level Political Forum Side Event: “Universal Social Protection: End Poverty and Reduce Inequality”**

*Permanent Mission of Germany to the United Nations, 18 July 2017, 18:15-19:45*

- Let me begin with thanking you for providing me with the opportunity to participate in this discussion. Also, the Chief of Staff of the President Mr Francisco Guzmán, who is also participating at the HLPF this week, sends his warm regards. As always, it is a pleasure for the Mexican government to collaborate with German stakeholders, which is why I appreciate the initiative of Brot für die Welt, the Global Coalition for Social Protection Floors and the Permanent Mission of Germany to the United Nations.
- As has been mentioned by the previous speakers, reaching institutional set-ups that provide for universal social protection is fundamental for reaching the 2030 Agenda. We know the relevance for ending poverty (SDG 1), reduce inequalities (SDG 10), promote inclusive growth (SDG 8), and promoting gender equality (SDG 5).
- Only this way can we make the fundamental principle of leaving no-one behind a reality – a principle that our President has repeatedly stressed as crucial for implementing the 2030 Agenda.
- Universal protection and social protection floors are crucial when it comes to all three dimensions of sustainable development: income security combats poverty and inequalities. Security is fundamental for the poor to leave the poverty trap and to be able to engage in productive activities and contribute to economic growth. Also, in particular if social protection is accompanied by a strong agenda of financial inclusion, it makes the population more resilient against catastrophic events, in particular those caused by climate change.
- In order to better capture these interlinkages, the Mexican government transformed its major conditional cash transfer scheme (from

“Oportunidades” to “Prospera”) so that it includes not only elements to promote health and education but also facilitates access to financial services such as credits and savings as well as to other productive assets and professional training. Combining universal social protection with employment-promoting elements is key for a sustainable and inclusive development.

- Mexico is also committed to its Popular Health Insurance (“Seguro popular”) scheme, which aims at improving health outcomes by increasing funds to the public health system, by decreasing inequities in public expenditures and by reducing out-of-pocket payments and the risk of catastrophic health expenditure. The insurance is open to all residents with no access to social security and covered around 56 million people in 2013.
- These are two examples which I consider a set of unique social protection instruments which have their roots in our own experience and thus reflect a Mexican way to promote social justice and inclusion. And we consider it our global responsibility to exchange these experiences with our peers around the world and contribute to making the 2030 Agenda a reality.
- One recent example for how important this exchange is, is the product of our cooperation with the German government through the Global Alliance for Social Protection. Together, we organized a joint learning event that brought together decision makers from 13 emerging economies, who exchanged on how the 2030 Agenda can be implemented through national social protection systems.
- We asked ourselves: What are the necessary institutional changes in order to integrate the 2030 Agenda into national social protection programs? How can we improve coherence of social protection policies with other sectoral programs? How can we involve all relevant actors such as social society and the private sector?
- Did we find answers to these fundamental questions? Maybe not for every question and maybe not every answer was the final one – you

know, there is no silver bullet. But we were able to sketch out some important challenges and respective solutions:

First, context is crucial: If we talk about universal social protection it means different things in different countries – and that’s how it should be. In Mexico, the informal sector is structured differently than the informal sector, for example, in Indonesia. Of course, we learn from each other, but solutions must be tailored to the national and sub-national context. The human right to social protection for all is not debatable. However, regional and global exchange of experiences regarding the “how to” has proven to be extremely helpful.

- Second, data are particularly scarce when it comes to social protection: It is one of the areas which counts with few established and globally agreed indicators. In Mexico, we made good experience with using information from the Prospera database. However, can this information be made comparable with information gathered by other countries?
  
- Third, social protection has a strong transversal element: I already mentioned how important social protection is for progress in all three dimensions of sustainable development. How can we exploit these synergies? Clearly, it needs a strong institution that can ensure the mainstreaming of social protection in all policy areas. In fact, we in the Staff of the President are promoting a more integrative manner of policy making, with the formulation of a national strategy to implement the 2030 Agenda serving as starting point.

Finally, the financing side is important and needs a long-term perspective. Again, this depends on the context. Some have made positive experiences with financing through social contributions, others with taxes. In general, this issue is an important element of the Financing for Development Agenda and forms part of the New Social Compact agreed in the context of the Addis Ababa Action Agenda – a process the Mexican government has been supporting from the outset. We very much welcome the positive outcome from the ECOSOC forum on Financing for Development held in New York (22-25 May 2017). It is remarkable that the adopted outcome document contains a meaningful reference to financing social protection systems. It

commissions the task to prepare an inventory of domestic and international financial instruments and funding modalities, and existing quick-disbursing international facilities and the requirements for accessing them. This is an important step, coherent with the call for Global Partnership of SDG 17.

- These insights are also helpful to us with regard to the next steps in implementing the 2030 Agenda in Mexico. We recently inaugurated a National Council for the 2030 Agenda which we are currently making operative. Also, we are working on the mentioned National Strategy to implement the 2030 Agenda, which will be complemented by adjustments to the national planning law. Finally, we are working on aligning our national budget to the 2030 Agenda. Thus, “manos a la obra!” as we say in Mexico.
  
- Thank you very much for your attention. I am happy to discuss these issues with you further.