



UN

Inter-Agency Task Force on Social and Solidarity Economy

POLICY BRIEF

Financing for development: Unlocking the potential of the social and solidarity economy

The social and solidarity economy (SSE) plays an essential role in financing for development, serving as both a recipient and a provider of finance, and contributing to inclusive, resilient and sustainable development. Yet it remains insufficiently integrated into financing frameworks at the global, regional, national and local levels. This brief proposes ways to strengthen the SSE's role, including through multilateral and national financing strategies, greater recognition of its dual role in financing, and the safeguarding of SSE values and principles. These points are illustrated with good practices identified by the UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE) Technical Working Group on Financial Access and Support for SSE Entities.

1. The social and solidarity economy as a key actor in financing for development

The social and solidarity economy (SSE) plays an essential role in financing for development, serving as both a recipient and a provider of finance. SSE entities, such as cooperatives, mutual societies, associations, foundations, social enterprises, self-help groups, and other entities operating in accordance with the values and principles of the SSE (see Box 1), enhance social and financial inclusion. They balance economic efficiency with social and environmental resilience, contributing to achieving and localizing sustainable development. By reinvesting in communities, facilitating the transition from the informal to the formal economy, and supporting decent work and livelihoods, they address social and environmental challenges through approaches that both respect traditional knowledge and culture, and promote social innovation.

Despite its demonstrated potential, the SSE remains insufficiently integrated into global, regional, national and local financing frameworks. This applies not only to SSE entities receiving funding but also to those providing it, such as SSE financial institutions (e.g., cooperative banks, mutual insurers, and credit unions) and other SSE finance providers (entities that mobilize or manage finance without being formal

financial institutions). These providers deliver community-level financing solutions to foster social and financial inclusion.

The [Fourth International Conference on Financing for Development \(FFD4\)](#), to be held in Sevilla, Spain, from 30 June to 3 July 2025, provides an opportunity to ensure that financing mechanisms at all levels better address the SSE's contributions to sustainable development. Doing so aligns with an inclusive, integrated and gender-responsive approach to financing for development that enables decent work and sustainable development for all, including women, youth, persons belonging to minorities, Indigenous Peoples, persons with disabilities, migrants, forcibly displaced persons and persons in vulnerable situations worldwide.

United Nations General Assembly resolution [79/213](#) of 23 December 2024 on Promoting the social and solidarity economy for sustainable development encourages Member States to consider how the SSE could contribute to and feature in FFD4. It acknowledges the SSE's role in improving access to affordable finance and local economic development. It encourages Member States to facilitate access for SSE entities to financial services and funding, and to provide fiscal and public procurement incentives. It also encourages multilateral, international and regional

financial institutions and development banks to support the SSE, including through existing and new financial instruments and mechanisms adapted to all stages of development.

Box 1: The social and solidarity economy (SSE)

The SSE encompasses enterprises, organizations and other entities that are engaged in economic, social and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence, and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits as well as assets.

SSE entities aspire to long-term viability and sustainability, and to the transition from the informal to the formal economy and operate in all sectors of the economy. They put into practice a set of values which are intrinsic to their functioning and consistent with care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability, and the attainment of decent work and livelihoods.

According to national circumstances, the SSE includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the SSE.

Source: ILO (2022); UN General Assembly (2023, 2024).

Although the first draft of the FFD4 outcome document mentions support for micro, small and medium enterprises through financial institutions such as credit unions, and the role of local actors and development finance institutions, it does not yet fully reflect the broader framework of the SSE. Greater recognition of the SSE and its diverse entities could enhance coherence across UN mandates and support more inclusive and sustainable financing.

This brief offers options for strengthening the role of the SSE in financing for development frameworks and provides examples drawn from good practices identified by the UNFSSE Technical Working Group on Financial Access and Support for SSE Entities, intended to inspire context-specific adaptation.

2. Strengthening support from multilateral development banks and other development finance institutions for financing the SSE

Multilateral, international, regional, and domestic financial institutions and development banks could facilitate access to finance for SSE entities on terms appropriate to their nature and functions by:

- **Engaging proactively with SSE entities**, including through policy dialogue involving employers' and workers' organizations and, where appropriate, relevant and representative organizations of SSE entities, to align financing approaches with inclusive and sustainable economic models while safeguarding the autonomy, governance and purpose of SSE entities.
- **Creating dedicated financing products and instruments** tailored to SSE entities at different stages of development, including by expanding access to concessional finance for SSE entities, in ways that promote decent work and sustainable livelihoods.
- **Safeguarding the values and principles of the SSE** in financing frameworks, partnerships between the public and private sectors, trade and investment agreements, and innovative and blended finance mechanisms that affect SSE entities and workers.
- **Developing cross-border networks** to expand SSE entities' access to finance and promote South-South and triangular cooperation on inclusive and sustainable financing approaches.

Examples:

- *In the Republic of Korea, the Social Finance Promotion Programme has increased SSE financial access through government guarantees, public investment, and a wholesale fund for SSE finance intermediaries.*
- *The European Investment Bank's support for energy cooperatives has mobilized capital for community-led renewable energy projects, showcasing how targeted financing instruments can accelerate sustainable development in a specific sector while maintaining democratic governance and social objectives.*

3. Strengthening the role of the SSE in national financing strategies

To strengthen the SSE's role in financing for development, national governments could:

- **Establish a conducive environment for SSE entities that ensures a level playing field**, by treating SSE entities on terms no less favourable than those accorded to other forms of enterprise and social organization. This includes a supportive policy, legal and institutional framework consistent with the nature and function of SSE entities and guided by SSE values and principles. It also involves mainstreaming the SSE into relevant strategies, policies and programmes, while promoting the participation of SSE actors in their design, implementation and monitoring.
- **Recognize SSE financial institutions and other SSE finance providers as important actors in national financing frameworks**, including in relation to digital finance, to promote financial inclusion solutions that uphold participatory governance, data, consumer, and social protection, and financial transparency.
- **Facilitate SSE entities' access to financial services**, including, where appropriate, through diverse and specific financial measures and instruments, and provide technical assistance and support capacity-building initiatives that strengthen SSE entities' ability to develop economically viable and sustainable models.
- **Introduce support measures, where appropriate, for activities of SSE entities that meet specific social and public policy outcomes**. Such measures could include, among others, tax benefits, concessional loans, grants, access to public works programmes, and special procurement provisions.

Examples:

- *In Senegal, cooperative banking networks facilitate access to finance for informal economy workers, strengthening local entrepreneurship, financial inclusion and formalization.*
- *In France, 90/10 solidarity investment funds mandate that a percentage of private investment portfolios be directed toward social-purpose enterprises, demonstrating a scalable approach to integrating SSE*

into mainstream finance while maintaining a strong social purpose.

4. Recognizing and expanding the SSE's role as a provider of finance

The SSE mobilizes finance for sustainable development through people-centred financial institutions and mechanisms. Strengthening this role could involve:

- **Leveraging SSE networks**, including international, regional and subregional networks of SSE financial institutions and other SSE finance providers, to expand access to finance for underserved populations and entities.
- **Adapting and strengthening financial regulation and supervision frameworks** on terms appropriate to the nature, functions and diversity of SSE financial institutions, notably financial cooperatives, recognizing their collective ownership structures, non-speculative objectives, and socio-economic and environmental contributions. Frameworks should apply the principle of proportionality to the size, complexity and risk profile of these institutions, while safeguarding financial stability, consumer protection, SSE values and principles, and the distinct identity of the cooperative model.
- **Facilitating the growth of innovative SSE financial institutions and other SSE finance providers**, including those promoting fair, inclusive, transparent and sustainable digital financial services, while addressing digital divides and protecting worker and user rights and data.
- **Encouraging impact investors and development banks** to engage with SSE financial institutions while aligning investment frameworks with SSE values and principles.

Examples:

- *In Brazil, community development banks, such as Banco Palmas, provide financial services tailored to low-income communities, leveraging digital finance to expand financial inclusion.*
- *In Québec, Canada, the SSE finance ecosystem, which includes financial cooperatives, patient capital from government and workers' pension funds, government-owned Investment Québec, and others, allows for tailored support across financial needs of the SSE, fostering sustainable development and social impact.*

5. Key considerations for the outcome of FFD4

To fully leverage the SSE's contributions to financing for development, the final outcome document of FFD4 could:

- **Recognize SSE entities, including SSE financial institutions, as essential actors in financing for development**, occupying a dual role as recipients and providers of finance.
- **Encourage efforts to facilitate SSE entities' access to global, regional and national financing mechanisms**, including public and private funding models, while safeguarding their democratic and participatory governance, autonomy, and long-term social purpose.
- **Support regulatory reforms that enable SSE financial institutions to engage with national and**

international financial frameworks, while encouraging multilateral development banks to strengthen financing channels for SSE entities, ensuring that regulatory and financial measures align with the SSE values and principles.

6. Conclusion

The SSE is key for achieving sustainable development through innovative, inclusive and rights-based financing models. By integrating the SSE into financing strategies at all levels, the FFD4 process can unlock new pathways for resilient, equitable, and sustainable financing for development. In doing so, it can contribute to advancing decent work, gender equality, and social inclusion, consistent with broader international commitments to the 2030 Agenda for Sustainable Development and the goal of an inclusive, job-rich, resilient and sustainable recovery.

About the policy brief

This policy brief was prepared by the Secretariat of the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSE), chaired by the International Labour Organization (ILO). It draws on good practices identified by the UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSE) Technical Working Group on Financial Access and Support for SSE Entities, as documented in a draft background report.

About UNTFSE

The United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSE) promotes the social and solidarity economy (SSE) for sustainable development. It operates in accordance with the values and principles of the United Nations, bringing together, as members, relevant entities of the United Nations development system and intergovernmental entities with a mandate to promote the SSE, and engaging, as observers, international non-governmental organizations whose purpose is to represent, produce and share knowledge on, or promote the social and solidarity economy or any of its components.

For more information

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