

Sustainable Development Goal 1

An Expert Group Meeting in preparation for HLPF 2024: Reinforcing the 2030 Agenda and eradicating poverty in times of multiple crisis: the effective delivery of sustainable, resilient and innovative solutions

> Geneva, Switzerland, 7 May 2024

Concept Note

1. Introduction

The theme of the 2024 High Level Political Forum (HLPF) is "Reinforcing the 2030 Agenda and eradicating poverty in times of multiple crisis: the effective delivery of sustainable, resilient and innovative solutions". The 2024 HLPF will have an in-depth review of Sustainable Development Goal 1, End poverty in all its forms everywhere; Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture; Goal 13, Take urgent action to combat climate change and its impacts; Goal 16, Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; and Goal 17, Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

The HLPF in July 2024 will be the first HLPF under the auspices of ECOSOC after the **2023 SDG Summit**. It will support the implementation of the <u>Political Declaration</u> and other outcomes of the SDG Summit, and provide an opportunity to translate the political guidance and commitments into practical actions.

In preparation for the in-depth review of SDG 1, the UN Department of Economic and Social Affairs, Division for Sustainable Development Goals (UN-DESA/DSDG), the United Nations Conference on

Trade and Development (UNCTAD), and the World Bank are organizing an Expert Group Meeting (EGM).

In the second half of the 2030 journey, the objective of the meeting will be to take stock of where we are in terms of progress towards SDG 1; to identify innovative solutions and different ways forward; to consider how the prevailing environment for ending poverty has changed including in relation to global intertwined challenges, the intensifying climate crisis, ongoing recovery from COVID-19 and others that require urgent action and bold solutions; to build on new opportunities, learnings and good practices that have emerged; and to harness the political momentum from the SDG Summit.

These discussions will help inform the HLPF, assist in planning its sessions, and help to identify collaborations and programmes of work on SDG 1 going forward from 2024. They will consider how progress on SDG 1 can generate synergies across the 2030 Agenda, and how progress on other Goals can be aligned with poverty reduction.

2. SDG 1

According to official data, none of the SDG 1 targets are on track to be achieved by 2030ⁱ. Yet the 2030 Agenda recognizes that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. Despite decades of hard-won development progress, a world free of poverty may be out of reach.

Nearly 700 million people around the world today live in extreme poverty, trying to survive on less than \$2.15 per day. Due to the impacts of the COVID-19 pandemic and other recent interconnected shocks, we lost three years in the fight against poverty between 2020-2022. While extreme poverty in middle-income countries has started to decrease, poverty in the poorest countries and countries affected by fragility, conflict, or violence remains higher than before the pandemic. The persistence of poverty in these countries also makes other key global development goals much harder to achieve. Eradicating poverty in all its dimensions requires breaking the patterns and cycles of deprivation and exclusion that persist over time.

Poverty reduction has been a story of success for more than two decades, starting in the early 1990s. By 2010, the world had passed the milestone of cutting global extreme poverty in half, the first MDG target, 5 years early. Extreme poverty continued to fall, though the pace started to slow down. Between 2010 and 2019, it fell by 40%. The 2021 review of SDG 1 noted that the pace of reduction in extreme poverty had been decelerating from 1 percentage point annually between 1990 and 2015 to less than half a percentage point annually between 2015 and 2017.

In 2020, progress in poverty reduction was dealt a severe blow by the COVID-19 pandemic and related restrictions and closures, and for the first time, the number of people living in extreme poverty increased. The pandemic and impacts from the war in Ukraine, together with higher food and fuel prices, as well as increasing impacts from the climate crisis, led to an additional 75-95 million people living in extreme poverty in 2022, compared to pre-pandemic projections. It is estimated that, unless urgent actions are taken, roughly 575 million people will be living in extreme poverty in 2030, with poverty particularly entrenched in sub-Saharan Africa and conflict-affected areas.

Some countries have adopted national multidimensional poverty indicators to capture other aspects of poverty – such as those related to health, employment, education and access to basic services – as well as to reveal the interconnections between deprivations across multiple Goals within households. In 2022, 1.2 billion people lived in multidimensional povertyⁱⁱ.

By 2020, only 47% of the global population was effectively covered by at least one social protection cash benefit, slightly improved from 45% in 2015. According to the most recent data, only 26% of children under 15 receive a social protection benefit; only one in three persons with severe disabilities worldwide receive a disability benefit; only 35% of workers are covered in case of work injury; and only 18.6% of unemployed workers worldwide are effectively covered. The 2021 data for 100 countries shows that globally, the average spending on essential social services is approximately 53% of total government spending, with an overall average of 62% for advanced economies and 44% for emerging market and developing economies.

Poverty is both a risk driver and consequence of disasters. Disaster risk reduction is thus fundamental to saving lives and reducing poverty. Moving past the mid-point of the 2030 Agenda for Sustainable Development and the Sendai Framework for Disaster Risk Reduction, there has been a progressive decline in disaster-related mortality. The global average annual number of deaths or missing persons per 100,000 population has steadily decreased worldwide, from 1.604 in the period of 2005–2014 to 1.15 in 2013–2022. Despite the decline in global disaster-related mortality, the number of people affected by disasters per 100,000 population has increased, from 1,092 during the period 2005-2014 to 2,034 in the period 2013-2022. y.

3. Framing the issues

Global growth is expected to slow for a third year in a row – to 2.4 percent - in 2024, making this the weakest global growth performance of any half-decade since the $1990s^{iii}$. This is not good news. At the halfway point of the 2030 Agenda when significant acceleration and transformation is needed, countries are hamstrung by high costs from disasters and climate damage, unsustainable debt and tight budgets. High interest rates and high food prices hurt the poorest countries and households the most. In the decades ahead, the world needs to transition towards a low-carbon and climate-resilient economy. Transition costs can be particularly hard for poorer people to manage and can increase inequalities. Ensuring a just transition will be of critical importance to accelerate progress towards SDG1.

Trade is an important driver of economic growth and has contributed to the significant decline in global extreme poverty observed over the past few decades. However, as is well known, trade creates winners and losers, and the benefits are not equally distributed across countries. In the least developed countries (LDCs), rapid trade growth has gone hand in hand with an increase in the number of poor people. In this regard, one of the challenges policymakers in LDCs are grappling with is how to strengthen linkages between trade and poverty reduction and make the growth and development process more inclusive.

The poor face deprivations along multiple dimensions closely linked to SDG 1. From 2019 to 2020, there was a sharp increase in hunger (SDG 2). Between 691 and 783 million people in the world faced chronic hunger in 2022, affecting around 9.2 percent of the world population in 2022

compared with 7.9 percent in 2019. Billions of people still lack access to safe drinking water, sanitation and hygiene (SDG 6). In 2020, 2.4 billion people lived in water-stressed countries. The challenges are compounded by conflicts and climate change.

Extreme poverty tends to coexist with inadequate access to quality education (SDG 4) and health care (SDG 3). According to national education targets, the percentage of students attaining basic reading skills by the end of primary school is projected to rise from 51 per cent in 2015 to 67 per cent by 2030. Despite gains, an estimated 300 million children and young people will still lack basic numeracy and literacy skills by 2030. Access to quality education and skills is a prerequisite for equality in opportunity and breaking the intergenerational transmission of poverty. Quality education for all can unlock synergies that lead to progress across the SDGs.

The proportion of the population spending over 10 per cent of their household budget on health, out of pocket, worsened from 12.6 per cent in 2015 to 13.5 per cent in 2019, affecting around 1 billion people. Additionally, 4.9 per cent of the global population (around 381 million people) were pushed or further pushed into extreme poverty due to out-of-pocket payments for health in 2019. Proactive policies are needed to break this mechanism of poverty propagation, including increased public health funding, and extended coverage for medicines for the poor.

Under-investment in social protection continues to be a gap. Public expenditure on social protection (excluding healthcare) was on average 12.9% of GDP worldwide (around 2020). This average, however, hides enormous inequalities. While high-income countries spent annually 16.4% of GDP on social protection, upper-middle-income countries spent half of this value (8.0%), lower-middle-income countries only spent one-seventh (2.5%) and low-income countries one-sixteenth (1.1% of GDP)^{iv}. Vulnerable groups, such as migrants, are more likely than non-migrants to be in poverty. Data from 36 countries in 2015 showed that around 35% of international migrants were in or at risk of poverty, compared to just 23% of non-migrants exposure to poverty is often greater for specific migrant sub-groups, including women. Many migrants face exclusion from social protection programs and from essential health care services. Many migrants have no access to social protection; approximately 22% of labour migrants are not covered and 55% cannot transfer their benefits home or to another country.

Poverty is overwhelmingly rural and is primarily concentrated in the agricultural sector. Over 80 per cent of the world's extreme poor live in rural areas. Nearly two thirds of the rural poor are engaged in agriculture, where extreme poverty rates are more than four times higher than among non-agricultural workers (20 vs. 5 per cent). Most are small-scale producers and agricultural workers, including fisherfolk, pastoralists and forest-dependent people^v. Agrifood systems are a more important source of livelihood for women but women's access to land, inputs, services, finance (including insurance) and digital technology lags behind that of men, limiting their productivity, earnings and their resilience in the face of shocks.

Developing countries around the world face tight fiscal situations with many facing debt crises. With high debt servicing and borrowing costs, they are in tough situations and are hardly in a position to increase public spending on education, health and essential services. According to this year's International Debt Report, developing countries spent a record \$443.5 billion to service their external public and publicly guaranteed debt in 2022. The poorest countries eligible to borrow from the World Bank's International Development Association (IDA) paid a record \$88.9 billion in debt-

servicing costs in 2022, 4.8 percent more than in 2021. The increase in costs shifted scarce resources away from critical needs such as health, education, and the environment. The impacts are felt disproportionately by the world's poorest.

Accelerating progress on SDG 1 could leverage the system wide transformations underway, building on synergies across systems and managing the tradeoffs^{vi}. Significant investments are needed across the SDGs in the most promising projects, especially those that advance multiple goals. Science and technology can provide solutions that overcome tradeoffs. Investing in a significant expansion of green energy is a way to ensure energy access to the poor, in a world where 660 million people will still lack access to electricity and close to 2 billion people will still rely on polluting fuels and technologies for cooking by 2030. Ensuring a just transition, ensuring that the green transformation is accompanied by the expansion of decent green jobs, for example in clean energy, electrical vehicles, or sustainable infrastructure, is also a way to manage tradeoffs as are compensation and social protection systems to cushion the transformation away from fossil fuel-based energy and economies.

In response to COVID-19 and its impacts on poverty, governments across the world quickly ramped up social protection, often through digital means. Social protection that is dynamic in both the coverage and the means of distribution can bolster capabilities to weather crises. Despite high upfront costs in some cases, such investment will yield long-term results that far outweigh immediate costs. There is some promise for cross-cutting action on poverty through a set of "High impact initiatives" identified at the SDG Summit including the Global Accelerator on Jobs and Social Protection for Just Transitions. Such initiatives have the potential for multiplier impacts across the SDGs and for delivering on promises to leave no one behind.

Social protection systems need to be strengthened in ways that are responsive to women's deprivations and respect, protect and fulfil their rights. Likewise, eliminating extreme poverty will not be achieved without reaching the rural poor. This means transforming agrifood systems, increasing agricultural productivity, facilitating transitions into non-agricultural employment, promoting inclusive climate action and improving rural livelihoods, with a focus on women's access to agrifood resources.

In addition to strengthening social protection systems and implementing the necessary transformations to reduce poverty and increase resilience, there is a need to mitigate growing interconnected risks – including those stemming from the climate crisis, pandemics or conflict – that threaten further progress towards SDG 1. The cross-border nature of many of these risks calls for joint international action, supported by a reinvigorated, inclusive and effective multilateral system that is better equipped to tackle current and future challenges.

Developing countries also need long term affordable financing. The systems transformations that are needed will depend on large scale investment. The SDG Stimulus that was called for during the SDG Summit is a promising step. As developing countries are rocked by devastating floods, storms and heatwaves, the Loss and Damage fund established at COP 28 is an important lifeline. By affecting the volume, effectiveness and efficiency of new and existing non-traditional financing instruments, innovative financing mechanisms have the potential to support a wide development footprint more impactfully. The World Bank estimated that the \$7.7bn in guarantees issued to support investments in developing countries between 2000 and 2008, levered additional investment

financing of \$20 bn $(2.6 \text{ x})^{\text{vii}}$. Multilateral development banks (MDBs) are in a unique position to accelerate investments in sustainable development. MDBs remain a critical source of affordable, long-term finance for developing countries as well as countercyclical support in times of crisis. The World Bank's International Development Association remains the primary source of concessional finance for LDCs and lower-income countries. The upcoming 21st replenishment, under negotiation during 2024, will need to be the largest ever to help meet SDG financing needs.^{viii}

The first half of the 2030 Agenda era holds many lessons including how quickly reversals on SDG 1 targets can take place and the damaging effects of multiple crises. There have also been innovations during these periods of crisis, including new ways of distributing social protection and new social protection programmes that could be scaled up and measures to mitigate risks and help increase the resilience of communities and measures to mitigate risks and help increase the resilience of communities. In the second half, building on the momentum of the SDG Summit, it is crucial to accelerate progress on SDG 1 targets, accounting for the current economic environment and its challenges.

4. Key questions to be addressed

The following questions can be considered during the EGM:

Stock taking:

What are the main trends in terms of the SDG 1 indicators, how have these evolved and what are the expectations and projections in the short and medium-term?

How do patterns of progress on SDG 1 targets vary across regions and different groups of countries, and across different groups of people within countries?

What are the particular challenges for the most vulnerable countries including LDCs, LLDCs and SIDS?

Lessons learned from first half of the 2030 journey:

What are the lessons learned since 2015 and best practices for poverty reduction in all its dimensions, reaching the people most left behind?

What are some main synergies, and tradeoffs for SDG 1 with other SDGs including across international borders, that have been identified? How can this knowledge be utilized or contextualized to inform policy change?

In an environment of intertwined challenges, multiple crises, conflict and disasters, what are the most promising ways for policymakers to build resilience and prevent reversals in poverty reduction?

Overcoming challenges to shifting course:

How can transformations for poverty reduction be brought about in an environment of low global growth and low fiscal resources?

What can be done to ensure that institutions have the capacity to identify context-specific poverty reduction challenges and find fit-for-purpose solutions?

What needs to be done differently in the second half of the 2030 journey to ensure poverty eradication is at the center of SDG efforts? What are some urgent actions and bold solutions that should be tried?

What can be done to strengthen linkages between trade and poverty reduction in vulnerable developing countries?

How do we ensure that LDCs have adequate, stable and affordable financing for sustainable development?

Opportunities for transformative change:

How can science, technology and innovation be harnessed to overcome the possible tradeoffs among SDG 1 and other SDGs (eg. climate and sustainability related) and provide solutions for poverty reduction?

What are some innovative options for long-term and affordable financing for transformations that accelerate incomes and multidimensional wellbeing for the world's poorest? How can the High Impact Initiatives be leveraged for change?

What are key steps toward building a global enabling environment for eliminating poverty? What are some new and emerging partnerships that can be used to advance progress in this area?

5. Contribution to HLPF 2024

The knowledge and insights of experts from all regions, sectors and stakeholders including government, civil society, youth, academia and the private sector will be crucial to addressing these questions. The EGM will serve to bring together a cross-section of expertise on SDG 1 to help:

- Provide substantive inputs into the thematic reviews at the 2024 HLPF and help inform its outcomes;
- Identify cases from regions and specific countries (including those that are conducting or have conducted Voluntary National Reviews) that illustrate challenges or highlight innovative practices;
- Suggest effective resource persons for thematic sessions at the HLPF, as well as contributors to opinion pieces, blog posts, e-discussions and other activities leading up to the HLPF;
- Contribute to preparations for the Summit of the Future in September 2024; and
- Influence collaborations and programmes of work going forward from 2024.

6. Participation and organization

The EGM is part of a broader review of SDG 1, including specialized reports from various agencies and think tanks. Some of these inputs will also feed into the EGM.

Participation at the EGM will be by invitation. A limited number of experts from think tanks, academia, NGOs, the private sector and Governments will be invited. Experts from the UN system and other international organizations will also be invited to participate.

UN-DESA/DSDG, UNCTAD, and the World Bank will prepare the event in consultation with other agencies. DESA/DSDG will also coordinate across other DESA divisions.

Individual sessions at the EGM will address specific themes. The mode will be interactive, with all participants encouraged to speak openly and informally. The EGM will be conducted in English

ANNEX 1: SDG 1 Targets

1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

ⁱ https://unstats.un.org/sdgs/report/2023/progress-chart/Progress-Chart-2023.pdf

ⁱⁱ https://hdr.undp.org/content/2023-global-multidimensional-poverty-index-mpi#/indicies/MPI

iii https://www.worldbank.org/en/publication/global-economic-prospects? and

https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-2024/

^{iv} https://www.ilo.org/wcmsp5/groups/public/@ed_protect/@soc_sec/documents/publication/wcms_817572.pdf

^v Report of the Secretary-General on Eradicating Rural Poverty to implement the 2030 Agenda for Sustainable Development 2023

vi https://sdgs.un.org/gsdr/gsdr2023

vii https://www.un.org/sites/un2.un.org/files/innovative_fincancing_14_march.pdf

viii https://desapublications.un.org/publications/financing-sustainable-development-report-2024