



## **ACCELERATING GLOBAL ACTIONS FOR A WORLD WITHOUT POVERTY: GAPS, CHALLENGES AND PROGRESS**

### **Inter-agency Expert Group Meeting on Implementation of the Third United Nations Decade for the Eradication of Poverty (2018-2027)**

10-12 May 2023

#### **Key Messages and Recommendations**

##### **Poverty and Inequality**

- ❖ Poverty is both monetary and multidimensional

##### **Monetary poverty**

- ✓ Extreme poverty (both in terms of proportion and number of people living on less than US\$2.15 per person per day) decreased significantly between 1990 and 2014 worldwide. However, progress slowed down after 2014. It even increased in 2020 due to the pandemic.
- ✓ Today, people living in extreme poverty are concentrated in sub-Saharan Africa where both the extent and depth of poverty are at high levels,
- ✓ Progress in poverty reduction across Africa has been uneven.
- ✓ Much of poverty in Africa is structural. Other factors dampening the poverty-reducing impact of growth in Africa:
  - Rapid population growth driven by high fertility,
  - High poverty gap ratio,
  - High initial inequality and
  - Low growth (and low productivity) in agriculture, where most of the poor are located.
- ✓ In Africa, the number of people, including workers, living in extreme poverty is increasing.
- ✓ In Asia and the Pacific, income inequality is high, especially in middle-income countries.
- ✓ In Latin America and the Caribbean, poverty decreased before 2014 but has increased since then.
- ✓ In the Arab region, poverty (both in terms of rate and number) has been rising from 2010 on.
- ✓ Given the continuing negative effects of the current multiple crises, the world will not be able to eradicate extreme monetary poverty by 2030.

##### **Multidimensional poverty**

- ✓ Nearly every country saw a decrease in the multidimensional poverty index (MPI) between 2000 and 2021. The largest reduction in multidimensional poverty was in Southern Asia and the lowest progress was in sub-Saharan Africa.
- ✓ Progress in poverty reduction was much faster for income poverty than for multidimensional poverty.
- ✓ Economic growth reduces income poverty substantially (5-8 times) more than multidimensional poverty.
- ✓ Non-monetary poverty is significantly higher than monetary poverty in Asia and the Pacific.

## **Social inequalities**

- ✓ Poverty continues to be overwhelmingly rural. Around 80 per cent of the monetarily extreme poor and roughly 83 per cent of the multidimensionally poor still live in rural areas.
- ✓ Child poverty is a global phenomenon and growing up in poverty has severe and long-lasting consequences.
- ✓ On average, multidimensional poverty is about 60% higher among women than men. The largest gender disparities are found in MENA and Southern Asia.
- ✓ Gender gaps in productivity and entrepreneurship lead to forgone billions of US\$ in GDP.
- ✓ In Latin America and the Caribbean, the incidence of poverty and extreme poverty varies by territory, age, ethnicity, race and education level.

## **To reduce poverty:**

- ❖ Improve economic resilience.
- ❖ Improve health and education sector initial conditions and capacities.
- ❖ Make ending child poverty a priority by having clear national policies and laws, improving access to quality social services, and expanding social protection systems/programmes.
- ❖ End gender gaps and address gender disparities in poverty.
- ❖ Empower women and girls as they are disproportionately affected by poverty and hunger and empowering them can help break the cycle of poverty.
- ❖ Harness the resource potentials of youth for achieving the demographic dividend. This can be achieved by providing access to education, healthcare and economic opportunities.
- ❖ Reduce inequality in all its forms.
- ❖ Improve governance.
- ❖ Policy responses should pay special attention to the poor and people in vulnerable situations.
- ❖ Poverty reduction cannot be achieved through only temporary measures such as direct cash transfers, but through the generation of quality jobs that enable working-age individuals to exit poverty permanently.
- ❖ Poverty reduction efforts need to be nuanced and should evolve with the times.
- ❖ People-centred recovery and transformation are needed for eradicating poverty in Africa:
- ❖ Pro-poor and inclusive macroeconomic policies should be pursued.
- ❖ There is a need to ensure access to finance for an inclusive recovery.
- ❖ A structural development path that is just and addresses people's needs should be carved.
- ❖ Reforms should be advanced for a more just and inclusive global financial architecture.
- ❖ Figure out how/why poverty declined where it has and take lessons from that.

## **Hunger, malnutrition and poverty**

- ❖ The recalcitrant challenges that the world is currently facing include massive undernourishment, food insecurity, widening gender gaps and persistent rural/urban disparities, the challenges of ensuring adequate and effective physical and economic access to adequate food.
- ❖ Hunger, undernutrition, and nutrient deficiencies remain widespread challenges. In the 2010s, prior to the COVID-19 pandemic and subsequent shocks, global hunger was already increasing. Hunger dramatically increased starting in 2020, potentially with generational consequences.
- ❖ Simultaneously, 40% of the global adult population is overweight or obese, increasing the risk of non-communicable diseases (cardiovascular diseases, diabetes, certain cancers, etc.), and no country is on track to meet global targets.
- ❖ Suboptimal diets are globally responsible for more deaths than any other health risks.

- ❖ The double burden of malnutrition poses significant current and future challenges for health systems, particularly in LMICs, where governments, health systems, policies, and financing are not aligned to meet this burden of disease. It can also pose significant financial risk/harm for individuals and families, particularly when there isn't sufficient social protection.
- ❖ Diet-related non-communicable diseases are not problems of the wealthy.
  - The cost of healthy diets is nearly five times the cost of energy sufficient diets.
  - Before COVID-19: 3 billion people could not afford the least-cost form of healthy diets and 1.5 billion people could not afford a nutrient adequate diet.
  - Importantly: our international poverty line of USD 2.15 is insufficient to realize either the right to food or the right to health.
- ❖ Urbanization and changes in livelihoods and gender roles are rapidly changing diets and the demand for food.
- ❖ Individual choices are shaped by advertising, health promotion campaigns, norms and beliefs, religion, dietary guidelines and policies, social media, and family needs.
- ❖ There is a need for a Food System Transformation:
  - ✓ Change food systems qualitatively and at scale:
  - ✓ Food security and healthy diets for all people
  - ✓ Prosperous livelihoods
  - ✓ Sustainable operation within planetary limits
- ❖ While food systems clearly shape nutrition and health, it's also important to remember that food systems are a major source of employment and livelihood, particularly for those living in rural areas, working in the informal sector, women, and youth. These food systems workers are important sources of health and nutrition for all, but face multiple vulnerabilities. Any transformation of food systems must be equitable and consider the needs and welfare of workers as well as consumers.
- ❖ The Priority policy actions<sup>1</sup> to transition food systems toward sustainable and healthy diets are:
  - ✓ To make sufficient nutrient-rich and staple foods available to all, produced sustainably.
  - ✓ To ensure foods move along value chains more efficiently, improving accessibility and resulting in lower cost and less loss.
  - ✓ To empower consumers to make more informed food choice, fuelling rising demand for sustainable and healthy diets.
  - ✓ To ensure sustainable, healthy diets are affordable to all, with lower demand for ultra-processed products that are high in salt, sugar, and fat.

### **Leveraging the AfCFTA to support local production of healthcare products, reducing healthcare costs and tackle poverty**

- ❖ Leveraging the AfCFTA to boost intra-African pharmaceuticals trade: Include pharmaceuticals and medical supplies as priority sector for liberalization under trade in goods negotiations.
- ❖ Opportunities in making generics: Build healthy generics industry and use it as platform to develop manufacturing experience and train work force for increasingly more complex products.
- ❖ Setting regulatory standards: Common set of continental regulations and standards for medicines and medical equipment can have positive impact on both quality and availability.
- ❖ Sequencing pharmaceutical manufacturing: Prioritize steps in pharmaceutical value chains that will have most immediate impact on cost, time, and capacity –and add other dimensions over time.

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<sup>1</sup> GloPan

## **Innovative approaches and data for poverty eradication**

- ❖ Challenges of data relevant to those in poverty especially at sub-national level,
  - ✓ Paper based.
  - ✓ Limited use of data in decision making (non-interoperability or/and inaccessibility)
  - ✓ Weak administrative data systems
  - ✓ Limited statistical capacity building
  - ✓ Rapidly changing, costly and complex ICT infrastructure
  - ✓ Over-reliance on external funding for some statistical programmes
  - ✓ Limited exploitation of non-traditional data sources
- ❖ Practical steps for a better data ecosystem:
  - ✓ Data landscaping
  - ✓ Joining-up datasets
  - ✓ Supporting data systems
- ❖ Need for improved data governance, including promoting supportive policies, processes, and government structures to enable responsible data collection, data management, and data sharing.
- ❖ Africa's overriding priority for digital transformation is digital data collection and with digital data collection MUST come use of that data at point of entry and in local governments.
- ❖ The data should come from health facilities, schools, registry offices, local planning departments, water utilities, and district agriculture extension officers, among others.
- ❖ Another digital solution is digital civil registration and vital statistics (CRVS) -- critical for the vulnerability and poverty data ecosystem.
- ❖ Data systems which interlink with the provision and access to social protection services.
- ❖ Help to identify people in need, and to understand what their needs are. E.g., use national identification numbers (NIN).
- ❖ Get high resolution data that allow to identify the poor. Data need to be not only disaggregated but also inclusive (including those affected by poverty, ...)
- ❖ Hasty adoption of cutting-edge technology such as Artificial Intelligence (AI) will likely exacerbate inequalities.
- ❖ Identify public data gaps, barriers to data use and models for improving data that does exist. This is not a quick fix, but it will deliver sustainable solutions for more effective AI-ready data systems in future.
- ❖ Help National Statistical Offices (NSOs) provide data for computing trends like before the pandemic.
- ❖ Combine satellite and/or mobile phone data with census/survey data.
- ❖ Have more household survey data because their frequencies have decreased.
- ❖ Build public-private partnerships that involve the National Statistics Offices (NSOs), researchers, government agencies (that traditionally focus on poverty eradication efforts), as well as the private companies, like the telecom providers and those in possession of satellite imagery, to discuss participatory mechanisms of responsible data sharing among these entities that can support providing accurate estimates of poverty while preventing the misuse of data or models.
- ❖ Diverse and inclusive digital datasets that are collected by the local governments in response to poverty eradication and intervention programs (via e-governance initiatives) be integrated with satellite and mobile phone data.
- ❖ Develop and strengthen the workforce, computing, and technical capacity of the NSOs for African countries to drive improved decision-making and facilitating recovery efforts from the poly-crises.

- ❖ Concerted efforts that scale the successful methodologies of combining satellite imagery and mobile phone data to other countries and to more intercensal time periods to accelerate coordination efforts in achieving the SDGs.

### **Climate disasters and poverty**

- ❖ Impact of climate disasters on food security, displacement and poverty.
  - ✓ 24 million people currently living in drought affected areas.
  - ✓ 17 million people estimated to be food insecure due to drought.
  - ✓ About 6.85 million livestock deaths since late 2021
  - ✓ In 2023, \$US 4 billion needed for the drought response.
  - ✓ Flooding and heavy rain have affected or displaced around 240,000 people in several regions of Ethiopia in 2023. At least 29 people died.
  - ✓ Pollution: indoor air pollution is responsible for more than 50,000 deaths annually and causes nearly 5% of the burden of disease in Ethiopia.
  - ✓ Deforestation:
  - ✓ Weather
  - ✓ Landslide
- ❖ Climate change affects the right to education
- ❖ The UN Women's Climate Action & Green/Blue Economies Gender Equality Accelerator fosters gender-responsive just transitions to sustainable green/blue economies
- ❖ Investments in clean energy, ecosystem restoration and the adoption of inclusive climate actions that enhance access of small-scale producers to climate finance, including for adaptation efforts should be promoted.
- ❖ Working 'on' conflict and intersecting crises is a case for building resilience.
- ❖ Governance (formal and informal) is a critical part of strengthening resilience.
- ❖ Recasting of the humanitarian-development-peace nexus is overdue.
- ❖ Member States have embraced green economy as an important tool for achieving sustainable development

### **Growth - Inflation - Unemployment -Poverty**

- ❖ The macroeconomic conditions play an important role in maintaining the poverty rates high.
  - ✓ Growth was decreased from 8.36 % (2019) to 3.84 (2022)
  - ✓ Inflation increased from 20.4% (2020), 26.4% (2021) and 37.5 (2022).
  - ✓ 72% of the population is below the age of 30 urban unemployment rate is 18% in 2021.
  - ✓ Rural unemployment is 5.2% but disguised unemployment accounts 45%
  - ✓ In the urban areas the youth unemployment rate is very high at 23.1% in 2021. This, in turn is very high for females at 29% compared to that of male which is 16%.
- ❖ Formalize jobs and advance the decent work agenda, i.e., create more and better jobs
- ❖ Expand public and private investment in the care economy
- ❖ Promote gender-responsive procurement to create opportunities for entrepreneurs and decent work for women
- ❖ Promote women's livelihoods
- ❖ High-quality employment requires a strong macroeconomic policy framework, an environment conducive to growth, and competencies that evolve in line with market needs.
- ❖ Countercyclical macroeconomic policies are important to stabilize economic and labour market outcomes and prevent temporary contractions of activity from turning into low-growth traps.

- ❖ The flexibility of product and labour markets is essential to create high-quality jobs in a dynamic environment, but the gains and costs of this flexibility must be shared equitably between companies and workers.
- ❖ Policies must strike the right balance between flexibility and employment stability.
- ❖ Reinforcing equal opportunities is important so that socio-economic status does not become the determining factor for success in the labour market.
- ❖ It is essential to have a lifelong perspective, providing workers with continuous opportunities to develop, maintain and improve their skills.
- ❖ Labour conditions must be adapted to the needs of workers throughout their lives.
- ❖ Countries need to ensure that everyone has access to social protection and is covered by basic labour regulations, regardless of the type of contract or employment involved.

### **Promotion and provision of access to quality education**

- ❖ The COVID-19 pandemic led to significant learning losses, especially among children in poor households in low- and middle-income countries.
- ❖ Countries need to invest in education and training systems to turn them into true drivers of social mobility and growth, so that they contribute to the demographic dividend and reduce poverty allocate more finance for education in their government's budget
- ❖ The demographic dividend does not happen automatically, it needs to be created
- ❖ To maximize demographic dividend and eradicate poverty, it is necessary to invest in:
  - ✓ data collection (strengthen national statistics systems) with focus on privacy and data protection. Additionally, digital solutions that intend to bridge the inequalities in educational attainment should focus on internet/broadband access and electricity access.
  - ✓ education and skills development
  - ✓ health and well-being systems and programmes
  - ✓ rights, governance and empowerment

### **Social protection**

- ❖ Social protection is an investment that yields productive and economic impacts to recipient households. It also has positive consumption and production spillover and multiplier effects on rural economies.
- ❖ Social protection coverage is low at the global level
- ❖ Coverage is particularly low in Africa, among children and among the unemployed
- ❖ Social protection helped a lot in reducing poverty in Asia and the Pacific
- ❖ Continuous social protection programmes contributed to reduce poverty in Latin America and the Caribbean
- ❖ Social protection is an effective crisis response (e.g., during the COVID-19 pandemic)
- ❖ Allocate resources to strengthen existing social protection systems
- ❖ Advance towards universal social protection systems, including floors, that are gender- and child-responsive
- ❖ Social protection coverage should be expanded in rural areas.
- ❖ Countries need to invest in building/strengthening systems of public provisioning. There is no better crisis response to a shock from the social sector than having a robust social protection system in place —one that is able to flex and expand as the shock hits and the need arises.

## **Financing for development**

- ❖ The global financial architecture needs to be reformed to benefit countries better by considering poverty and inequalities as well as vulnerability and exposure to climate change, among others, rather than only income levels. Bretton Woods institutions should be more inclusive and participatory.
- ❖ The financial system reform agenda should be connected to the goals of green economy
- ❖ Domestic resource mobilization should be strengthened and the alignment of national budgets and public expenditures and strategies with the SDGs should be improved.
- ❖ In Africa, there is a lot of inefficiencies in public expenditures.
- ❖ Domestic resources remain the biggest sources of financing for development in Africa.
- ❖ African countries need to fast-track the adoption of e-procurement services and e-government in general by 2026, to promote transparency and accountability and improve overall efficiency.
- ❖ African countries must digitize their revenue collection system by 2024 to build strong domestic resource mobilization systems.
- ❖ Domestic resource mobilization for financing poverty eradication should be multisectoral, mainly because poverty is multidimensional, and the SDGs framework covers the whole spectrum of development policy.
- ❖ Domestic resource mobilization financing strategies should cover sector-related development dimensions such as food production, hunger, poor health, homelessness and inability to meet basic human needs (humanitarian assistance).
- ❖ Climate, humanitarian and development financing should be aligned.

## **The role of civil society organizations**

- ❖ Civil Society Organizations (CSOs) bring the voices of the marginalized to the global space
- ❖ CSOs engage in advocacy and policy influencing with policy makers, decision makers and traditional institutions.
- ❖ CSOs are versed in sensitization and raising awareness
- ❖ CSOs should always be included in poverty eradication and recovery from crisis processes, because they are closer to the people and do speak up on their behalf
- ❖ CSOs should not be included just as an “after-thought”

## **Structural Transformation**

- ❖ Structural transformation is crucial for poverty eradication as it facilitates the shift from low- to higher-productivity sectors, creating opportunities for economic growth, job creation, and improved living standards.
- ❖ Inclusive and sustainable industrialization and poverty eradication require a structural transformation, which is a vital component.
- ❖ Effectively implemented structural economic transformation can fuel economic growth, generate employment opportunities, and reduce poverty and inequality.
- ❖ Diversifying economies (beyond traditional sectors such as agriculture and extractive industries): industrialization, manufacturing, and services sectors will help create more job opportunities and enhance economic resilience.
- ❖ Integrated, systemic and partnership policy approaches are needed for structural transformation in Africa.
- ❖ To promote inclusive growth and reduce poverty and inequality, it's necessary to:
  - ✓ promote investment in human capital and capacity-building to develop a knowledgeable and skilled workforce in line with labour market requirements
    - ✓ support small and medium-sized enterprises, including by fostering entrepreneurship and expanding their access to finance,

- ✓ encourage sustainable industrialization,
- ✓ encourage the transfer of appropriate technologies and foster innovation ecosystems to enhance productivity, efficiency, and competitiveness,
- ✓ promoting socio-economic inclusion through social protection measures and levelling the playing field
- ✓ strengthen regional integration and promote intra-African trade,
- ✓ all while ensuring that economic activities are balanced with resource-efficiency, climate and environmental protection so that long-term development can ensure the preservation of ecosystems and promotes resilience

## **Productive capacities**

- ❖ The sources of growth in Africa do not create good jobs
- ❖ Effective strategies to develop productive capacities involve building new capacities as well as better utilizing existing ones.
- ❖ Access to finance, technological advancements and innovation, infrastructure development, skilled workforce, supportive industrial policies and institutions, as well as regional integration are critical elements to fully harness the potential of Africa's productive capacities.
- ❖ Developing productive capacities can contribute to structural change. But the link is not automatic.

## **Agriculture**

- ❖ Countries need to increase agricultural productivity, support economic and livelihood diversification, and promote integration into agrifood value chains on fair terms as a way of tackling persistent rural poverty.
- ❖ Countries need to implement integrated and coherent measures to support small-scale food producers, with the aim of increasing their productivity. sometimes, though, the positive progression is out of agricultural production as a livelihood, and this should be supported as well as part of rural development.
- ❖ The provision gaps need to be closed by increasing investments in public services and basic infrastructure in rural areas, including in health care, education, clean water and basic sanitation, housing, roads, irrigation and electrification.
- ❖ Digital solutions should be leveraged to boost farmer productivity, facilitate access to digital finance and extension services, and accelerate rural economic transformation.
- ❖ Rural development and agri-food system transformations that are inclusive and equitable should be fostered, by among others enhancing rural women's access to and control over land, productive resources and decent work opportunities along the agri-food value chain.

## **Fragile and Humanitarian Context**

- ❖ An all-hands-on deck approach through coordinated joint programming is required as fighting poverty in fragile and humanitarian contexts cannot be done alone.
- ❖ The changing lives agenda should be scaled up as a more inclusive way to tackle the root causes of poverty, build resilient and sustainable livelihoods and reduce vulnerability to shocks using social protection and resilience programs.
- ❖ There is a need to create an enabling policy environment and food systems approach to ensure sustainable and resilient food systems by improving infrastructure, promoting sustainable agriculture, and supporting local markets.
- ❖ Women and girls need to be empowered to break the cycle of poverty through targeted interventions in education, healthcare, and economic opportunities.

- ❖ Partnerships should be strengthened with and support to governments, partners and local actors.

### **Conflicts, fragile contexts and intersecting crises**

- ❖ Fragile contexts accounted for three-quarters (73%) of people living in extreme poverty worldwide in 2022 and were projected to account for 86% by 2030 (not taking the impact of the war in Ukraine into account).
- ❖ Globally, fragile and conflict-affected countries host nearly one billion people facing challenges including extreme poverty, low capacity of institutions, limited provision of public goods, forced displacement, protracted conflicts and civil war, climate change, food insecurity, and persistent gender inequalities.
- ❖ Conflict remains the main driver of hunger in most of the world's food crises. Seven out of 10 acutely food insecure people live in fragile or conflict-affected situations.
- ❖ Climate has also played a negative role, evidenced by a climate-conflict nexus especially in certain LICs and LMICs with high numbers of people living in poverty.
- ❖ Working 'on' conflict and intersecting crises, by responding to multiple crises and seeking to address root causes and maintainers of conflict and poverty, is a case for building resilience. In this process, people facing the most severe forms of poverty and intersecting inequalities in areas of chronic conflict require explicit targeting, as interventions may otherwise not reach them
- ❖ Governance (formal and informal) is a critical part of strengthening resilience– this requires finding ways to manage competing sectoral priorities and improving the flexibility of funding sources and fiscal space in responding to polycrisis.
- ❖ Recasting of the humanitarian-development-peace nexus is overdue, especially through stronger coordinated action, connecting peacebuilding to development objectives, and planning for humanitarian relief and longer-term recovery during crises.
- ❖ A coordinated joint programming of impactful interventions at all levels to optimize efforts and overcome the deficiencies arising from siloed approaches is needed. Addressing these root causes requires long-term and comprehensive approaches that involve multiple stakeholders, including governments, civil society, and the private sector. Efforts to tackle poverty in fragile and humanitarian context require a well-managed global action if we are to eradicate poverty in the next seven years
- ❖ Scaling up the changing lives agenda in a more inclusive way to tackle the root causes of poverty, build resilient and sustainable livelihoods and reduce vulnerability to shocks is needed. Social protection programmes can help reduce poverty by providing a safety net for vulnerable households. Governments and donors should invest more in these programmes to ensure they reach the most vulnerable people.
- ❖ Supporting political solutions, peace and facilitate humanitarian diplomacy to improve access, and mitigating war induced famine are needed.
- ❖ Investing in smallholder agriculture can improve productivity, increase incomes, and improve food security is needed as smallholder farmers play a critical role in providing food for their communities and can help reduce poverty when supported with the right resources.
- ❖ Strengthening partnerships with and support to governments (at all levels), partners and local actors is needed.
- ❖ Creating an enabling policy environment and a food systems approach is needed.