

2021 HLPF Thematic Review
Expert Group Meetings
Virtual, 18-20 May 2021

Meeting Summary for Cross-cutting session on “How do we get on track to end poverty and hunger, and transform towards inclusive and sustainable economies? (SDGs 1, 2, 8, 17 and interlinkages among those goals and with other SDGs)”

Introduction

During a session held on 20 May 2021, a multi-stakeholder group of approximately 100 experts met virtually to share their perspectives and discuss progress, gaps and challenges towards achieving SDG 1 (end poverty in all its forms, everywhere), SDG 2 (end hunger, achieve food security and improved nutrition and promote sustainable agriculture), SDG 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) and SDG 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development) from a cross-cutting perspective.

Experts reported that poverty and hunger are on the rise after years of decline, a trend exacerbated by the COVID-19 pandemic, and past progress in many areas of eliminating poverty in all its dimensions is facing reversal. Even as many countries still face a raging pandemic, experts remarked that it is imperative to plan for responses and recoveries that ensure years of progress are not lost and that lay a foundation for a more equitable and sustainable path forward into the future. Economic growth is necessary to lift people out of poverty, yet it needs to be much more inclusive, and the critical role of social protection needs to be reinforced, while also addressing the inequalities that have been exacerbated by the pandemic including gender inequality.

Additional actions are needed to transform economies and food systems to deliver on the interlinked Sustainable Development Goals (SDGs) in an integrated manner especially with support for growing sectors that reinforce long-term sustainability with green jobs and service provision, and through investments in climate-friendly agriculture and low-carbon infrastructures as well as in information and communications technology (ICT). Scaling up successful initiatives and investments for systemic transformations is needed to eradicate poverty and hunger while building resilience for the future. This experts in this cross-cutting session examined the challenges and opportunities for ending poverty and hunger and transforming towards inclusive and sustainable economies.

Agenda

- I. Opening
 - Moderated by Ms. Astra Bonini, Senior Sustainable Development Officer, UN-DESA

- II. Reporting back from SDG-specific sessions:
 - George Gray Molina, Chief Economist for the United Nations Development Programme (UNDP)
 - Mr. Bing Zhao, Director of Food Systems and Smallholder Farmers Support, World Food Programme (WFP)
 - Framing remarks by Jyotsna Puri, Director, Environment, Climate and Social Inclusion Division, International Fund for Agricultural Development (IFAD)

- III. Reporting back and sharing cross-cutting insights:
 - Ms. Paola Simonetti, Deputy Director of Economic and Social Policy, International Trade Union Confederation (ITUC)
 - Mr. Matthias Thorns, Deputy Secretary-General, International Organization of Employers (IOE)

- IV. Panel – Cross cutting approaches to SDGs 1, 2, 8, and 17:
 - Ms. Martha Chen, Lecturer in Public Policy, Harvard Kennedy School, Affiliated Professor, Harvard Graduate School of Design, Senior Advisor, WIEGO Network
 - Mr. Maximo Torero, Chief Economist of the Food and Agriculture Organization (FAO)

Guiding questions:

- How can increasing poverty and hunger be tackled while transforming economies and food systems towards increased resilience and lowered climate/environmental impacts?
- How can economic recoveries be shaped to ensure more inclusive and sustainable patterns of growth that generate decent jobs and support carbon-neutrality and a better balance with nature?
- How can food systems be transformed to deliver better nutrition for all, while improving their balance with nature?
- What are the opportunities to be realized (and pitfalls to be avoided) in the immediate and medium terms towards these ends? How can international cooperation support?
- What are some ways to create fiscal space to combat poverty and hunger and respond to the COVID-19 crisis in ways that enable more inclusive, equitable, resilient and sustainable development?

Successes and challenges¹

The cross-cutting session was framed by evidence reported back from the in-focus SDG sessions on SDGs 1,2 and 8. The UN system co-leads for the Expert Group Meetings (EGMs) reported back on the progress on each of these SDGs with UNDP reporting back on SDG 1, WFP reporting on SDG 2, and representatives from employer and employee groups reporting back on SDG 8, which had been co-convened by ILO. Some of the key facts raised regarding progress, successes and challenges around this group of SDGs are as follows.

Poverty reduction had been progressing before the pandemic but had slowed since 2015. Already constrained by climate change and conflict, COVID-19 struck a further blow to these efforts. The full degree of the setbacks is difficult to know as the crisis is far from over, but an estimated 119 to 124 million people fell into poverty in 2020, causing the extreme poverty rate to rise for the first time in a generation, from 8.4 per cent in 2019 to 9.5 per cent in 2020. Eight out of 10 'new poor' are in middle-income countries. It is now projected that, under current estimates, around 600 million people will still live in extreme poverty by 2030.

Global levels of hunger and food insecurity had been gradually rising since 2014, and these trends have now been intensified by COVID-19 with estimates that an additional 83-132 million people were pushed into chronic hunger in 2020. Globally, about 2 billion people are considered moderately or severely food insecure according to the Food Insecurity Experience Scale and more than 3 billion people cannot afford a healthy diet (SOFI, 2020).² It is also worth recalling that acute food insecurity monitored in 55 countries in food crisis is also on the rise, with 155 million peoples affected in 2020, nearly 20 million more than in 2019.³

Looking beyond hunger, the world is not on track to defeat malnutrition. Globally, the burden of malnutrition in all its forms remains a challenge. While we saw some progress in child stunting and breastfeeding in 2019, child overweight was not improving, and adult obesity was on the rise. According to estimates, in 2019, 21.3 percent (144 million) of children under 5 years of age were stunted, 6.9 percent (47 million) wasted and 5.6 percent (38.3 million) overweight.

Before the pandemic hit in 2020, the global average growth of real GDP per capita had already slowed from about 2 per cent from 2014 to 2018, to only 1.3 per cent in 2019. Now the COVID-19 pandemic has caused the worst global economic recession since the Great Depression – global growth declined an estimated 5.3 per cent in 2020 - with massive damage to work, incomes and individual abilities to cope. In 2020, the equivalent of 255 million fulltime jobs were lost - approximately four times greater than the loss during the global financial crisis in 2009. Impacts on the informal economy have been

¹ Data are from the Report of the Secretary-General on SDG Progress 2021 (advance, unedited copy) https://sustainabledevelopment.un.org/content/documents/27610SG_SDG_Progress_report_2021.pdf

² SOFI/State of Food Security and Nutrition in the World, 2020.

³ (Global Report on Food Crises, 2021)

especially severe, where the vast majority of the working poor are employed, and with a disproportionate impact on the livelihoods of young and female workers who are more likely to live in poverty. By 2020, only 47 per cent of the global population were effectively covered by at least one social protection cash benefit, leaving 4 billion people unprotected.

Matthias Thorns of the International Organization of Employers pointed to this rise in informal sector jobs and to the fact that SDG 8 was about decent employment; but that it was also about economic growth. Consequently, it was important to focus on entrepreneurship and Small and Medium Enterprise development.

Paola Simonetti of the International Trade Union Confederation also touched on the balance between jobs and growth, saying that workers' rights had been compressed all over the world and that it was important to remember that SDG8 would not be achieved if it only relied on growth.

The pandemic had also brought to the fore the digital divide among countries, within societies and within the labour force. New inequalities had been created, for example for workers who could not work remotely, in particular in the service and health sector. Informality continued to remain a concern, and globally, about 2 billion people worked in the informal economy. Prior to the pandemic, the informal employment share was already at 60.2 % of global employment. There are significant regional variations, however. The situation was particularly worrisome in least developed countries, where the share of informal employment in total employment was 88.7% (2019).

There are, however, some nascent positive developments. Between 1 February and 31 December 2020, governments of 209 countries and territories announced more than 1,500 social protection measures (mostly short-term) in response to the COVID-19 crisis. Those measures could contribute to building more adequate and comprehensive social protection for all and could be used as a catalyst to stimulate domestic resources mobilization in a view of strengthening financial sustainability of the social protection systems. The global economy is also slowly recovering, although it may remain below pre-pandemic trends for a prolonged period. Global real GDP per capita is projected to increase again by 3.6 per cent in 2021 and 2.6 per cent in 2022. Recoveries are uneven though and the IMF projects that average annual losses in per capita GDP over 2020–24 in low-income and emerging economies will be more than double that of advanced economies, a pattern that stands to reverse gains in poverty reduction.

Interlinkages, synergies and trade-offs

This cross-cutting session included several presentations about the interlinkages among goals 1, 2, 8, and 17; and how to leverage these interlinkages to manage trade-offs and tap into synergies.

Ms. Martha Chen, Economic recovery for informal workers: key to reducing poverty & hunger

Ms. Chen focused on as how achievements across all of the SDGs are needed for economic recovery for informal workers – among the most impacted by the COVID-19 - which, in turn, will help reduce

poverty and hunger. Informal workers account for 2 billion people and are more likely to be poor than formal workers and have lower earnings, on average, than formal workers. The pandemic and resultant loss of income has left many informal workers “triply handicapped” with depleted assets, postponed payments on debts (with compounding interest) and borrowed money.

In response there are a number of initiatives aimed to support informal workers that also reach across the SDGs including recovery cash grants and stimulus packages (SDG 1), rebuilding of supply chains from below on fair terms (SDG 2, 8, 9); and the provision of basic infrastructure services at informal workplaces as well as transport services between home, markets and workplace (SDG 6, 7). Additionally, there are changes to urban policy and legal environments including the right to work in public spaces with regulated access (SDG 11); efforts to decrease harassment, bribes, confiscations and evictions (SDG 10, 11); legal protections against abuse by local authorities and the police (SDG 10, 11); decriminalization of informal activities (SDG 10); zoning laws that allow informal workers to work in their own homes (SDG 11); and the integration of informal workers and their livelihoods into urban planning and design (SDG 11). Improvements towards sustainable social protection systems (SDG 1, 3, 8) are also needed to support informal workers as is representation in urban governance and policy processes (SDG 16, 17). Finally, it was noted that supporting informal workers, for example waste-pickers, can help to advance SDGs related to the environment by supporting reclaimed waste for industry and contribute to city sanitation and carbon emissions reduction (SDG 6,12,13).

To help advance progress across the SDGs while protecting a large part of the world’s work force, Ms. Chen called for the recognition, during the COVID-19 recovery, that many essential workers are informally employed – e.g. many health workers and delivery workers; and to recognize that other informal workers are essential workers producing and providing essential goods and services – for example, street vendors and waste pickers. The evidence so far indicates that informal workers are not recognized as essential to economic recovery and are excluded from most recovery plans and stimulus packages. Also, in many countries, informal workers face continued restrictions and other punitive measures, including destruction of their workplaces and infrastructure in the name of economic recovery and/or public health.

Ms. Chen suggested three possible scenarios for the future: 1) a return to old normal which was bad for informal enterprises; 2) reversals of gains made for informal enterprises; or 3) reforms to protect and promote informal livelihoods. The third option would recognize and value informal workers, integrate informal livelihoods into economic plans and policies, address the specific constraints, risks and needs of distinct groups of informal workers, and include informal workers in relief, recovery and reform processes. Ms. Chen proposed this “better new deal” which requires a New Social Contract devised under the guiding principles of “leaving no one behind”, “do no harm” and “nothing for us, without us”.

Mr. Maximo Torero, Understanding Trade-offs and synergies SDGs 1,2, 8, 17 and others

Mr. Torero emphasized agri-food systems' links and interactions with society, health systems, ecology and climate systems, economic and governance systems and science and innovation systems which all generate synergies, externalities and trade-offs that extend beyond the agri-food system. Negative interactions could compromise efforts to achieve SDG targets.

Given this, there is a clear need to quantify synergies, externalities and trade-offs and to measure distributional effects emerging from normal operations and policy interventions to support policy prioritization in ways that will strengthen positive links, minimize negative externalities and trade-offs, and promote inclusive food systems by reducing inequalities. For example, eradicating hunger and malnutrition will affect land, water, energy, biodiversity and climate, as food production generates greenhouse gas emissions. Promoting healthy diets that are produced through sustainable food systems will reduce overweight and obesity rates, which in turn will reduce food-related noncommunicable diseases and health expenses and will also contribute to reducing GHG emissions.

Mr. Torero called for a transformative agenda that incorporates a quantification system for food systems starting with an understanding of the objective function of agri-food systems which is to achieve sufficient calories, healthy diets, adequate incomes to access healthy diets, and a sustainable environment for all. The key trade-offs and synergies that would be associated with the achievement of SDG2 would then be advances in reducing inequalities, advancing good health and advancing gender equality; whereas trade-offs that need to be managed would be in freshwater use, energy, land, biodiversity and carbon dioxide emissions. Prioritization in a multi-dimensional space could be achieved by plotting metrics and comparing options and performance over time to determine the pathways which optimize synergies and trade-offs in these partnerships for the achievement of the 2030 Agenda.

The speakers together brought out key considerations for the discussion including how eradicating extreme poverty in all its dimensions, ending hunger and ensuring food security, and promoting sustainable and inclusive economic growth with decent work are deeply interconnected outcomes that can have impacts across much of the 2030 Agenda, provided synergies are realized and trade-offs mitigated. Acting on evidence about such interlinkages, especially as countries weigh different spending and policy options for COVID-19 recovery, can help to generate multiple positive outcomes for a recovery that is both inclusive and sustainable. For example, economic recovery packages to spur GDP growth can also build in ways to close gender pay gaps or advance clean energy investments. Responses can mitigate trade-offs between Goals, for example, by supporting access to technologies that reduce water use and carbon emissions in agriculture while also improving the productivity of food systems and incomes for farmers.

It was also clear that building back better and achieving the overarching objective of 'leaving no one behind' requires that the needs of vulnerable and disadvantaged groups, as well as those of future generations, are integrated into economic policies. Transformative actions are needed to

simultaneously promote growth for poverty reduction and support equitable access to full and productive employment and decent work and access to social protection, while also reducing income and wealth inequality, gender inequality, green-house gas emissions and unsustainable natural resource consumption.

Recommendations for action: Mechanisms and partnerships to accelerate progress

The interactive dialogue during the cross-cutting session followed several strands which point toward action oriented and collaborative efforts to recover from COVID-19 and achieve the SDGs. It was clear that specific solutions will depend on the country context, but there is a consensus building around clusters of actions that can shift economies in more inclusive and sustainable directions.

First, investing in jobs and empowering workers including those in informal work, especially in green sectors, agriculture and service provision, needs to be prioritized in growth strategies. Special attention to recruiting and retaining women and young people, as well as growth that is inclusive of persons with disabilities and older persons, can leverage untapped capacities and help to reduce poverty among the most at-risk groups. Support for livelihoods in food and agriculture, including the development of local food systems and support to farmers cooperatives, can help to reach those most likely to experience hunger. Carbon neutrality, equality and growth should be viewed as mutually reinforcing goals.

Second, strengthening social protection systems and access to public services must be a focus, while also ensuring that these systems have the flexibility and agility to target the needs of the most vulnerable and function under crisis conditions with consistent delivery. As emergency measures are put in place under COVID-19, longer-term needs should be considered. Emergency cash transfers and food vouchers can alleviate the most immediate pressures of poverty and hunger, but longer lasting and sustainable social protection systems are needed to ensure that people have the means to cope with unanticipated emergencies and future crises. The structural barriers that have slowed progress in the past must be addressed. This includes ensuring that everyone has access to ICT infrastructures as well as capacity development in the use of digital technologies.

Finally, all countries and communities need to have the necessary fiscal resources to respond to the crisis and prevent significant backslides into poverty and hunger. The international community must work together to ensure that debt does not come before human life and that adequate resources are available everywhere to mount an adequate response to the pandemic. And as an issue of priority, all countries must be supported to have equal access to COVID-19 vaccines that are imperative for supporting economic recovery and poverty reduction.

The pandemic had exacerbated troubling trends in the form of rising poverty and increasing inequalities, displayed by growing disparities between rural and urban settings, and for women and youth across societies, large job losses and enhanced vulnerabilities for large segments of the population around the world that lack social protection.

Within all of these, partnerships, cooperation and breaking down silos will be imperative. Sharing information, thinking about the environment and future generations, embracing technology to address trade-offs, and involving governments and other stakeholders at all levels in this process will help to advance progress toward the SDGs.