



**Virtual Expert Group Meeting
on**

“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”

Division for Inclusive Social Development, UN Department of Economic and Social Affairs (DESA) in collaboration with Food and Agriculture Organization (FAO) and the UN Regional Commissions

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DRAFT POLICY RECOMMENDATIONS

Key issues addressed

The impact of the COVID-19 crisis on poverty and hunger

- The pandemic has reversed recent gains in human development and poverty reduction, forcing hundreds of millions into poverty (an additional 97 million people are estimated to have been pushed into extreme poverty in 2020)¹ and into unacceptable levels of deprivation and hunger (around 118 million additional people pushed into chronic hunger and 330 million additional people lacked adequate access to food in 2020). Since 2014/15, the pace of poverty reduction was slowing due to the compound impacts of widening inequalities, climate change, and conflict as well as insufficient attention given to preventing impoverishment. COVID-19 has **acted as fuel** to the situation, posing the threat of a **“lost decade” in poverty reduction** efforts. If no additional national and international policy measures are taken, the objectives of the 2030 Agenda and its Sustainable Development Goals (SDGs) will not be achieved and the structural transformation processes necessary in developing and emerging countries will be thwarted.
- Since the onset of the crisis, both the number of people living in extreme poverty (\$1.90/day) and those living just above the global poverty line (between \$1.90 and \$3 per day) has increased due to loss of jobs and income. Those living just above the poverty line and many of the 2 billion men and women (61% of the world’s working-age population) in the informal economy are most vulnerable to falling into poverty. The COVID-19 crisis not only created ‘new poor’ but has also led to the further **impoverishment among the pre-existing chronic poor**. For many, it was overlain on other crises, such as humanitarian crises.

¹ Updated on June 24, 2021. World Bank Blogs. <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021>

- **The pandemic has reinforced deep-seated pre-existing inequalities**, including gender inequality, and exacerbated the vulnerabilities of many poor and disadvantaged populations. While some segments of society experienced financial gains during the pandemic, workers in vulnerable work, in particular, low-skilled, manual, and migrant workers have been negatively affected and labour market disadvantages linked to gender, race, and other social identities have been further exacerbated. The impact on the care economy has been particularly severe. Worldwide, labour rights have come under increased pressure due to the crisis. Most workers continue to work outside formal labour markets and lack adequate wages and safe working conditions.
- **Informal workers, self-employed, workers in micro-, small- and medium-sized enterprises (SMEs), and family farmers** have been among the hardest hit. Most are not covered by social protection systems, as they are neither covered by social insurance schemes nor eligible for social assistance programs (including cash transfers) targeting those living in extreme poverty. This places them at a high risk of falling into poverty should they lose their jobs/income or should hours, pay, or demand for products and services reduce.
- **Children, adolescents, and youth** have been among the hidden victims of the pandemic. An additional 150 million children were pushed into multidimensional poverty in 2020 due to COVID-19 (a 15% increase since the pandemic hit), bringing the total to around 1.2 billion children.² They have suffered in terms of loss of education, disruptions in routine immunization, malnutrition, loss of parents and caregivers, and negative impacts on their mental health. Disruptions to food and health systems could result in an additional 9.3 million wasted children between 2020 and 2022 (a 20% increase since 2019) and an increase in the numbers of stunted children, after two decades of global decline in stunting.³
- **Women and girls are being disproportionately affected by the COVID-19 crisis**, as they are over-represented in some of the hardest hit sectors, have more limited access to social protection, have seen an increase in the burden of care work, and faced an increase in gender-based violence. Girls are at an ever-greater risk of falling out of school. Supportive short-term and long-term policy measures are critical to include the hidden victims of the COVID-19 crisis such as women who suffer domestic violence, the elderly and the disabled.
- While the COVID-19 crisis is **equally affecting people in both rural and urban areas**, pre-pandemic poverty and food insecurity were significantly higher in rural areas, where most people engage in informal work, with no or limited access to contributory social insurance or social protection measures.
- In rural areas, the COVID19 crisis may be pushing many **into more subsistence-oriented productive activities** as markets have been disrupted. The crisis **simultaneously hit multiple economic and social determinants of well-being**, including health, education, and agri-food systems, economic activity (with major disruptions to tourism, garment, service, and transportation industries), and fiscal

² <http://www.endchildhoodpoverty.org/child-poverty-estimates>, and <https://www.unicef.org/reports/averting-lost-generation-covid19-world-childrens-day-2020-brief>

³ <https://www.nature.com/articles/s43016-021-00319-4#Tab1>

revenue, which makes it particularly difficult to sustain rural and urban informal livelihoods.

- **The heterogeneity of the impacts of COVID-19 on poverty and hunger** can be explained by different degrees of resilience of regions/countries due to their underlying social-economic structure (e.g. the level of inequality, labour market conditions) and their policy choices (e.g. social protection coverage, universal access to free education and health, and fiscal space, etc.). Estimates of additional spending and forgone revenue in response to the pandemic as a percentage of GDP point to a huge ‘fiscal stimulus gap’ in country responses to COVID-19, which is further exacerbating inequalities between countries.⁴
- Low-income and lower-middle-income countries are among the worst affected by the COVID-19 crisis due to the **combined effects of multiple Covid-related crises** (arising from the health crisis, essential restrictions and resulting economic and labour market downturns, slow pace of the vaccination rollout, debt, lack of fiscal space, disasters, or conflict and displacement). Slow economic recovery in low-income countries is putting them at risk of falling further behind.⁵
- The social and economic shocks caused by the COVID-19 pandemic is challenging the usefulness of many conventional poverty counts/measurements. **New measurement tools are needed** that (1) are better grounded on multidimensional measurements of deprivation and vulnerability and (2) reflect a deeper understanding of the processes through which people move in and out of poverty.
- **There is a scarcity of good data** due to lack of systematic documentation of policy and program initiatives taken in response to the crisis, especially in low-income countries, LDCs, and lower-middle-income countries. Even in the field of social protection where more data is available, there is little information on the impacts and effectiveness of temporary interventions.

Regional aspects

- Countries in **Latin American and the Caribbean** region have been hard hit by the crisis. These were already facing multiple challenges prior to the pandemic (linked to climate change, disasters, migration, changes in the world of work due to technological changes, and social unrest), added to the structural inequality that characterizes the region. This situation has been compounded by low economic growth, growing poverty rates, high levels of informality, persistent food and nutrition insecurity, and the double burden of malnutrition (undernourishment and obesity). Due to the COVID-19 crisis, in 2020, the regional poverty rate is estimated to have reached 33.7% and the extreme poverty rate reached 12.5% of the Latin American population; in absolute terms, this represents 209 million people living in poverty (22 million more than in 2019) and 78 million in extreme poverty (8 million more than in 2019). Thus, poverty and extreme poverty would have reached levels not seen for 12 and 20 years. This situation has also led to an estimated

⁴ <https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19>

⁵ Economic growth is projected to be 4% in 2021 for LDCs, far below the 7% rate set in SDG 8. Per capita GDP in Africa, after a decline of 5.2% in 2020, is projected to stagnate in 2021 and increase by less than 1% in 2022. See <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-july-2021-briefing-no-151/>

increase in the average Gini index for the region by 2.9%.⁶ However, these impacts would have been even higher in the absence of the emergency social protection measures put in place by governments in the region, considering the impacts of COVID-19 on the labour market. Between 2019 and 2020, the unemployment rate increased by 2.5 percentage points in the region, disproportionately affecting female, young and informal workers.⁷

- **Africa**, where poverty rates were declining very slowly and absolute numbers of poor were increasing before the COVID-19 crisis, has seen the extent of poverty increase. An estimated 55 million people could be pushed into extreme poverty in 2020 alone. Most of them are likely to come from the 58 million with consumption levels just 10 per cent above the extreme poverty threshold. African countries have opted for fiscal stimulus to mitigate the adverse economic impact of COVID-19 and, so far, have spent about US\$ 6 billion, yet it is far less per capita than in other regions. As a result, a large majority of people across the region may resort to undesirable coping strategies, such as drawing on savings, reducing food consumption, shifting from nutritional foods to basic staple foods, or selling their assets, thus significantly increasing their vulnerabilities and limiting their future prospects of exiting poverty.
- Half of the population in **Asia and the Pacific** does not have access to social protection and, thus, is completely unprotected. In terms of the total spending on social protection, only 4 countries spent above the global average - 11% of GDP – while ESCAP countries average 4.9% of GDP. Innovative social protection measures have been put in place to respond to the impact of COVID-19.⁸ There is a need to capitalize on these innovative short-term responses to institute structural changes to national social protection systems and reduce coverage gaps in the long-term. A basic social protection benefits package would cost 2 - 6% of GDP, which is affordable for most countries. Such a package is more a matter of political priority, not affordability.
- Poverty and inequality are widespread across the **Arab region** and according to ESCWA, 16 million are expected to have fallen into poverty (in relation to national poverty lines) due to the COVID-19 pandemic. Extreme poverty itself is expected to have spread to 9 million additional people living on less than \$1.90 per day, particularly in the least developed countries. The impact of COVID-19 has contributed to the preexisting strong negative impacts of conflict, political instability, and displacement on the poor and middle class in some Arab countries. Efforts to tackle poverty have not adequately addressed multiple deprivations, rural-urban and subnational divides, or the accentuated vulnerability of various social groups. The cost of closing the poverty gap in 2021 is estimated to be \$45 billion (in 2011\$ PPP) which, comparatively, is a small fraction of the resources in the private hands of the more fortunate Arab residents.⁹

Priorities for short- and long-term responses for more inclusive and resilient recovery

⁶ ECLAC, Social Panorama of Latin America, 2020 (LC/PUB.2021/2-P/Rev.1), Santiago, 2021:

<https://www.cepal.org/en/publications/46688-social-panorama-latin-america-2020>

⁷ ECLAC, the Recovery Paradox in Latin America and the Caribbean. Growth amid persisting structural problems: inequality, poverty and low investment and productivity. Special Report COVID-19 No. 11:

<https://www.cepal.org/en/publications/47059-recovery-paradox-latin-america-and-caribbean-growth-amid-persisting-structural>

⁸ www.unescap.org/publications/protection-we-want-social-outlook-asia-and-pacific

⁹ www.unescwa.org/publications/impact-covid-19-money-metric-poverty-arab-countries

- **Fiscal and monetary responses were rapid and large**, mainly in developed and in some emerging economies. Support packages put in place by higher-income countries were many times the size of those in lower-income countries. While the unprecedented counter-cyclical response by rich countries did positively impact the economies of poorer countries (for instance, by sustaining demand for imported products, supporting remittances, etc.) and there has been a call for global solidarity and coordination to support countries in need, the global response in terms of making vaccines available where they are needed most, has been lagging, thus reinforcing risk of longer-term costs of the pandemic globally.
- The COVID-19 crisis provides an **opportunity to reset socio-economic policies and launch new policy initiatives**, based on innovative emergency measures, to enable a long-term, more inclusive, and resilient recovery. Moreover, enhancing universalism in emergency responses is a priority. However, challenges abound since fiscal space, policy-making capacities, and political space may be limited.
- The crisis has highlighted the **need for universal, comprehensive, and sustainable social protection systems**, including nationally-defined social protection floors that guarantee basic social security for all (essential health care and basic income security). More effective labour and social protection is needed for all workers. Recovery plans need to take a long-term approach to social protection, including universal measures for children, families, and workers, and create a policy environment that supports informal workers, by finding the right mix of contributory and non-contributory schemes, so that all people are protected against future shocks throughout their lifecycle. Such inclusive responses should be supported by innovative financing methods, including, micro-surcharges, taxes (for instance, on foreign exchange transactions, mining, tourism), debt-based borrowing (for instance, debt conversions linked to social protection), and voluntary and solidarity contributions.
- Long-term reforms require changes in governance and strong civil society engagement. The political context is key, particularly in countries where conflict, displacement, political instability, weak governance, and fiscal challenges (including an undue reliance on natural resource revenues) are compounding each other.
- Governments are seeking to harness digital technologies for sustainable and inclusive, development. For instance, by leveraging digital finance for financial inclusion, which in turn leads to entrepreneurship, job creation and poverty reduction.

Social protection systems, including short-term emergency measures taken to respond to the COVID-19 crisis¹⁰

- Building universal social protection systems, including floors, is critical to realize the human right to social security/protection, increase resilience to crises, prevent multidimensional poverty and hunger, and enable a more inclusive and equitable social

¹⁰ [ILO Social Protection Responses to the COVID-19 Crisis Around the World](https://www.eurofound.europa.eu/publications/report/2020/new-forms-of-employment-2020-update), <https://www.eurofound.europa.eu/publications/report/2020/new-forms-of-employment-2020-update>, and [Collection of Resources on Social Protection Responses to the COVID-19 crisis](#)

and economic development. **A human rights-based approach** is needed to identify capacity-building needs and listen to those experiencing hunger.

- **Social protection has been one of the main pillars of the immediate response to COVID-19.** The major social protection measures taken during the crisis have been cash transfers and food assistance. Evidence shows that these measures are very effective in increasing food intake and reducing poverty, but also mitigating the impact of economic, social, and environmental shocks. However, in low- and middle-income countries, emergency social protection measures have been insufficient to prevent the steep rise in poverty and hunger.
- Countries with high social protection coverage, inclusive social registries, and good social protection infrastructure (including mobile money transfer mechanisms and digital payment platforms) were able to more rapidly and effectively respond to the crisis and support vulnerable populations, by channeling additional financial resources through existing mechanisms. UN partners provided critical support to countries in designing emergency responses and new programs to support key populations (e.g. migrants, informal workers and others).
- **Despite unprecedented response efforts, the pandemic highlighted important gaps in social protection systems,** particularly among women (especially in the care economy), children, families, and workers in the informal sector, in both urban and rural areas. For example, globally 3 out of 4 children¹¹ do not have access to child or family benefits. A critical gap exists in covering the so-called ‘missing middle’, as countries have struggled to support workers in the informal economy who are often excluded from poverty-targeted social assistance and not included in social insurance schemes (and therefore not part of social registries or social security databases).
- The ILO estimates that low-income countries would have needed to invest an additional US\$ 77.9 billion or 15.9 percent of their GDP in 2020 to guarantee at least a basic level of social protection for all. Lower- and upper-middle-income countries would need to invest an additional US\$362.9 billion and US\$750.8 billion respectively per year, equivalent to 5.1 and 3.1 per cent of their respective GDPs. These estimates are based on comparing the total cost of guaranteeing a social protection floor (consisting of universal benefits for children, mothers with newborns, persons with disabilities, and older persons as well as access to health care) and current social assistance expenditure).¹²
- Many countries increased social protection coverage through the extension of existing mechanisms or the introduction of new measures, including through open registration. However, the **coverage, transfer sizes, and timeliness** have not always been sufficient to respond to people’s needs. **Demand for social protection measures has outstripped supply.** As cash transfers, especially one-off grants, are not sufficient to build people’s resilience, complementary measures are needed, for instance teaching entrepreneurial skills, promoting access to markets and financial services, improving infrastructure well

¹¹ [ILO \(2021\) World Social Protection Report 2020-22: Social protection at the crossroads - in pursuit of a better future](#)

¹² Durán Valverde et al. 2020. “Financing Gaps in Social Protection: Global Estimates and Strategies for Developing Countries in Light of COVID- 19 and Beyond.” Working paper. Geneva: International Labour Office.

as measures to keep agri-food systems alive and facilitate engagement of small-scale producers in downstream segments of agri-food value chains.

- Despite efforts at greater **digitization of social protection measures**, not all countries had the capacity to establish digitized self-registration platforms to register for social protection programs. In countries that were able to do so, not all people in need were reached through these platforms. Many poor or vulnerable people lack access to the internet and the digital devices necessary to benefit from social protection measures available through digitized means.
- **Few of the pandemic measures have been gender sensitive.** Yet evidence is clear on the ability of social protection measures to promote women's economic empowerment.
- **Vulnerable groups have not been integrated systematically into social protection responses.** It is critical to further incorporate gender perspectives and the views of other disadvantaged groups into the design and implementation of social protection systems and measures.
- The lessons of the COVID-induced social protection response highlights the importance of both **political will and social mobilization necessary** to recover better through investments in tax-financed social protection schemes jointly with the extension of fully or partly contributory social insurance schemes to workers in the informal economy and rural areas, including self-employed workers.¹³ 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 measures.

Investments in universal social protection systems, including floors, are affordable, as shown in the simulations done by ESCAP/ILO for Asian countries¹⁴, by ECLAC/FAO in Latin America,¹⁵ the ILO at the global level.¹⁶ While financing gaps among low-income countries remain a challenge, the benefits of such investments are immense.¹⁷ For example, if governments offered universal coverage for child benefits, disability benefits, and old-age pensions at a basic benefit level (2% – 6.1% of GDP),

¹³ ILO. 'Extending Social Security Coverage to Workers in the Informal Economy: Lessons from International Experience (Good Practice Guide)', 2021. <https://www.social-protection.org/gimi/RessourcePDF.action?id=55728>; 'Extending Social Security Coverage to Workers in the Informal Economy: Lessons from International Experience (Policy Resource Package)', 2021. <https://informaleconomy.social-protection.org>. ILO, and FAO. 'Extending Social Protection to Rural Populations: Perspectives for a Common FAO and ILO Approach'. Geneva and Rome: International Labour Organization and Food and Agriculture Organization of the United Nations, 2021. <https://www.social-protection.org/gimi/RessourcePDF.action?id=57189>

¹⁴ <https://www.unescap.org/publications/protection-we-want-social-outlook-asia-and-pacific>

¹⁵ <https://www.cepal.org/en/pressreleases/eclac-proposes-moving-towards-basic-income-help-most-vulnerable-population-overcome> and <http://www.fao.org/americas/noticias/ver/en/c/1293339/>; <https://www.cepal.org/en/publications/46688-social-panorama-latin-america-2020>

¹⁶ https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_755475.pdf

¹⁷ ILO, Financing Gaps in Social Protection: Global Estimates and Strategies for Developing Countries in Light of COVID-19 and Beyond. International Labour Organization, 2020, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_755475.pdf

poverty rates would significantly drop across regions.¹⁸ Alongside universal benefits, universal social protection systems may require targeted support to those groups who are most vulnerable and disadvantaged.

- **Saving schemes are important in building resilience**, as many people used up their savings in 2020. There is still room to facilitate the spread of savings and credit schemes and links to other financial inclusion mechanisms. Strengthening rights-based social protection mechanisms that are based on risk pooling and solidarity will support the role of savings institutions in reinforcing resilience and reducing vulnerability.
- **Social protection is one of many social policy tools that governments have at their disposal to combat poverty and hunger**. For instance, many local governments have put in place measures that address specific groups or issues, including homelessness and domestic violence.
- In many countries, the COVID-19 pandemic has disrupted education at all levels. One year into the crisis, two in three students were still affected by full or partial school closures.¹⁹ Children from low-income families have been deprived of the opportunity to learn basic skills, threatening their ability to move out of poverty. Many risk never returning to school. **Bringing the poorest and most vulnerable children back into education is a priority**. Remote education cannot be the only solution, as a majority of poor children lack access to electricity, the Internet, or equipment.

Innovative strategies to sustainably finance social protection systems, especially in low-income countries

- **The financing gap is a challenge in many countries**. Many governments have scaled up the use of social protection to respond to COVID-19, financed by a mix of interventions (reprioritizing, debt, state reserves, contingent funds, etc.). However, such measures have been challenging for low-income countries, as the international financial system has not been able to deliver solutions to the challenges of continuing high external debt burdens, outflow of foreign capital, tax evasion and lack of international resources to undertake stimulus packages. Low-income economies need immediate support, through debt relief and the leveraging of special drawing rights (SDRs).
- Increase in financing sources and/or efficiency gains as a result of progressive taxation, debt management/restructuring, increased efficiency in the allocation and utilization of public resources and social insurance can help finance social protection systems, which remain critical to achieving the SDGs.
- The principle of solidarity should prevail not only at the national but also at the international level, whereby high-income countries can support low-income countries to set up their social protection systems through a **Global Fund for Social Protection**.²⁰

¹⁸ UNESCAP, The protection we want:

https://www.unescap.org/sites/default/files/publications/RC5_Social_Outlook-Report.pdf. UN Economist Network (UNEN) Thematic Brief: Social Protection. https://www.un.org/sites/un2.un.org/files/attb_on_social_protection.pdf

¹⁹ The Sustainable Development Goals Report 2021, <https://unstats.un.org/sdgs/report/2021/>

²⁰ [OHCHR | Call for reactions: Proposal for a Global Fund for Social Protection](#)

Tools to analyze multiple dimensions of poverty and food insecurity at the national and regional levels

- **Understanding poverty dynamics**, especially what causes impoverishment and how it can be prevented, requires using both income/expenditure at “household levels” and multi-dimensional poverty measurement/analysis. In addition, it is critical to combine quantitative and qualitative measures and analysis to deepen the understanding of the dynamics process of impoverishment.
- Many countries used their national Multidimensional poverty indices (MPIs) before and during the pandemic as official permanent statistics and evidence to shape policy. When the pandemic struck, **MPIs were swiftly re-examined to provide data for pandemic responses to be precise and cost-effective**. This is because idea of co-morbidities and the counting-based measurement approach of **multidimensional poverty indices (MPIs)** are aligned.
- **Disaggregation** is key: multidimensional poverty metrics are disaggregated by age-cohort, region, ethnicity, disability status, and intrahousehold patterns are shared. Every group’s multidimensional poverty measure is broken down by indicator so that policies for different groups can see **interlinked deprivations** and offer support in **an integrated** and empowering manner.
- **New Tools linking multidimensional poverty indices to policy** are emerging. These include tools to analyse gendered and intrahousehold patterns, or build poverty scenarios for different budget allocations, or to merge administrative, geospatial, and survey data sources, or to simulate the impact of the pandemic on different indicators.
- MPIs enable better policy coordination as they touch upon various sectors. MPI Assist Tool (MAT), which is currently being developed by ESCWA, enables States to **construct their own national MPIs** and can be also used as **regional scenario-building tools for poverty reduction**, by addressing multiple deprivations. Many people face overlapping deprivations and are particularly vulnerable, so ESCWA’s poverty projection tools, both money-metric and multidimensional, carefully assess the incidence and distributional impact of development shocks such as COVID-19. Swedish International Development Cooperation Agency’s (Sida) approach is data-based (not index) analysis aimed at identifying vulnerabilities (who, how, and why) along four dimensions - economic and social, environmental, political and institutional, and conflict and peaceful contexts.
- Identifying who is being left out and addressing their vulnerabilities will allow policymakers not only to devise policy aiming to reduce poverty and food insecurity but also **prevent them from falling into poverty when facing future shocks**, such as economic downturns, climate change, conflict, etc.
- These existing tools enable policymakers to project who are at-risk populations and which aspects of their vulnerability need to be addressed, at the micro, sub-national and national levels, and can be very useful tools to respond to future challenges.
- COVID-19 makes data collection (household survey) more difficult, suggesting future data scarcity. Biases of household phone surveys (e.g. phone ownerships, access to

electricity, mobile coverage, etc.) should be considered. Innovative methods of data collection are evolving (e.g. remote-sensing data) and should be further explored.

Policy recommendations

Social Protection Systems

- COVID-19 policy responses should go beyond the notion of recipients of social protection as mere beneficiaries to embrace the notion of ‘rights-holders’. Building rights-based universal social protection systems, including floors, are a core element of a human-centred recovery from the crisis.²¹ This should feed into a **new social contract for an inclusive recovery**, which should be supported by new global solidarity. The United Nations can play an important role in galvanizing vision through a 2nd UN World Summit for Social Development (the Social Summit was held in 1995).
- **Rethink national approaches to social protection systems with the aim of building universal social protection systems**, by combining social insurance and tax-financed and other non-contributory social protection schemes. In some countries this includes universal entitlement schemes such as, universal child benefits and universal old age pensions. Social protection should not be a collection of emergency interventions but should be a long-term pillar of recovery and an integral part of countries’ social and economic policy architecture, and should benefit from a broad social dialogue. National governments should commit to strengthening social protection systems, so as to progressively achieve universal coverage, ensure adequacy, and include all people across their life cycle, while being risk-informed and responsive to future shocks/risks.
- **Scale up risk-informed and shock-responsive social protection** that can effectively enhance household resilience, while preparing for, preventing, and responding to major crises. This includes the **effective integration of climate and conflict related risks** in the design and implementation of social protection systems.
- Invest in a combination of **rights-based tax-financed schemes and social insurance schemes**. These are two important complementary elements to progressively build more comprehensive universal social protection systems, including floors, that provide everyone effective access to adequate benefits and services if and when needed.
- Consider establishing **universal benefits** (child benefits, disability benefits, or old-age pensions) that are essential to address vulnerabilities throughout one’s life cycle. Such universal benefits have proven to be affordable, with clear evidence on their impact on poverty reduction, food security and multiple sector outcomes. Specific prioritization is essential to the expansion of **child benefits** given their role in building human capital and addressing the intergenerational transmission of poverty.²²
- **Social protection needs to be gender-responsive**, with an explicit focus on achieving gender equality and the empowerment of women. Social protection programs should be designed and implemented based on gender analysis and with the full involvement of women. Efforts should be made to close gender gaps in coverage and adequacy of social protection measures and schemes.
- In **rural areas**, social protection schemes also need to be accompanied by measures seeking to promote the economic and productive inclusion of small-scale producers, their

²¹ https://www.ilo.org/ilc/ILCSessions/109/reports/texts-adopted/WCMS_806092/lang--en/index.htm;
<https://www.social-protection.org/gimi/RessourcePDF.action?id=57375>

²² As recommended by UNICEF in latest report. <https://www.unicef.org/press-releases/universal-child-benefits-critical-reducing-poverty-new-odi-and-unicef-report-finds>

economic diversification, access to markets, and engagement in value chains and off-farm employment opportunities.²³

- **Social insurance schemes** which promote the interests of the vulnerable non-poor as well as the poor need much greater emphasis, especially in LICs and LMICs. They need to have attractive benefits and services that respond to people's needs, have an adapted policy and legal framework, and make use of adapted, sustainable, and equitable financing mechanisms. Successful country experiences with monotax (simplified tax collection/payments system) or flexible revenue-based contributions, particularly in rural areas, provide important lessons learnt for other countries seeking to increase coverage, including through partially contributory schemes.
- Besides universal schemes, it is important that **targeted packages of social investment in rural areas** also support the transition from social assistance to sustainable and equitable social insurance mechanisms for rural populations, which considers the seasonality of their revenue and the specific shocks and risks that they face.
- Better **coordination between sectoral policies and social protection** is key to avoid coverage gaps and inconsistencies across policies.
- **Put in place the necessary mechanisms to avoid the disintegration of the middle-income strata.** Universal social protection systems should be designed in a way that reaches everyone, including women and children, persons with disabilities, indigenous peoples, older persons, people living in extreme poverty, working poor, including informal and rural worker, other marginalized populations. Closing coverage and adequacy gaps for excluded populations is critical to reduce poverty and food insecurity.
- Improve coverage of those not yet adequately protected, including by ensuring access to adequate social protection for workers in all types of employment – formal and informal – and making social protection systems more inclusive and effective as enablers of national formalization strategies.²⁴ Recognize and actively reach out to those working in the **informal economy** to make them more visible and give them a voice, extend access to labour and social protection to them, promote decent work and progressively facilitate their transition to the formal economy.²⁵
- **Expand the use of digital platforms for the identification of social protection beneficiaries**, especially those belonging to newly vulnerable groups, and enhancing the transparency and accountability of cash transfers to vulnerable groups.
- **Ensure that social protection systems improve food security and nutrition outcomes.** Food systems and social protection systems have relevant overlap, there is a lot of room to improve better coordination and establish linkages.

Structural long-term reforms

- **The principles of human rights, solidarity, and pooled risks must prevail in the construction of comprehensive social protection systems that bring together social assistance and social insurance with active labour market policies (ALMPs) and employment protection. Consideration should be given to the differentiated impacts of COVID-19 when devising these long-term policies and strategies.**

²³ ILO, and FAO. Extending Social Protection to Rural Populations: Perspectives for a Common FAO and ILO Approach. International Labour Organization and Food and Agriculture Organization of the United Nations, 2021, <https://www.social-protection.org/gimi/RessourcePDF.action?id=57189>

²⁴ The International Labour Conference (para. 13d); https://www.ilo.org/wcmsp5/groups/public/---ed_norm/--relconf/documents/meetingdocument/wcms_804457.pdf

²⁵ <http://informaleconomy.social-protection.org>

- **Combat discrimination, social exclusion and stereotypes**, which lead to a vicious cycle of inequalities and poverty.²⁶
- Support a recovery that protects and prioritizes spending and **investment in social sectors and human capital**, while supporting governments to make current allocations in these sectors effective, equitable, transparent, and impactful.
- Move away from regressive and inefficient price subsidy schemes, narrowly targeted measures, and siloed approaches towards **comprehensive and integrated social and economic policy interventions**, that support a green recovery, with increased resources in system-building to strengthen linkages across sectors.
- Create effective linkages between social protection programs (targeted and universal) and programs in all sectors, including poverty reduction strategies, by investing in:
 - **basic services for all, including** quality education (including early childhood education), health care, safe drinking water and sanitation, etc.
 - **basic infrastructure**, schools, hospitals, transportation (e.g., roads, bridges, railways, etc.), communication (e.g., radio, television, Internet, cellular phones), water, energy, etc.
- To close the digital divide, there is a need for a comprehensive package of measures (affordable and quality internet access, access to affordable devices, etc.).
- Take urgent remedial actions to **offset the learning losses suffered by children** due to school closures and other disruptions to their education due to the COVID-19 crisis, especially children of low-income families.
- **Invest in the health sector**, ranging from creating decent employment in health care, pharmaceutical production, pooled procurement of medicinal supplies, to digitized regional supply chains and medicinal tracking and traceability systems.
- **Build resilience for food security everywhere**, by investing in food systems innovations to ensure that locally and sustainably produced nutritious foods are affordable and accessible to all. Solutions should be implemented along the entire food supply chain. Governments and other stakeholders should work together to mainstream nutrition and sustainability in their approaches to agriculture.
- Strengthen **economic inclusion programs** to create sustainable income sources and ensure the sustainable improvement of people's well-being. Allow people to recover and keep their assets. Private actors have a role to play through the provision of financial services, improved logistics, and transportation.
- **Strengthen social dialogue** (between workers, employers, and governments) to craft equitable policies and measures to support sustainable recovery and resilience.
- Establish policies to **help women to re-enter the labour force** following the detrimental effects of the COVID-19 crisis and increase their employment rate. Policies should reduce barriers that women face in accessing the labour market, including helping them balance family and work life (for instance through flexible work schedules) and modifying the unequal distribution of paid and unpaid (care) work based on gender (to this aim, expanding comprehensive care policies).
- Conduct affirmative **information campaigns** to inform vulnerable communities of emergency prevention and response measures, resources and services available to them.
- **Increase and sustain the government budget support** to the development of agriculture and enhance its productivity to mitigate the food insecurity and hunger problem that accompany the COVID-19 crisis. Prevent food loss and waste due to

²⁶ See: Evaluating anti-discrimination measures - Phase I — Chronic Poverty Advisory Network: <https://www.chronicpovertynetwork.org/projects-1/2015/9/30/evaluating-anti-discrimination-measures>

deficiencies in infrastructure, transportation, and other supply chain gaps, among others, should be a key practical objective.

Analyzing the multiple dimensions of poverty and food insecurity

- **Use existing global, regional, and national Multidimensional Poverty Indices** to understand how poverty has changed during the pandemic. Such indices help profile direct interlinkages across a number of poverty-related SDG indicators and provide a headline statistic for priority-setting and comparison.
- **Implement a short core multidimensional poverty module systematically across on data and measurement.** It is essential to develop a 'core' module on multidimensional poverty so that every rapid or longitudinal or regular UN survey – in disasters, among displaced persons, in the wake of pandemics like this one, etc gathers data required to estimate a basic multidimensional poverty index (MPI) (perhaps with some modifications, e.g. to nutrition data). The MPI computations and associated infographics might be automated, and translations pre-loaded. This could help with at-a-glance tracking of disadvantaged populations or fast-changing situations, using a rigorous and comparable measurement, to communicate credible updates in real time to those who can respond.
- **Data should also be collected longitudinally.** National statistical systems should invest in panel data systems which are capable of providing a picture of multi-dimensional and income poverty dynamics and an understanding of its correlates.
- **National statistical systems should also commission qualitative research** in parallel with longitudinal and other household surveys, to enhance the understanding of why the outcomes observed are occurring.
- Multidimensional Poverty Metrics should be disaggregated – to the extent possible by age cohort, disability status, rural/urban, subnational region, and complemented by occasional special studies. **Linked gender and intrahousehold analyses** should be published for child indicators and individual indicators (e.g. nutrition, schooling, employment). Instead of having a proliferation of different metrics by different UN agencies or interests, a core national metric could be consistently adjusted to provide a deep dive into certain populations (children, indigenous groups, the elderly) but the emphasis must be on user-friendly joined-up measures.
- **Key analyses** include the best ways to link MPIs to budget allocation and to targeting, as well as estimations of 'the **cost of inaction**' and strategies to **prevent an increase of poverty** or accelerate its decrease. Naturally the analyses and response can be most effective **if led by the protagonists of poverty** – those living in deep disadvantage.
- **The aim is to create a 'turning point' on poverty in the wake of the pandemic** – an historic reduction that gently improves the lives of millions in ways that endure.

Statistics and data

- **Invest in common databases and interoperative administrative databases** that can support the adaptation of different policies to specific groups and contexts. Governments should have data collection systems in place to assess how vulnerabilities and needs are changing.
- **Strengthen capacities for data collection to design more effective social protection measures.** This includes collecting disaggregated data on the needs of vulnerable populations, improving data sharing practices, and strengthening early-warning capacities.

The role of civil society

- Engage with **civil society to monitor the needs of vulnerable populations** and report on who is being left out and what areas are not covered by existing policy.
- Engage with **civil society to facilitate outreach, communication with and identification of vulnerable groups and individuals**, including through information campaigns, to ensure they are aware of their right to access measures they are entitled to.
- Civil society organizations (CSOs) can engage in **lobbying, advocacy, agenda-setting, and ensuring the accountability** of government. This engagement is particularly effective when it is based on evidence and reflects an integrated and comprehensive approach to policymaking. CSOs and those representing poor and disadvantaged groups need to be better organized to address their interests more effectively to policymakers.
- CSOs can help to increase the efficiency of the food system, reducing the production costs and contributing to a better **service delivery and in preventing food loss and food waste**. Preventing food loss and waste is a structural issue that needs to be addressed all along the food chain (production, processing, transportation), having the potential to contribute to the Zero Hunger goal as well as goals of achievement of food security and improved nutrition. Close cooperation with other stakeholders in implementing these goals is essential. Local hunger organizations and food banks can be game changers in this context.
- CSOs are particularly important in **representing community interests, both short- and long-terms**, in the context of fighting poverty and hunger. They can contribute to domestic structural changes and transformational policies doing that on the ground. CSOs are fully capable of representing best interests of a given community and weaving community interests into policy and practice at the national level.
- The **collaborative action of all stakeholders is essential in addressing the COVID-19 crisis**. CSOs, depending on the national circumstances, could be valuable participants in the process of identification of socio-economic policy priorities (e.g. budget priorities) and agenda –setting in the longer term. Marginalization of civil society organizations in the context of domestic policy- making seen recently, including policy response to COVID-19, is detrimental for social inclusion and cohesion.

Financing for social development

- Maintain/preserve social spending to prevent the erosion of human and social capital in the most affected countries and invest in them worldwide.
- **Strengthen domestic financing mechanisms** through, for instance, improved tax enforcement and reprioritization of budgets to fill a large financing gap, which has increased during the crisis. Increasing inequalities and the enhanced profits in the hands of a few during the pandemic have enhanced the urgency of progressive tax measures. Governments may make use of budget reallocations, expansionary monetary policies, and cuts in non-essential expenditure as critical tools.
- **Ensure that financial allocations are sufficient, equitable, and transparent.**
- Identify **new financing resources** outside of government (debt restructuring and relief, innovative finance, etc.), for example, through the creation of solidarity wealth funds, such as the one proposed in the ESCWA region.²⁷
- At the **international level**, consider scaling up ODA, international tax reform, establish a minimum corporate taxation rate, improve sovereign debt mechanisms, leverage special

²⁷ <https://archive.unescwa.org/publications/wealth-inequality-closing-poverty-gap-arab-countries>

drawing rights (SDRs) for developing countries, write off debt using SDRs, issue additional SDRs, and leverage unused SDRs for development finance. The policy conditionalities associated with lending by international organizations need to focus on inclusive and green recovery.

- Where appropriate, learn from the experience of countries that have successfully identified sustainable financial resources to extend social protection coverage, including but not limited to modern monetary instruments.

International cooperation and solidarity

- **Improve inter-governmental coordination to avoid disjointed responses and minimize crisis management failures.** Vertical and horizontal coordination is essential to address the ongoing impact of the crisis and support longer-term regional development, in particular, to support vulnerable populations.
- Governments should consider the **establishment of a Global Fund for Social Protection**, support for debt relief, technology transfers, and effective enforcement mechanisms for cracking down illegal international financial flows.