SDG 1 and interlinkages with other SDGs:
End Poverty in all its Forms Everywhere
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Secretariat Background Note

Despite significant progress in the reduction of extreme poverty over the last decades, we are off track to end poverty in all its forms everywhere by 2030. In 2022, 700 million people lived on less than USD 2.15 per day, 23 million more than in 2019. The COVID-19 pandemic and other global shocks severely impacted low-income countries. Based on current trends, almost 600 million people will still live in extreme poverty by 2030.¹ Sub-Saharan Africa and fragile and conflict-affected places face the biggest challenges, where poverty will be hardest to eradicate.

Global economic growth is projected to remain low and uneven, while many countries are also contending with high levels of debt, the impacts of conflict and instability. Climate change will disproportionately impact the poorest regions and communities. Between 2015 and 2022, direct economic loss from disasters has been reported to exceed more than USD 115 billion per year worldwide, which amounted to 0.3 per cent of the GDP of the reporting countries (SDG 1.5).² In this challenging context, the world needs a new playbook for getting back on track to achieve SDG 1.

¹ SDG Progress Report 2024 (forthcoming).
² Ibid.
Despite the challenges, opportunities exist to reignite progress toward achieving SDG 1. Greater investment in the productive capacity of people living in poverty in low- and middle-income economies can help them participate more in economic growth and reap the benefits. Policies aimed at increasing the resilience of households to climate shocks can help people move out of poverty and stay out of poverty. Transitioning towards a low-carbon and climate resilient economy while ensuring a just transition can create opportunities for people living in poverty. It is important to recognize that achieving SDG 1 will not happen in isolation—it is deeply interlinked with other Goals.

Economic growth must become more inclusive. World leaders at the SDG Summit in September 2023 agreed on the need to “go beyond” Gross Domestic Product (GDP). Economic growth alone does not guarantee that people will be lifted out of poverty; reducing inequality of income and opportunity is also critical. Poverty goes beyond income and has many dimensions.

Building resilience to climate shocks is critical. Many people living in poverty, or vulnerable to poverty, reside in areas that are highly exposed to extreme weather events, such as floods, cyclones, drought, or extreme heat. Policy action for climate change and poverty reduction must go hand in hand. When possible, countries should aim for “double” and “triple win” policies that simultaneously work to improve the livelihoods of people living in poverty today, reduce their

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3 Political declaration of the high-level political forum on sustainable development convened under the auspices of the General Assembly, adopted by the UN General Assembly on 29 September 2023, UN Doc. A/RES/78/1, para. 30.
vulnerability to climate risks tomorrow, and/or help to mitigate future climate hazards.

Reforming fiscal policy can accelerate poverty reduction. Fiscal policies helped mitigate the impacts of the pandemic on poverty levels – without which, the average poverty rate in developing countries would have been 2.4 percentage points higher. Further reform of fiscal policy can protect household incomes and accelerate poverty reduction. One-half of spending on energy subsidies in low- and middle-income countries currently goes to the richest 20 percent of the population. Cutting these subsidies can free up significant fiscal space for policies that are more effective in reducing poverty.

Social protection plays a pivotal role. Social protection is indispensable for mitigating adverse impacts and enhancing resilience in the context of multiple crises. The COVID-19 pandemic showed the importance of well-targeted social protection measures to prevent people from falling into poverty. The cost for universal social protection for all low and middle-income countries averages 3.3 per cent of GDP per year. Closing this financing gap would require an increase of 32 per cent in current social protection expenditure among low and middle-income countries. It is crucial to consider appropriate means of financing. Sovereign debt is not a permanent source, but better management of debt could unlock resources to expand fiscal space for social protection.

Trade can be a powerful driver of economic development and poverty reduction. International trade can stimulate growth and create jobs. Tremendous development gains can be reaped from deeper and broader regional trade agreements. For example, the

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5 Ibid.
African Continental Free Trade Area could lift 50 million people in Africa out of extreme poverty.\(^6\) Digital infrastructure and connectivity could be strengthened to enable more communities to tap into the efficiencies and opportunities of digital trade.

**Policies must put a greater focus on women and children.** Global poverty rates are 0.5 percentage points higher for women than for men. Access to family planning, adolescent health, maternity benefits and care can have multiplier effects for households’ wellbeing and build higher productive capacity. Investing in the care economy presents an opportunity to create jobs, while addressing pressing social needs, especially since children comprise more than half of those living in extreme poverty,\(^7\) and short-term deprivations in nutrition, health or education can lead to long-term deficits.

**Coordinated action is needed on long-term financing.** Financial constraints and debt servicing limit many countries’ fiscal space and ability to invest in areas that are essential for sustained poverty reduction. Delivering on existing commitments of 0.7 per cent of donors’ gross national income for ODA would help provide a much-needed boost to poverty eradication. The catalyzing role of multilateral and development banks to leverage ODA financing for sustainable development is extremely important.\(^8\) Other solutions include delivering on the SDG Stimulus.

Governance is the bedrock for successful policy implementation. Without effective governance, even well-designed policies and

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\(^6\) Making the Most of the African Continental Free Trade Area: Leveraging Trade and Foreign Direct Investment to Boost Growth and Reduce Poverty (World Bank, 2022).

\(^7\) Global Trends in Child Monetary Poverty According to International Poverty Lines (UNICEF/World Bank, 2023).

\(^8\) Financing for Sustainable Development Report 2024.
programmes may fail to reach their objectives. Participatory approaches in policy making are crucial to ensure that policies are adapted, responsive and likely to address the needs of people who are often excluded. Institutions play a key role in providing the right infrastructure and basic services to help people accumulate assets and use them to earn income.

Data provides the infrastructure for policy. Data systems and poverty statistics, including disaggregated data, are critical for monitoring progress on poverty reduction and motivating governments to maintain poverty reduction as a policy priority.\textsuperscript{9} Statistical evidence about the extent and nature of poverty has heavily influenced political action in the last few decades. It is essential to continue investing in the statistical capacity of governments to build accurate and robust data systems.

Proposed Questions for Discussion

- In the current context, what needs to be done differently (or perhaps with renewed emphasis) in the quest to “end poverty, in all its forms, everywhere” by 2030?

- How can we develop more integrated strategies for poverty reduction that take into account its interlinkages with other Goals? How can we better take advantage of potential synergies and manage potential trade-offs?

\textsuperscript{9} Reference to 2017 Atkinson Commission on “Monitoring Global Poverty”.
How can advances in SDG 1 be protected in the face of macroeconomic shocks, climate shocks and other disasters? What strategies will ensure risks are not disproportionately borne by the poorest?

What are some innovative solutions to ensure developing countries have access to long term financing for sustained poverty reduction? How can international actors support this agenda through knowledge generation and exchange?

What needs to be done to ensure that the gains of poverty reduction reach all groups in society? What are some win-win solutions for reducing horizontal inequalities and reducing poverty?