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Inclusive and resilient recovery from COVID-19 for sustainable livelihoods, well-being and dignity for all: eradicating poverty and hunger in all its forms and dimensions to achieve the 2030 Agenda

Report of the Secretary-General

Summary

The present report, submitted in accordance with Economic and Social Council resolution [2021/8](#), contains an analysis of the impact of coronavirus disease (COVID-19) on poverty and hunger at the global, regional and national levels and policy responses to the COVID-19 crisis. It highlights effective strategies to eradicate poverty and hunger to recover better and achieve the 2030 Agenda for Sustainable Development, including through investing in basic services, in particular quality education and health care, comprehensive social protection systems and food systems. It concludes with recommendations on how countries can make further progress towards achieving the 2030 Agenda.

* [E/CN.5/2022/1](#).



I. Introduction

1. At the World Summit for Social Development, world leaders recognized the significance of social development and human well-being for all, and pledged to eradicate poverty, promote full and productive employment and foster social integration and inclusion to achieve stable, safe and just societies for all.¹

2. In the 2030 Agenda for Sustainable Development, adopted at the United Nations Sustainable Development Summit in 2015, it is recognized that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. Member States pledged to leave no one behind in the implementation of the Agenda and to endeavour to reach the furthest behind first.

3. With less than 10 years left to achieve the Sustainable Development Goals, the coronavirus disease (COVID-19) crisis has disrupted efforts to achieve many of the Goals by 2030, including Goal 1 (End poverty in all its forms everywhere) and Goal 2 (end hunger, achieve food security and improved nutrition and promote sustainable agriculture). It has exacerbated pre-existing inequalities and multiple forms of deprivation and also disrupted agri-food systems and drastically curtailed economic activity, resulting in devastating effects on rural and urban livelihoods and the well-being of millions.

4. Many countries responded swiftly to attempt to counter its socioeconomic impacts, yet recovery remains uneven globally. Recovery strategies provide an opportunity to build resilience against future shocks and enable a socially just transition towards sustainable development. Integrated policy frameworks should be formulated to simultaneously reduce poverty, hunger and inequalities, as well as enhance people's capabilities and well-being. Such frameworks should promote equitable access to basic services and social protection, investments in basic infrastructure, decent work opportunities, economic security for all and inclusive agri-food systems. A multidimensional analysis of poverty and hunger should inform long-term recovery strategies, which should be sustainably financed.

II. Impact of COVID-19 on poverty and hunger

5. The COVID-19 crisis led to the worst recession since the Great Depression (1929–1939), significantly impacting people's jobs and livelihoods. Small businesses and low-wage workers have been disproportionately impacted by the present economic downturn. Global hours worked in 2021 will be 4.3 per cent below pre-pandemic levels (relative to the fourth quarter of 2019), equivalent to the loss of 125 million full-time jobs.² Increased levels of inactivity and unemployment are particularly affecting young people, especially young women.

¹ General Assembly resolution [S-24/2](#).

² International Labour Organization (ILO), "ILO Monitor: COVID-19 and the world of work. Eighth edition – updated estimates and analysis" (October 2021).

A. Worsening multidimensional poverty

6. The text in the present section is drawn from a number of sources.³ While the rate of poverty reduction began to slow in 2014–2015, owing to the compound impacts of widening inequalities, climate change and conflict, COVID-19 further threatens to lead to a “lost decade” in poverty reduction.

7. The major slowdown in global economic growth in 2020 has made progress in poverty eradication more challenging. The combined effects of stimulus packages, vaccine availability and the relaxation of mobility restrictions have restarted the economic engines in many countries. However, economic recovery is expected to be slow for many countries. The Department of Economic and Social Affairs projects that developing economies will return to pre-pandemic levels only in 2022 or 2023, with growth in several countries remaining fragile. The International Monetary Fund (IMF) forecasts rates of global economic growth at 5.9 per cent in 2021 and 4.9 per cent in 2022. Meanwhile, inflation has increased in the United States of America and some emerging market economies, raising concerns that might lead to macroeconomic policy adjustments that would lower growth forecasts.

8. Prior to the COVID-19 pandemic, it was projected that the number of people living in extreme poverty (\$1.90 per day) in 2021 would be 613 million, whereas the pandemic raised this number to 711 million (as of June 2021). At the current rate of poverty reduction, the world is not on track to eradicate extreme poverty by 2030. Without decisive action, the number of people living in extreme poverty is expected to reach 600 million (a global poverty rate of 7 per cent) in 2030.

9. Not taken into account in this scenario is the negative effect of high inequality on poverty reduction. High inequality, which began slowing the poverty reduction rate in about 2015, has further increased during COVID-19. If the current high level of inequality were to increase, the global poverty rate could further rise. The World Bank estimates that if the growth rate remains the same, a 1 per cent increase in each country’s Gini coefficient would push an additional 19 million people into extreme poverty, and a 2 per cent increase would result in an additional 34 million poor people.

10. The COVID-19 crisis not only created “new poor” but has also led to further impoverishment of those already living in poverty. Since the onset of the crisis, both the number of people living in extreme poverty and those living just above the global poverty line (an income from \$1.90 to \$3 per day) has increased. Many working poor and many of the world’s 2 billion informal workers (61 per cent of all workers) have fallen deeper into poverty. While wealthier households were marginally affected or even experienced financial gains, the poorest and the most vulnerable, including women, children, older persons, persons with disabilities and indigenous peoples, have struggled and continue to struggle to sustain their livelihoods.

³ Sources: United Nations, Department of Economic and Social Affairs, (2021), “World Economic Situation and Prospects as of mid-2021” (2021); International Monetary Fund, *World Economic Outlook: Recovery during a Pandemic – Health Concerns, Supply Disruptions, and Price Pressures*, (Washington, D.C., 2021); Daniel Gerszon Mahler and others, “Updated estimates of the impact of COVID-19 on global poverty: turning the corner on the pandemic in 2021?”, World Bank blogs, 24 June 2021; United Nations, Department of Economic and Social Affairs, *The Sustainable Development Goals Report 2021* (available at <https://unstats.un.org/sdgs/report/2021/>); World Bank, *Projected poverty impacts of COVID-19 (coronavirus)* (June 2020); ILO, *Women and Men in the Informal Economy* (Geneva, 2018); D. Bordi and others 2021, “Assessing the impacts of the COVID-19 pandemic on livelihoods of rural people: a review of the evidence” (2021); Food and Agriculture Organization of the United Nations (FAO), “COVID-19 and rural poverty: supporting and protecting the rural poor in times of pandemic”, policy brief, 2020.

11. People who are income poor overwhelmingly suffer from multiple forms of deprivations in the fields of education, health and an array of living standards (including lack of access to safe drinking water, sanitation, electricity, housing, credits and cooking fuel), which also perpetuate the intergenerational transmission of poverty. These deprivations, many of which have been exacerbated by the COVID-19 crisis, are tightly interwoven and mutually reinforcing. School closures are hitting the poorest and most vulnerable children and their families the hardest; many may never return to education as they are forced into child marriage or child labour; and they have lost access to school feeding programmes, which for many constituted the most important meal to which they had access. COVID-19 has wiped out 20 years of education gains as an additional 101 million children (9 per cent of those in primary and lower secondary education) fell below minimum reading proficiency threshold. An additional 142 million children lived in income-poor households in 2020, bringing the total to 725 million.⁴ A further 8.9 million children could be in child labour by the end of 2022 owing to COVID-19-induced rising poverty, totalling 168.9 million (70 per cent of whom are in the agriculture sector). The pandemic has halted or reversed progress in access to health care. A decade of progress in reproductive health, maternal health and child health could be stalled or reversed, as one third of all countries experienced disruptions in these health services in 2020. Falls in many households' income are making out-of-pocket health spending a greater hardship than ever.

12. Rural populations have been hard hit by the crisis. Of the 734 million extreme poor prior to the COVID-19 crisis, 80 per cent live in rural areas. Workers in rural areas are twice as likely to be in informal employment (80 per cent) as workers in urban areas (44 per cent), thus largely excluded from social protection, including health insurance and unemployment benefits.⁵

13. Many rural populations had little or no savings or liquid assets to mitigate the effects of the crisis. Rural inhabitants also frequently rely on diversified sources of income, including wage labour and non-agricultural activities, seasonal migration and remittances, to augment incomes and reduce risks associated with primary agricultural production. However, these diversified livelihood strategies were not sufficient to mitigate the adverse effects of the crisis that occurred through multiple channels.

14. Rural inhabitants face numerous forms of deprivations and struggle to access basic services, many of which have been exacerbated by the pandemic. Compared with urban dwellers, rural inhabitants have dramatically less access to adequate sanitation, health services, education and social protection. They are at greater risk of having no formal identification, which is often a prerequisite for accessing public services. Rural populations also face additional barriers in accessing public infrastructure, such as electricity, roads and internet and communications technology.

15. People with disabilities have been particularly affected by movement restrictions and disruption in services that they need.

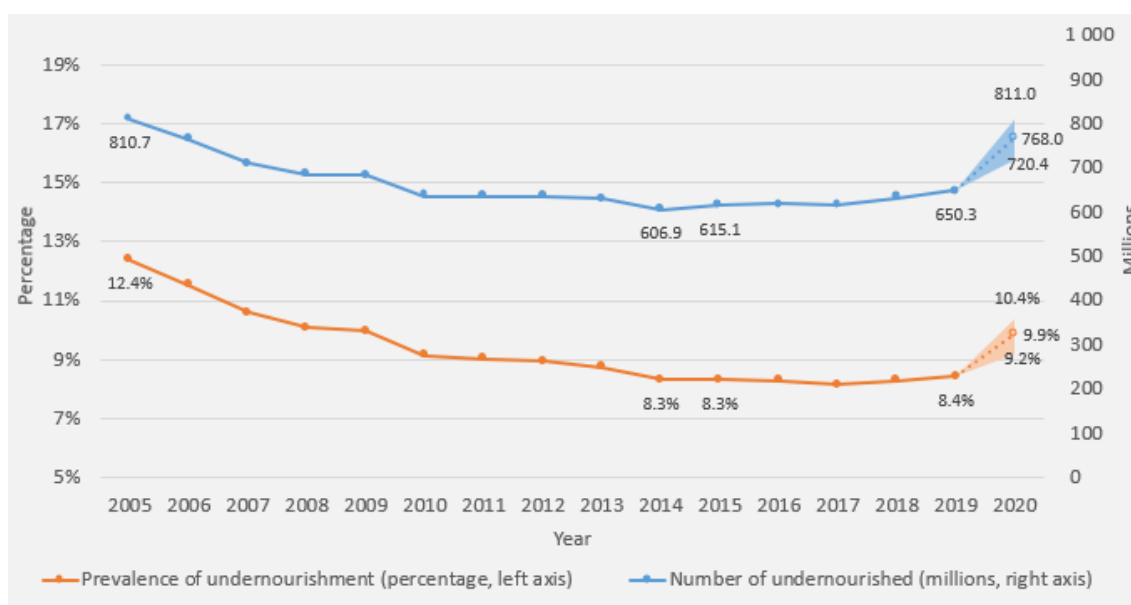
⁴ ILO and United Nations Children's Fund (UNICEF), *Child Labour: Global estimates 2020, trends and the road forward* (New York, 2021).

⁵ ILO and FAO, *Extending Social Protection to Rural Populations: Perspectives for a Common FAO and ILO Approach* (Geneva, 2021).

B. Increasing food insecurity

16. The text in the present section is drawn from a number of sources.⁶ Sustainable poverty eradication cannot be achieved without addressing threats to food security. COVID-19 has made the goal of ending hunger and achieving food security by 2030 even more challenging.

17. After a steady decline from 2005 to 2014, the number of undernourished people worldwide increased from 607 million in 2014 to 650 million in 2019, diminishing the prospect for the achievement of Sustainable Development Goal 2 by 2030. Since the onset of the pandemic in 2020, the number has jumped to between a projected 720 and 811 million, equivalent to an additional 118 million people, taking the middle point of that range, wiping out much of the progress made since 2005 (see figure).



Note: Projected values for 2020 in the figure are illustrated by dotted lines. Shaded areas show lower and upper bounds of the estimated range (source, FAO).

18. Furthermore, the Food and Agriculture Organization of the United Nations (FAO) Food Insecurity Experience Scale estimates that food insecurity has increased by 41 per cent from 2015 to 2020. Globally, 22.8 per cent of the people (about 1.7 billion) in 2015 were moderately or severely food insecure (without food or unable to eat a healthy balanced diet on a regular basis). In 2020, this ratio rose to 30.4 per cent (2.4 billion people, an increase of 318 million from 2019).

⁶ Sources: FAO, International Fund for Agricultural Development, UNICEF, World Food Programme (WFP) and World Health Organization (WHO), *The State of Food Security and Nutrition in the World 2021: Transforming food systems for food security, improved nutrition and affordable healthy diets for all* (Rome, FAO, 2021); Food Security Information Network and Global Network Against Food Crises, *Global Report on Food Crises 2021: Joint Analysis for Better Decisions* (Rome, 2021) (available at www.wfp.org/publications/global-report-food-crises-2021); United Nations Office for Disaster Risk Reduction, *Global Assessment Report on Disaster Risk Reduction: Special Report on Drought 2021* (Geneva, 2021) and *Global Assessment Report on Disaster Risk Reduction 2019* (Geneva, 2019); FAO, country profiles (available at www.fao.org/2019-ncov/resources/country-profiles/en/). UNICEF, “An additional 6.7 million children under 5 could suffer from wasting this year due to COVID-19”, press release, 27 July 2020; John Hoddinott “Achieving the SDG2 ending hunger and food insecurity” (unpublished, 2021).

19. In 2020, 155 million people in 55 countries were in crisis or worse levels of acute food insecurity, 20 million more than in 2019, with conflict and/or insecurity, economic shocks – including those resulting from COVID-19 – and weather extremes as the main and often co-existing drivers. More families are being forced to ration food, leading to an increase in child stunting, with long-term negative effects on children’s health, well-being and capacity to reach their full potential and an estimated increase in avoidable child deaths of approximately 10,000 per month.

20. This increase in hunger and food insecurity is not due to lack of global food availability – even during the pandemic, despite initial concerns, global food production was not affected and there were only localized cases of reduction of availability, in particular in areas already affected by climate-related hazards such as drought and floods.

21. This increase is a matter of inequitable access to food, as well as disrupted global and national food supply chains, which led to a rise in food prices in 2021, making access to food more challenging to low-income families, who are struggling to meet their food needs owing to falls in income. Global food production has remained relatively unscathed, and countries, unlike during the 2007–2008 global food price crisis, adopted trade restriction measures that were generally limited and short-lived, allowing agri-food markets and trade to remain open during the pandemic. Notwithstanding, the crisis has impacted the entire agri-food system, revealing its vulnerabilities and inadequacies. Particularly affected by mobility restrictions and related labour shortages were those segments of agri-food systems (food services and food processing and distribution) where informal workers and women are concentrated more heavily. The crisis also disrupted food transport and led to a rise in shipping costs, which contributed to an increase in food prices.

22. Increased incidence of conflict, as well as an increase in the frequency and intensity of natural hazards and economic slowdowns and downturns, are other reasons behind rising food insecurity. From 2010 to 2014, there were on average over 500 recorded conflicts (both intra- and inter-State) per year in low and middle-income countries. This figure rose to 750 conflicts per year from 2015 to 2019. Over this period, the number of refugees in the world nearly doubled, to 80 million by 2020, most of whom suffered from moderate to severe food insecurity. The percentage of low- and middle-income countries experiencing extreme weather events has risen from 76 to 98 per cent from 2000 to 2004 and 2015 to 2020, with 52 per cent of countries exposed to three or four types of natural hazards (heat spell, drought, flood or storm) in the period 2015–2020, compared with 11 per cent in the period 2000–2004.

23. The compounded and cascading effect of these factors resulted in over 3 billion people worldwide unable to afford a healthy diet. Almost one third of women of reproductive age suffer from anaemia, in part due to nutrition deficiencies. The COVID-19 pandemic has exacerbated all forms of malnutrition, in particular among children. In 2020, 22 per cent (149.2 million) of children under 5 were stunted, and 6.7 per cent of children (45.4 million) under 5 suffered from wasting. Disruptions to food and health systems could result in an additional 9.3 million wasted children from 2020 to 2022 (a 20 per cent increase since 2019) and an increase in the numbers of stunted children, after two decades of a global decline in stunting. The full extent of the impact on children of malnutrition caused by the crisis could take years to become apparent.

24. Although the physical availability of food has not been significantly impacted, falls in incomes combined with an increase in food prices have left many poor rural households struggling to meet their food needs, in particular for nutritious, non-staple foods. This trend is particularly worrying in sub-Saharan Africa. Owing to limited social protection coverage, many rural households are employing harmful coping strategies, including selling their productive assets, such as farming equipment and livestock, to mitigate the impacts of the crisis on their immediate needs, and reducing the quantity, frequency and nutritional value of meals. Such coping strategies threaten

future productive capacity and risk pushing them into low equilibrium poverty traps. Falls in income are also threatening farmers' investments in farm improvements and technology needed to support productivity growth.

III. Responding to COVID-19 – regional trends

25. The text in the present section is drawn from a number of sources.⁷ While all regions were affected by the fallout from the crisis, the impacts on poverty and hunger and the ability to respond through fiscal stimulus packages have varied. Over half of the world's undernourished are in Asia (418 million) and more than one-third in Africa (282 million). While food insecurity has grown slowly in Asia and remained unchanged in many advanced economies, Latin America and the Caribbean saw the largest increase in food insecurity, with prevalence rate rising by 9.2 percentage points from 2018 to 2020. However, the highest prevalence is found in Africa, where nearly 60 per cent of the population was food insecure in 2020. Globally, women are more likely to be food insecure than men; this gender gap has increased since the onset of the pandemic.

26. Africa, where, prior to the crisis, poverty rates were declining slowly and the absolute number of poor was increasing, has seen poverty increase. African countries have deployed fiscal stimulus to mitigate the adverse impacts of COVID-19; a total of 227 social protection measures were introduced by 51 African countries in 2020, 82 per cent being non-contributory schemes and two-thirds were new measures. However, the \$6 billion spent to date is insufficient to meet existing needs. People are resorting to undesirable coping strategies, such as drawing on savings, reducing food consumption, shifting from nutritional foods to basic staple foods, pulling children out of school and inserting them into child labour or selling their assets, thus further hindering their chances of escaping poverty. Although most measures were one-off payments or short-term measures of 3–6 months duration, a few African countries have begun to institute changes to build stronger and more comprehensive social protection systems.

27. Half of the population in Asia and the Pacific does not have access to social protection. In response to the crisis, many countries have injected additional financial resources into their health sectors, expanded unemployment benefits (increasing benefit levels, extending duration and eligibility) and sickness benefits, and extended cash benefits to informal workers. There is a need to capitalize on innovative responses to institute structural changes to national social protection systems and reduce coverage gaps in the long term. The response measures demonstrated the capacity of delivery systems to provide benefits, and countries should make use of the delivery capacity that was put in place. A basic social protection benefits package would cost 2–6 per cent of gross domestic product (GDP), which is affordable for most countries. Such a package is fundamentally a matter of political priority, rather than affordability.

⁷ Sources: FAO, International Fund for Agricultural Development, UNICEF, WFP and WHO, *The State of Food Security and Nutrition in the World 2021*; ILO, *World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future* (Geneva, 2021); ILO Social Protection Platform (www.social-protection.org); Department of Economic and Social Affairs, policy brief #93, "Social policy and social protection measures to build Africa better post-COVID-19"; United Nations Office for Disaster Risk Reduction, *Disaster-Responsive Social Protection, Asia-Pacific COVID-19 brief*, 16 July 2020; Economic and Social Commission for Western Asia (ESCWA), "Impact of COVID-19 on Money Metric Poverty in Arab Countries" (June 2020); Economic Commission for Latin America and the Caribbean, "The recovery paradox in Latin America and the Caribbean: growth amid persisting structural problems – inequality, poverty and low investment and productivity", special report No. 11, COVID-19 (2021); Organisation for Economic Co-operation and Development (OECD), "Supporting livelihoods during the COVID-19 crisis: closing the gaps in safety nets", OECD Policy Responses to Coronavirus (COVID-19) (May 2020).

28. In the Arab region, 16 million people are expected to have fallen into poverty (based on national poverty lines) owing to the crisis, with 9 million additional people falling below the international extreme poverty line. The impact of COVID-19 has intensified fallouts from pre-existing challenges of conflict, political instability and forced displacement. Even before the pandemic, efforts to tackle poverty had not adequately addressed multiple deprivations, rural-urban and subnational divides and the heightened vulnerability of certain social groups. The cost of closing the poverty gap in 2021 is estimated to be \$45 billion, which, in comparative terms, is a small fraction of the wealth of the top decile. Policy interventions such as wealth taxation may be a feasible policy option in middle-income countries in the region.

29. Prior to the crisis, countries in Latin American and the Caribbean were facing multiple challenges linked to climate change, natural disasters, migration and social unrest. The challenges and the structural inequality that characterizes the region have been compounded by low growth, growing poverty rates, high levels of informality and persistent food insecurity and malnutrition. In 2020, the regional poverty rate is estimated to have reached 33.7 per cent and the extreme poverty rate reached 12.5 per cent. In absolute terms, 209 million people are living in poverty (22 million more than in 2019) and 78 million in extreme poverty (8 million more than in 2019). From 2019 to 2020, the regional unemployment rate increased by 2.5 percentage points, disproportionately affecting female, young and informal workers. The average Gini index for the region increased by 2.9 per cent in 2020. These impacts would have been even higher in the absence of the emergency social protection measures. Governments of 32 countries put in place 297 tax-financed measures targeting the most vulnerable populations, as well as contributory measures, aimed at protecting employment and extending unemployment and sickness insurance.

30. Organisation for Economic Co-operation and Development (OECD) countries responded to the COVID-19 pandemic with unprecedentedly large emergency packages that included equity injection, loans and debt guarantees to support small and medium-sized enterprises, the self-employed, job retention schemes, extensions of unemployment insurance or new universal or targeted cash transfers to vulnerable populations. These measures largely cushioned the impacts of the pandemic on livelihoods. However, various sections of the population have borne the brunt of the crisis. Children living in a single-parent household (one in six children) and in immigrant households are particularly affected by the COVID-19 crisis. This is partly due to lack of child-sensitive social protection measures (only approximately 2 per cent of overall response expenditure), which was insufficient to prevent increased child poverty. Single-parent families are more likely to be poor (30 per cent) than two-parent families (10 per cent). Similarly, poverty increased disproportionately among young people during 2020.

IV. Effective strategies to eradicate poverty and hunger in all its forms and dimensions to recover better and achieve the 2030 Agenda for Sustainable Development

31. The text in the present section is drawn from a number of sources.⁸ Many countries responded to the onset of COVID-19 by instituting emergency measures that prevented the worst impacts of the pandemic from materializing. As countries move from temporary measures to long-term recovery strategies, these should encompass an integrated policy framework that promotes inclusive growth,

⁸ Sources: United Nations Office for Disaster Risk Reduction, *Increasing Global Resilience to Systemic Risk: Emerging Lessons from the COVID-19 Pandemic* (Geneva, 2021); ESCWA, UNICEF and Oxford Poverty and Human Development Initiative, *Arab Multidimensional Poverty Report* (Beirut, 2017);

simultaneously addressing multiple dimensions of poverty, food insecurity and inequality. Emerging lessons from the COVID-19 pandemic must be integrated into recovery strategies, economic models, development policies and public and private investment decisions in all sectors. National disaster risk reduction strategies, with appropriate financing, should be established or revised, incorporating multiple, interrelated risks, including climate change.

A. Key areas for action to eradicate poverty and hunger and recover better to achieve the 2030 Agenda

1. Securing sustainable livelihoods

32. Livelihoods are not sustainable if people cannot derive economic security from them. It is important to address economic insecurities experienced by low-income individuals and families, who are highly vulnerable when faced with shocks owing to a lack of sufficient assets or savings. To ensure sustainable livelihoods for all, creating decent work and/or income-generating opportunities, including in growing sectors such as the green and care economies, should be a priority. In addition, with the accelerated pace of digital transformation that is fuelling non-standard forms of work, extending social protection to all workers, irrespective of their employment arrangements, is necessary. This requires investment in universal social protection systems, including floors, and lifelong learning to upskill and re-skill workers. Universal social protection means ensuring sustainable, adequate and comprehensive protection for all along the life cycle. Designing an integrated employment and social protection policy framework generates more decent employment with adequate social protection, higher levels of income and higher levels of protection.

2. Promoting well-being and enabling people to live with dignity

33. Promoting well-being for all people over their life cycle must be at the core of any efforts to reduce poverty and hunger and is an essential component of inclusive and resilient recovery. Providing basic sanitation and hygiene will prevent premature death and sickness, improve quality of life and create a productive workforce for long-term development. Enhancing access to healthy diets will improve well-being and help reduce stunting and wasting in children under 5 years of age, the key to improving their learning capacity and increasing their life potential, raising the productivity of those in working age and therefore prosperity, and ensuring a long and active life for older persons. Building efficient, inclusive, resilient and sustainable agri-food systems is critical for guaranteeing food security and ensuring access to safe, nutritious and sufficient food by all.

34. Understanding poverty and finding solutions to eradicate it must rest on an approach based on the dignity and respect of the person and their rights. Dignity implies, *inter alia*, civil registration and access to legal identity and non-discrimination on any grounds. Poverty frequently intertwines with discriminatory practices both overt and covert. Finally, dignity implies the participation and empowerment of the most vulnerable in decisions that directly affect their lives. The needs of people living in poverty are often not adequately reflected in policymaking processes. The meaningful participation of those living in poverty and their representatives in the design, implementation and monitoring of COVID-19 recovery plans is crucial.

3. Improving data, new measurement tools and partnerships

35. There is a scarcity of good data owing to the restrictions on conducting household surveys during the lockdowns and the lack of systematic documentation of policy and programme initiatives taken in response to the crisis, especially in the least

developed countries, and lower-middle-income and low-income countries. Even in the field of social protection, where more data is available,⁹ disaggregated data on effective coverage is lacking. The social and economic impacts of COVID-19 are also challenging the usefulness of many conventional poverty counts and measurements.

36. There is a need for new measurement tools that are better grounded in multidimensional deprivation and vulnerability and reflect a deeper understanding of the processes through which people move in and out of poverty. A growing number of countries are using multidimensional analytical tools – including multidimensional poverty indices to capture the interlinked nature of deprivations and offer support in an integrated manner. National multidimensional poverty indices can help to understand poverty dynamics and shape policy. Similarly, regional multidimensional poverty indices can help reflect local values and encourage regional cooperation, as is currently being developed in the Arab region. In the Economic and Social Commission for Western Asia (ESCWA) region, the multidimensional poverty index assist tool enables the construction of appropriate national multidimensional poverty indices using advanced diagnostics and official national statistics, allowing countries to better target, coordinate and monitor poverty reduction measures, as well as simulate the effects of shocks to better prevent populations from falling into poverty.

37. Effective poverty reduction policies require partnerships between national and local governments and civil society organizations. Civil society organizations can valuably represent community interests in the context of fighting poverty and hunger. They can help monitor the needs of vulnerable populations and draw attention to who is being left behind. Civil society organizations can also facilitate the identification of, outreach to and communication with vulnerable groups and individuals.

B. Integrated policy framework to recover better and achieve the 2030 Agenda for Sustainable Development

38. Experiences in the long fight against poverty and hunger, including lessons from COVID-19 responses, point to the need for an integrated policy framework to recover better from the crisis and to accelerate progress towards the Sustainable Development Goals.

1. Investing in human capacities and basic infrastructure

39. The text in the present section is drawn from a number of sources.¹⁰ Ensuring universal access to basic services and infrastructure is essential for an inclusive and equitable recovery and a key factor in eradicating poverty and hunger. This includes access to safely managed drinking water and sanitation, quality schools, public transport, quality health-care services that people can benefit from without incurring financial hardship, affordable housing and reliable and affordable Internet. The aim of service delivery should be to progressively achieve universal access, while specific attention is paid to the needs of vulnerable and disadvantaged groups and communities. For instance, closing the digital divide entails not only providing affordable Internet access, but also ensuring that disadvantaged individuals and households can afford digital devices, possess the digital skills, are aware of the benefits of the Internet and information and communications technology (ICTs) and are able to access relevant content in their local language.

⁹ See www.ugogentilini.net/.

¹⁰ Sources: United Nations, Department of Economic and Social Affairs, *The Sustainable Development Goals Report 2021* (see footnote 3); WHO, “Universal health coverage (UHC)”, fact sheet (1 April 2021).

40. Investment in human capacities is necessary for societies to develop a healthy, skilled and productive workforce, necessary for enabling broad-based growth, and help individuals improve their livelihoods and well-being, build their resilience against future shocks and achieve their full potential in life. Equal access to quality education and lifelong learning opportunities, health-care services, vocational and skills training and the opportunity to develop ICT skills, can help workers to be more resilient to shocks and adaptable to technological transformation. Recovering learning losses during COVID-19 is necessary, as distance learning is not an option for at least 80 million students in low- and middle-income countries. Affordable and quality schooling expanded online and off-line support for families, with particular focus on the most vulnerable children, will be needed. Ministries of education and social protection must work together to support disadvantaged children, especially girls and children with disabilities, through cash transfers or child benefits with an education component, for instance, to prevent school drop-out. Investment in early childhood education and care contributes significantly to reducing child poverty and breaking intergenerational cycles of poverty. Maternity benefits, universal child benefits, parental training and affordable and easily accessible childcare facilities help tackle child poverty and close the gap between disadvantaged children and their wealthier peers.

41. Investing in strong and resilient health systems and ensuring access to affordable, quality primary health care is a cornerstone in the fight against poverty and inequality. Countries should continue to strengthen their national health systems, with the aim of achieving universal health coverage to ensure that all people, throughout their life course, have access to the health care they need without incurring financial hardship. While improvements in coverage have been made across all regions and income groups – the universal health coverage service coverage index grew from 45 (out of 100) to 66 from 2000 to 2017 – many people around the world still struggle to fulfil their basic health-care needs. Mental health is critical to people’s ability to lead a productive life, yet it is often overlooked. There is a need to invest in human resources in the health sector, as the world needs over 18 million additional health workers by 2030, in particular in low- and lower-middle income countries. Further, there should be stronger linkages between social protection and health policies, by strengthening social protection systems, in particular, setting nationally defined social protection floors that ensure universal access to essential health care and basic income security.

2. Fostering economic security and strengthening social protection systems, including floors

42. The text in the present section is drawn from a number of sources.¹¹ The COVID-19 crisis has exposed significant gaps in social protection coverage, comprehensiveness and adequacy, yet at the same time has plainly demonstrated the ability of social protection systems to prevent and tackle poverty, hunger and inequality across the life cycle. As at 2020, only 46.9 per cent of the global population was covered by at least one social protection benefit,¹² leaving as many as 4 billion people unprotected. Significant inequalities between countries also exist. Most of the population (85.4 per cent) in high-income countries was effectively covered by at least one social protection benefit, compared with 13.4 per cent in low-income countries. The coverage gap is even greater for those considered vulnerable, only 7.8 per cent of whom were covered by social assistance in low-income countries.

¹¹ ILO, *World Social Protection Report 2020–22*; ILO, International Labour Conference, resolution concerning the second recurrent discussion on social protection (social security) (ILC.109/resolution III), adopted on 19 June 2021; ILO Social Protection Platform, “Social protection response to the COVID-19 crisis” (www.social-protection.org/gimi/ShowWiki.action?id=62).

¹² Excluding health-care and sickness benefits. See ILO, *World Social Protection Report 2020–22*.

43. Recovery from the COVID-19 crisis provides a policy window for countries to address the significant gaps in social protection coverage by building on crisis response measures to make progress towards universal, adequate, comprehensive and sustainable social protection systems. Such systems, including nationally defined social protection floors, will guarantee basic income security across an individual's life cycle, including child benefits, maternity benefits, sickness benefits, disability benefits, unemployment benefits and old-age pension. At the same time, they must identify and close coverage gaps, especially for informal workers, migrants and unpaid carers, who are particularly vulnerable.

44. To cover all populations irrespective of their employment status (employed, self-employed, unemployed or outside the labour market) and types and forms of employment (formal, informal, gig economy workers, etc.), social protection systems need to find the right mix of contributory and non-contributory (tax-financed) schemes so that all people are protected against future shocks throughout their life cycle.¹³ They also need to be adaptable to accommodate different situations and needs. For example, improving informal workers' access to social protection systems includes the introduction of policies to promote transitions towards the formal economy, expanding and upgrading existing social assistance programmes by increasing benefit level and coverage to informal workers and reforming contributory social protection systems to be more inclusive of informal workers, including seasonal and casual labourers in rural areas.

45. The crisis has shown that, when there is political will, Governments can respond effectively, efficiently and rapidly and find fiscal space to expand social protection. Many countries increased social protection coverage through the extension of existing mechanism to hitherto unprotected groups, established new benefits, increased benefit levels, modernized administrative and delivery processes using digital technologies and mobilized additional financing. Many countries, including low-income developing countries, expanded social protection benefits to informal workers. However, almost all (94.7 per cent) of the 1,600 social protection measures announced in 2020 (across 209 countries and territories) in response to the crisis were short-term in nature. Countries that already had large-scale programmes, as well as the core foundations of a social protection system in place, such as social registries, adequate payment and delivery mechanisms and strong management information systems, were better able to respond to the crisis by expanding coverage and benefits more swiftly. This underscores the need to improve preparedness and shock responsiveness by investing in the long-term strengthening of social protection systems during normal times, and not only when a crisis hits.

46. Governments must capitalize on these emergency social protection measures to institute structural changes to national social protection systems and reduce coverage, adequacy and comprehensiveness gaps in the long term, by gradually increasing the coverage, adequacy and timeliness of social protection benefits. As cash transfers, especially one-off grants, are not sufficient to build people's resilience, complementary measures are needed, for instance to improve entrepreneurial skills and to promote access to markets and financial services.

47. Few of the pandemic response measures have been gender sensitive. Nonetheless, evidence is clear on the ability of social protection measures to promote women's economic empowerment and the resulting impact on health, nutrition, education and overall well-being of households, children and societies. It is critical to further incorporate gender perspectives and the views of other disadvantaged

¹³ See ILO, International Labour Conference, resolution concerning the second recurrent discussion on social protection (social security).

groups into the design and implementation of social protection systems to promote economic security for all.

3. Addressing food insecurity and transforming agri-food systems

48. The text in the present section is drawn from a number of sources.¹⁴ Agri-food systems should be efficient, inclusive, resilient and sustainable, providing nutritious and affordable food for all. Six pathways towards agri-food system transformation were identified by FAO, the International Fund for Agricultural Development, UNICEF, WFP and WHO in *The State of Food Security and Nutrition in the World 2021*: integrating humanitarian, development and peacebuilding policies in conflict-affected areas which are at acute risk of hunger and food insecurity; scaling up climate resilience across agri-food systems; strengthening the resilience of the most vulnerable to economic adversity; intervening along the food supply chains to lower the cost of nutritious foods; tackling poverty and structural inequalities, ensuring interventions are pro-poor and inclusive; strengthening food environments and changing consumer behaviour to promote dietary patterns with positive impacts.

49. To transform agri-food systems, Governments should increase investment in science, technology and innovation in the field of agricultural development. Innovations, including digital innovations, have the potential to increase agricultural productivity, resilience and sustainability and promote more sustainable consumption habits. This requires agricultural technologies to be adapted to local environments, including the needs and demands of small-scale producers and family farmers, building on and benefiting from traditional and indigenous knowledge systems, safeguarding environmental and social sustainability and making more efficient use of natural resources. Family farmers, small-scale producers and disadvantaged and marginalized groups should be actively involved in decision-making regarding research, development and innovation, as co-creators of solutions.

50. Similarly, increased investment in research and development for improved storage and processing of food can help prevent food loss and waste. Globally, approximately 14 per cent of food produced is lost along the food chain between harvest and retail and an estimated 17 per cent of global food production is wasted. Raising consumer awareness remains crucial in this regard. The shift towards more sustainable agri-food systems can be supported by the adoption of agroecology, agroforestry, conservation agriculture, climate-smart agriculture and other innovative approaches that enable access to healthy diets while reducing pressures on natural resources, biodiversity and greenhouse gas emissions.

51. The crisis has revealed that there is room for improving synergies between social protection, agriculture and food security and nutrition. Ensuring wide access to sufficient food and a healthy diet all year round implies working on two fronts. It means supporting food-security and nutrition-specific programmes, including through lean season assistance or in-kind food aid. Many countries stepped up their efforts in this regard, as part of their pandemic emergency responses. For instance, in Latin America and the Caribbean, many countries adapted their school feeding programmes to the situation and provided food baskets directly to families at home. India employed its Public Distribution System, reaching 800 million people, to

¹⁴ Sources: FAO, International Fund for Agricultural Development, UNICEF, WFP and WHO, *The State of Food Security and Nutrition in the World 2021*; A/76/227; United Nations International Day of Awareness on Food Loss and Waste Reduction; Department of Economic and Social Affairs, *Sustainable Development Outlook 2021: from Anguish to Determination* (2021); FAO, "Strengthening sector policies for better food security and nutrition results: trade", policy guidance note 9 (2017); FAO, *Social Protection Framework: Promoting Rural Development for All* (Rome, 2017); WFP, *World Food Programme Strategy for Support to Social Protection* (Rome, 2021).

rapidly expand the distribution of food grains, almost doubling the volume from April to November 2020. At the same time, greater efforts are needed to support food-security and nutrition-sensitive approaches that ensure that food security and nutrition dimensions are taken into consideration in the design and delivery of social protection measures. Examples include identifying nutritionally vulnerable groups as target populations or calculating cash transfer values that ensure that a beneficiary can afford an adequate quantity of healthy food.

4. Investing in rural areas, focusing on basic infrastructure, social protection and inclusive rural transformation

52. The text in the present section is drawn from a number of sources.¹⁵ Addressing the impacts of the crisis on rural populations and tackling the long-term structural challenges that they face are essential to ensure a more equitable and inclusive recovery. Policy initiatives in several areas are needed. First, inclusive social protection systems adapted to rural populations' needs are urgently needed. Since many rural inhabitants do not benefit from contributory social insurance schemes (linked to formal employment), access to predictable social assistance (whether cash, vouchers or in kind) or residency-based flat rate benefits in the event of injury, illness or pregnancy financed by flat-rate contributions by rural residents or taxation and health insurance is a necessity. This requires that Governments invest in social protection systems that reach rural populations. Such assistance can help lessen reliance on harmful coping strategies and encourage investment in farm activities.

53. Second, the development of rural non-farm enterprises is a key element of rural transformation and poverty reduction. Many of these businesses are informal and cannot access formal sources of credit. Access to credit and productive resources is challenging, especially for young men and women in rural areas. Innovative tools that provide grants and low interest loans, using local micro-credit systems and other mechanisms (including tax credits for more formal enterprises), are needed to support these businesses through the crisis and beyond and promote their formalization.

54. Third, policies should address multiple dimensions of food security in rural areas. Interventions should support rural households in accessing more nutritious and diversified diets and stimulate local production and market for these products. Similarly, a territorial approach for improved food security rests on promoting stronger local and regional agri-food systems, by encouraging shorter supply chains, strengthening urban-rural linkages that support small-scale farmers with access to markets and more diversified and nutritious diets for urban populations.

55. Fourth, there is a need to support agricultural development and strengthen the resilience and adaptability of small-scale producers and family farmers through a context-specific multisectoral strategy. Elements of such a strategy include: strengthening rural advisory services and institutions to support small-scale producers (including by encouraging small-scale producers and family farmers to increase and diversify production, improve quality and establish remunerative prices); promoting land tenure reform that is fair, sustainable and inclusive; adopting risk minimization and mitigation measures; supporting rehabilitation and construction of community assets (small-scale infrastructure for market access, such as warehouses and drying areas); encouraging small-scale producers and family farmers to organize themselves into farmer organizations and cooperatives so that they can sell at better prices; encouraging value-chain development through post-harvest management, food processing and support for commercialization, including accessing markets, strengthening linkages between small-scale producers and family farmers and

¹⁵ Source: ILO and FAO 2021, *Extending Social Protection to Rural Populations: Perspectives for a Common FAO and ILO Approach* (Geneva, 2021).

agribusiness and promoting social and solidarity economies as models of economic development. Policy frameworks and interventions must be designed to address the multiple effects of the pandemic on family farmers and promote their inclusion as key actors in medium-term recovery strategies. Policies should be gender sensitive, as women face structural and normative barriers as producers and consumers of food. Further actions are needed to ensure that women have equal tenure rights and access to land, credit, extensions services and income, to increase the resources that they control and their decision-making power within the household.

56. Finally, investing in connectivity infrastructure can help revitalize rural economies and support poverty reduction. Road connectivity can improve access to markets, as well as health and education facilities. Public authorities have an essential role to play in closing the rural-urban digital divide, including through national broadband plans, an enabling regulatory environment and digital skills promotion. In future electrification efforts it will be necessary to tackle the challenges of reaching unserved populations, including those who are displaced or living in remote communities.

5. Closing financing gaps

57. The text in the present section is drawn from a number of sources.¹⁶ Gaps in social protection coverage are largely due to significant underinvestment in social protection systems. Globally, countries spend an average of 12.9 per cent of their GDP on social protection (excluding health) to provide income security across an individual's life cycle, including child benefits, maternity benefits, sickness benefits, disability benefits, unemployment benefits and old-age pension. However, important variations exist across countries. High-income countries spent on average 16.4 per cent, or twice as much as upper-middle-income countries (which spend 8 per cent), six times as much as lower-middle-income countries (2.5 per cent) and 15 times as much as low-income countries (1.1 per cent). Taking into account the difference in GDPs, the amount of financial resources devoted to social protection vary even more than that the ratios.

58. The financing gap for establishing social protection floors has increased by approximately 30 per cent since the onset of the COVID-19 crisis, owing to the fall in national revenue associated with reductions in GDP and the concomitant increase in need for health-care services and income support. Factoring in the impact of the COVID-19 crisis, latest ILO estimates show that, to establish a nationally defined social protection floor, lower-middle-income countries would need to invest an additional \$362.9 billion and upper-middle-income countries a further \$750.8 billion per year, equivalent to 5.1 and 3.1 per cent of GDP respectively. Low-income countries would need to invest an additional \$77.9 billion, equivalent to 15.9 per cent of their GDP to close the annual social protection financing gap.

59. While progress has been made in ensuring access to health care (with almost two thirds of the world's population protected by a scheme) further investments are needed to overcome the remaining barriers, including high out-of-pocket payments, physical distance to health care facilities and shortfalls in the range and quality of

¹⁶ Sources: ILO, *World Social Protection Report 2020–22*; World Bank, *High-Performance Health Financing for Universal Health Coverage: Driving Sustainable, Inclusive Growth in the 21st Century* (Washington, D.C., 2019); IMF, “A strategy for IMF engagement on social spending”, IMF policy paper (June 2019); United Nations, Department of Economic and Social Affairs, *The Sustainable Development Goals Report 2021*; Call for reactions: proposal for a global fund for social protection, 15 December 2020 (www.ohchr.org/EN/Issues/Poverty/Pages/global-fund-social-protection.aspx); United Nations, “Liquidity and debt solutions to invest in the SDGs: the time to act is now”, policy brief, March 2021; United Nations, “Debt and COVID-19: a global response in solidarity”, 17 April 2020; OECD, www.oecd.org/tax/international-community-strikes-a-ground-breaking-tax-deal-for-the-digital-age.htm.

services. Today, two thirds of the world's population is protected by some form of health-care scheme. Prior to the onset of the pandemic, the World Bank estimated that the financing gap to achieve universal health coverage in the 54 poorest countries – home to 1.5 billion people – would be approximately \$176 billion annually by 2030.

60. The COVID-19 pandemic has also increased the financing gap to achieve universal access to education.¹⁷ According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), the annual financing gap in low- and lower-middle-income countries to achieve Sustainable Development Goal 4 is \$148 billion per year until 2030. Additional costs linked to COVID-19-related school closures risk increasing this financing gap by one-third, to \$200 billion per year. Investing now in remedial and re-enrolment programmes could cut this additional cost by 75 per cent; however, many countries are failing to act. An estimated 65 per cent of low- and lower-middle income countries and 35 per cent of upper-middle- and high-income countries have cut funding for education since the start of the pandemic.

61. National and international efforts must go hand in hand to close financing gaps and to create the fiscal space needed to safeguard development gains and enable a more inclusive and resilient recovery. Governments should safeguard social expenditure and ensure adequate financial resources for health, education and social protection. At the national level, some national Governments are examining ways in which to reprioritize government spending, increasing the share allocated to social sectors. Governments should also redouble their efforts to combat national tax avoidance and tax evasion, which lead to significant foregone public revenue, by acting on several fronts: promoting compliance, implementing changes to tax policy (e.g., closing loopholes) and strengthening enforcement mechanisms. Pursuing progressive tax reforms can play an important role in closing financing gaps. For many developing countries, this involves a shift away from reliance on indirect taxes (such as sales taxes and value added taxes), which tend to be more regressive, towards direct taxes on income and wealth. It also involves an increase in value added taxes on luxury goods. Social security contributions are crucial to closing the financing gap of social protection systems in a way that meets the principle of solidarity.

62. The principle of solidarity should prevail not only at the national but also at the international level. With national budgets under strain, many low-income countries will be unable to close these financing gaps by relying solely on resource mobilization at the national level. Leveraging the international financing system rests on a multipronged approach.

63. Many countries significantly increased their official development assistance (ODA) in 2020, leading to a net increase of 7 per cent in real terms from 2019. Continuing to prioritize ODA – and not succumbing to fiscal pressure at the national level to cut back – is crucially important to support an inclusive global recovery. Dedicated funds to support the creation of national social protection floors worldwide include a proposal to establish a global fund for social protection. Meeting countries' financing needs requires concessional financing to be scaled up, a concern that is behind proposals such as the Fund to Alleviate COVID-19 Economics and the Liquidity and Sustainability Facility. In August 2021, IMF approved the issuance of \$650 billion in new special drawing rights, which will supplement member countries' international reserves. Discussions are under way with regard to the possibility of channelling special drawing rights (both newly issued and unused reserves) from countries with strong external reserve positions to countries most in need. Countries have been scaling up international tax cooperation to fight tax avoidance and tax evasion, for instance by preventing multinational enterprises from avoiding taxes

¹⁷ See <https://en.unesco.org/news/unesco-warns-funding-gap-reach-sdg4-poorer-countries-risks-increasing-us-200-billion-annually>.

through base erosion and profit shifting. Implementing the October 2021 agreement to levy a 15 per cent minimal corporate tax rate in all countries will be an important step in this direction. Fairer and more efficient mechanisms for debt crisis resolution and more responsible borrowing and lending will also help low-income countries to create more fiscal space. While the Debt Service Suspension Initiative agreed by the Group of 20 (G20) in April 2020 and the subsequent Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative are steps in the right direction, more needs to be done to support debt relief. Further efforts might include exploring public sector relief through the G20 Common Framework, debt climate swap initiatives and buybacks, contingent debt instruments and the establishment of an independently created debt authority that could oversee a multilateral debt restructuring mechanism.

V. Conclusion and policy recommendations

64. The COVID-19 pandemic has reversed recent gains in the reduction of poverty and hunger, reinforcing pre-existing inequalities and exacerbating the vulnerabilities of many marginalized and disadvantaged populations. With less than 10 years left to achieve the 2030 Agenda, this is the largest setback in achieving sustainable development for all. Recovery from COVID-19 is the opportunity to develop integrated long-term policy frameworks to achieve the Sustainable Development Goals. Such frameworks should aim to simultaneously reduce poverty, hunger and inequalities, enhance people's capabilities and well-being and ensure sustainable livelihoods for all. A multidimensional analysis of poverty and hunger should inform these recovery strategies.

Considering this, Member States are encouraged to:

(a) **Develop long-term, risk-informed and prevention-oriented recovery plans that will improve people's capacities and well-being, through investing in social services and infrastructure, including basic school infrastructure and inter-connectivity and health-care services, safe drinking water and sanitation, affordable housing, ensuring decent employment, adequate social protection coverage and reliable and affordable Internet. Service delivery should be aimed at progressively achieving universal access, while specific attention is paid to the needs of vulnerable and disadvantaged groups and communities;**

(b) **Address multiple causes of poverty, hunger and inequality, by creating decent work and other income generating opportunities, including through public procurement and other programmes to support local production and purchases from small-scale producers and family farmers; increasing resilience; improving coherence between social protection and agricultural policies; promoting digital and financial inclusion; ensuring equal opportunities and access to healthy diets, quality education and lifelong learning (including skills development and vocational training); combating discrimination; empowering people and facilitating the social inclusion and participation of those who are disadvantaged and marginalized; prioritizing investment in early childhood education, nutrition and care to break intergenerational poverty;**

(c) **Accelerate efforts to build nationally appropriate universal social protection systems that are adequate, comprehensive and sustainable, including nationally defined social protection floors that guarantee at least a basic level of social security for all, and to address vulnerabilities throughout the lifetime, improve food security and nutrition outcomes, as well as universal health coverage and increase resilience to shocks and stressors. Universal social protection can be achieved only if schemes are designed also to meet the needs of the most vulnerable, through the right mix of contributory and non-contributory schemes to cover all**

populations, including children, women, subsistence farmers, informal workers or other groups not covered or inadequately covered, and in parallel promote the transition of enterprises and workers from the informal to the formal economy;

(d) Strengthen agri-food systems so that they become more efficient, inclusive, resilient and sustainable, delivering healthy diets to end hunger and improve food security and nutrition, by implementing national pathways for inclusive agri-food system transformation, including those emerging from the United Nations Food Systems Summit; investing in science, technology and innovation to increase agricultural productivity, resilience and sustainability and reduce disaster risk; strengthening policy coherence and coordination between Ministries responsible for social protection, agriculture, food security and nutrition; and establishing multidimensional, community-driven disaster risk reduction and resilience programmes in conflict-affected and shock-prone areas;

(e) To address the impacts of COVID-19 and tackle the long-term structural challenges faced by rural populations, establish universal social protection systems that are inclusive of and adapted to rural populations; support the development of rural non-farm enterprises; address the multiple dimensions of food insecurity in rural areas; invest in agricultural development and establish multisectoral policies and national action plans to strengthen the resilience and adaptability of small-scale producers and family farmers;

(f) To close the financing gaps in universal access to social protection and essential services, reprioritize government spending; combat national tax avoidance and tax evasion; and support progressive tax reforms. The international community and development partners should strengthen multinational cooperation; fulfil its ODA commitments; mobilize resources for an inclusive recovery, including a global fund for social protection; scale up concessional financing; make use of special drawing rights; scale up international tax cooperation; and explore fair and efficient mechanisms for debt crisis resolution.
