

2021 HLPF Thematic Review
Expert Group Meetings
Virtual, 18 May 2021
Meeting Summary for Session on SDG 1

1. Introduction

In 2015, the world agreed on an ambitious set of global goals for people, planet, and prosperity – the 2030 Agenda and the Sustainable Development Goals (SDGs). Underpinning this agreement are the principles that these goals are indivisible and interconnected; that we must leave no one behind while we pursue these goals; and that bold societal transformation will be required. Under SDG 1, the overarching objective is not just to ‘reduce’ but to ‘eradicate’ poverty in all its forms and dimensions.

Poverty reduction is a story of success --and convergence, based on shifts in demographic trends, labour income and social protection. But this is also a story with a moving target. Poverty moves geographically, but it also moves across a well-being gradient --above the \$1.90/day threshold to \$3.20, 5.50 and \$13/day. However, the pace of global poverty reduction has been decelerating. And despite immense progress in poverty reduction over the last decades, poverty continues to be the greatest challenge facing humanity. Nowcast estimates put the global poverty rate in 2019 at 8.2 per cent.

For multidimensional poverty rates, the difference between rural and urban areas increase on average by five times more compared to income poverty¹. Multidimensional poverty brings us closer to geographically provided services – housing, water, sanitation, education and health, as well as care, gender equality and rights-based empowerment. The only way to move the needle ‘on average’ is to provide services in the most excluded places.

As we struggle to cope with the triple threat of COVID-19, conflict, and climate change, ending poverty in all its forms and dimensions requires innovative and integrated approaches to tackle its root causes, as well as bold, transformative action to remedy economic, social, and political disempowerment and exclusion.

2. Stocktaking and challenges

Global poverty reduction is a story of success. The proportion of the world’s population living in extreme poverty decreased from 15.7% in 2010 to 10% in 2015². However, the pace of reduction has been decelerating from 1% point annually between 1990 and 2015 to less than half a percentage point annually between 2015 and 2017³. Even before the outbreak of COVID-19, baseline projections suggested that 6% of the global population would still live in extreme poverty in 2030, missing the target of ending poverty⁴.

For the first time since 1998, the number of people living in poverty is on the rise. Estimates indicate that the COVID-19 crisis will increase the number of poor people in 2021 by between 143 and 163 million⁵, while the total number of extreme poor could reach 1 billion in 2030⁶. Southern Asia and sub-Saharan Africa are projected to experience the largest surge in extreme poverty, with an additional 32 million and 26 million people, respectively, living below the international poverty line due to the pandemic⁷.

Despite rapid demographic shifts and accelerated urbanization, poverty is still fundamentally a rural phenomenon. Although more than half of the world’s population live in cities, 4 out of 5 individuals living below the international poverty line do so in rural areas⁸. The rural poor have minimum or no formal education, face limited access to essential

¹ Across 107 developing countries, 1.3 billion people (22 per cent) live in multidimensional poverty. See: UNDP and OPHI (2020), [The 2020 Global Multidimensional Poverty Index \(MPI\)](#).

² UN (2020), [SDG Global Progress Report 2020](#)

³ UN (2021), [Report of the UN Secretary-General on Progress Towards the SDGs](#) (advance unedited copy).

⁴ UN (2020), [Global Issues: Ending Poverty](#)

⁵ World Bank (January 2021). [Updated estimates of the impact of COVID-19 on global poverty. Looking back at 2020 and the outlook for 2021](#).

⁶ UNDP (December 2020). [COVID-19 could push the number of people living in extreme poverty to over 1 billion by 2030, says UNDP study with Pardee Centre](#), University of Denver.

⁷ UN (2020), [Global Issues: Ending Poverty](#)

⁸ Castaneda, Andes; Doan, Dung; Newhouse, David; Nguyen, Minh Cong; Uematsu, Hiroki; Azevedo, Joao Pedro. 2016. [“Who Are the Poor in the Developing World?”](#). Policy Research Working Paper; No. 7844. World Bank, Washington, DC.

services, and are primarily engaged in informal agriculture work; rural-urban gaps in access to jobs, education, services, and infrastructure remain significant.

3. COVID-19 crisis impacts and recovery

The COVID-19 pandemic has revealed the entrenched vulnerabilities of particular groups, notably the elderly, women, children, the youth, but also persons with disabilities, minority communities such as LGBTQ, groups living in overcrowded settings, informal workers, migrants and refugees, and informal workers. Holistic and innovative solutions are needed to identify the specific and, in many instances, intersecting nature of the vulnerabilities facing these groups to guide bold, transformative policy interventions.

Informal workers have endured the biggest losses in income and livelihoods during the pandemic. ILO estimates that 1.6 billion informal economy workers – 76% of the global informal employment – could see livelihoods destroyed due to a decline in work and earnings brought on by lockdowns/restrictions to curb the spread of COVID-19⁹. Globally, around 60% of all workforce (2 billion people) work in the informal economy, most of them in emerging and developing countries, in jobs that lack social protection coverage¹⁰.

Women and girls have been hit particularly hard by the pandemic, threatening to roll back decades of substantive progress in gender equality. Globally, 42% of women workers work in the informal sector, compared to 32% of men.¹¹ More than 40% of working-age women are outside the paid labor force, compared with 6% of men, because of unpaid care responsibilities¹². Rising intrahousehold violence, human rights abuses against women workers, and persistent discriminatory laws pose significant risks to women's lives and livelihoods¹³.

4. Policies and actions to maximize synergies, mitigate trade-offs and drive transformation

Key policy recommendations to accelerate progress on SDG-1 in the next Decade of Action include *inter alia*:

- Poverty reduction strategies require systemic integrated solutions – not only targeting basic needs, but multiple deprivations. The approach should focus on building enhanced multiple capabilities of those living in poverty to move upwards.
- Better data is required – to improve understanding of who are systemically discriminated and left behind, better targeting of interventions and understanding of context (tailoring to rural and urban community/individual needs). New data sources that are more agile to capture multiple deprivations and vulnerabilities are needed. Strengthening statistical and data collection capacity is a precondition for effective, evidence-based, and context-specific antipoverty interventions. Leveraging innovative tools and methodologies to collect, process, analyze, and disseminate disaggregated data to inform policy design, implementation, monitoring, and evaluation is therefore crucial. We must continue promoting innovative approaches and tools –such as multidimensional poverty measures¹⁴ and analysis,¹⁵ and community-based monitoring systems¹⁶— together with digital technologies to help identify people and areas facing the most acute deprivations to confront the current crisis and future shocks and disruptions.
- On informality - informal workers represent a significant share of the working force and working poor globally. Informal workers must be engaged into the design of recovery plans, and countries must ensure the New Deal is guided by principles of 'do no harm'. Informal workers must be recognized as essential drivers of transformative change and therefore integrated as key agents of economic recovery plans and policies. In many countries, informal workers face continued restrictions and other punitive measures, including the destruction of their workplaces and infrastructure. A "Better New Deal" for the informal sector is needed. It should be based on the guiding principles of 'Leave No One Behind' – recovery from below; 'Do No Harm' – stop harassment, bribes, confiscations and evictions; stop negative narratives; and 'Nothing for Us, Without Us' – include informal workers in relief, recovery and reform processes.

⁹ ILO (2020). [COVID-19 and the world of work](#). Third edition. *Updated estimates and analysis*.

¹⁰ ILO (2020). [COVID-19 and the world of work. Second edition](#). *Updated estimates and analysis*.

¹¹ ILO (2020). [COVID-19 and the world of work. Third edition](#). *Updated estimates and analysis*.

¹² Oxfam (2020). [Time to Care Report 2020](#).

¹³ IDLO (2020) [Roadmap for a Rule of Law Based Recovery](#).

¹⁴ UNDP/OPHI (2019) ["How to Build a National Multidimensional Poverty Index \(MPI\): Using the MPI to inform the SDGs"](#).

¹⁵ See for example [Sida's toolbox for Multidimensional Poverty Analysis \(MDPA\)](#).

¹⁶ See the experience of [Philippines with community-based monitoring systems \(CBMS\)](#).

- On social protection – several countries adopted social protection as coping mechanism to the crisis generated by the pandemic, but many are temporary in nature. Financially sustainable and long-term schemes are required to ensure better protection. Protection of the missing middle, including informal workers and migrant workers. It is essential to continue promoting countries' efforts to expand and strengthen inclusive and shock-responsive social protection programs. Despite expanding coverage worldwide, half of the world's population – around 4 billion people— still lack any form of social protection¹⁷. Ensuring that all people, particularly those who are hit the hardest, are given the means to cope and recover from the COVID-19 crisis emerges as a top priority in the short term. There is a need to assist governments in rapidly expanding safety nets and other social protection schemes to include all affected people, notably informal workers - including women - who are currently unprotected¹⁸. But short-term, temporary social assistance is not enough. We must support longer-term, more holistic, universal, human rights-based social protection systems to reduce structural and intergenerational poverty and vulnerability while building resilience in the face of future shocks. Social protection systems not only should aim at protecting the incomes of people in case of shocks but also securing sustained access to basic services (e.g., health, education, water and sanitation, energy), advanced capabilities (e.g., digital technology and literacy, voice, resilience, security, responsive institutions), as well as diverse assets (financial, natural, physical, social, political, and human capitals).
- On gender equality – evidence points out to the impact on women due to the increase of caring responsibilities (unpaid care), impact on labour market, gender based violence among others. Gendered sensitive policies are required. During the pandemic, women have lost more jobs, shouldered a greater share of unpaid work, and suffered a surge in domestic violence. Avoiding further reversals in gender equality requires immediate social protection measures targeted at women in the short-run, and more inclusive systems, policies, and community initiatives over the longer-term. It will require integrated policy and program approaches across a wide-ranging set of service provisions, including institutional capacity building, technical policy support, knowledge-sharing and thought partnership. In addition, we must address entrenched social and cultural norms, breaking gender stereotypes and promoting women's empowerment in the household, in the economy, and in society¹⁹. UNDP and UN Women's [COVID-19 Global Gender Tracker](#) shows that some countries are including gender as part of their pandemic response efforts, including to tackle gender-based violence (GBV). But so far, according to the Tracker, the global response is largely blind to women and girls' needs and very few countries have designed their public policy response packages to be gender-sensitive²⁰.

5. Means of implementation: Mechanisms and partnerships to accelerate progress

In 2020, foreign direct investment fell by 40%, while remittance flows to low and middle-income countries dropped by 7%²¹. Many countries are suffering debt distress with limited fiscal space to support the critical interventions needed for socio-economic recovery. The global nature of the ongoing development challenges requires an equally global response to build forward better and ensure a green recovery agenda that leaves no one behind.

Integrated solutions to complex development issues amidst health, economic, and climate crises demand enhanced spaces and initiatives to foster dialogue, engagement, and collaboration between diverse state and non-state actors (including civil society, academia, NGOs, the private sector), operating at all levels of governance (from the international to the national to the local), and with a focus on giving voice and decision-making power to the traditionally excluded. Important to recognize and capitalize on the knowledge and action of local and grassroots community groups, as they traditionally drive innovation and solutions towards building resilience. Countries should continue leveraging innovative frameworks and platforms to promote multistakeholder engagement, networked and inclusive multilateralism, and decentralized partnerships to eradicate poverty.

¹⁷ UN (2021), [Report of the UN Secretary-General on Progress Towards the SDGs](#) (advance unedited copy).

¹⁸ Informal safety nets have played a vital role during the COVID-19 to maintain alive MSMEs and family livelihoods. In many cases, those informal safety nets are locally organized by women of communities. The expansion of social protection to reach the informal economy (e.g., through monotax regimes) and the support to those informal safety nets are key for building resilient communities and local economic development.

¹⁹ Commensurate efforts are needed to end discriminatory laws against women and other vulnerable groups (such as LGBTQ) and secure genuine participation of the most vulnerable in decision-making processes at all levels.

²⁰ The [COVID-19 Gender Tracker](#) is managed by UN Women and UNDP and is accessible [here](#).

²¹ UN (2021), [Report of the UN Secretary-General on Progress Towards the SDGs](#) (advance unedited copy).

Bold efforts to help countries create and expand the fiscal space are needed to avoid cuts in public services (including access to vaccines) and unsustainable debt. There is a need to rethink fiscal policies, including taxation policy, in the context of an increasingly interconnected global economy. Tax reform policies and fair taxation are key policy measures to ensure the proper financing of social protection schemes required. Policy options such as mono tax approach, solidarity-based financing mechanisms should be explored, among others.

Partnerships to secure fiscal incentives and financial support for Micro Small and Medium Enterprises (MSMEs) are much needed. In many developing countries, the fiscal space and the financing for MSMEs are highly constrained; as vital players in bottom-up socio-economic recovery, the development of MSMEs should be a top priority.

Poverty eradication strategies and methodologies should share a common understanding of the issues at hand but should be flexible enough to adapt to each country and local context. The 2030 Agenda will not deliver the expected results unless adapted to and implemented at the local level. That would require bold local action, political buy-in, and community leadership. All over the world, cities and towns are at the forefront of SDG localization initiatives, and there is an extraordinary engagement at the local level. Tapping into the existing capacities, experience, and knowledge of local and grassroots organizations is crucial for the Sustainable Development Goal of ending poverty in its multiple forms and dimensions.