Contributions from the UN System to the Report of the Secretary-General on the 2017 main theme of the Economic and Social Council

“Eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges”

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Convention on Biological Diversity (CBD)

The following text provides input to section II of the report: “Defining poverty in the context of the 2030 Agenda”.

1. Biodiversity is essential for sustainable development. Biodiversity and ecosystems feature prominently across many of the Sustainable Development Goals (SDGs) and associated targets.

2. This includes target 15.9, which explicitly sets out the linkage between biodiversity and poverty eradication and development by calling on Member States to, “by 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts”. There are many success stories in terms of economic growth and poverty alleviation in those countries that have included the explicit consideration of biodiversity in their national and subnational plans.¹

3. Biodiversity and ecosystems provide multiple benefits to human well-being. In particular, poorer segments of the population are often directly dependent on biodiversity. Ecosystem services and non-marketed goods are estimated to make up 50 to 90 per cent of the total source of livelihoods among the rural poor. Biodiversity and ecosystems provide a form of cost-effective and readily accessible insurance against risks which typically have the greatest impacts on poor and marginalized people including women and indigenous communities, by reducing their vulnerability to external economic shocks, environmental disasters, impacts of climate change, food insecurity, and health risks arising from lack of access to drinking water and health care services.² At the same time, many aspects of biodiversity decline have a disproportionate impact on poor people.³

The following text provides input to section III of the report: ‘Policy actions for eradicating poverty’.

Global framework for action for the implementation of the 2030 Agenda and its SDGs⁴

4. The SDGs establish a set of universal goals. Member States must translate these global goals and targets into national-level actions while taking into account different national situations. However, without some understanding or guiding approach to implementation, national-level actions may not rise to the level of ambition needed to achieve the 2030 Agenda. In addition, there is a risk that implementation might not use an approach that reflects the integrated nature of the 2030 Agenda,

³ Millennium Ecosystem Assessment, 2005
which could mean that some SDGs and targets are given less priority than others, or the implementation of some goals might even have adverse impacts on others.

5. Existing models for addressing such challenges include the Strategic Plan for Biodiversity 2011-2020, a UN-wide framework for action on biodiversity. The Strategic Plan includes an integrated approach to mainstream biodiversity into economic and social sectors; national biodiversity strategies and action plans (NBSAPs) to be adopted as high-level policy instruments; means to support their implementation; and a mechanism to keep progress and needs under review.

**National institutional mechanisms for effective inter-agency coordination, stakeholder engagement**

6. Experiences by Member States and partners of the Convention on Biological Diversity (CBD) suggest that effective institutional arrangements are one of the key requirements for integrating biodiversity, national poverty reduction strategies and sectoral plans across all relevant ministries. One aspect of this is the use of effective inter-ministerial or inter-agency processes for developing government-wide policies. Such mechanism provides an effective formal forum for development and implementation of government-wide and sectoral policies through better integrated approach.

7. Another key aspect of institutional arrangements is the effective engagement of civil society, indigenous peoples, and local communities, and their ability to contribute to decision making. The use of robust, inclusive mechanisms for stakeholder engagement is an important element of the implementation of the 2030 Agenda which strives to ‘leave no one behind’.

**Supporting customary rights, traditional knowledge and ecological practices of communities**

8. In order to ensure that the poor continue to benefit from ecosystem services, the importance of recognizing and strengthening the customary rights and laws of indigenous peoples and local communities to access, use, govern and manage lands and natural resources has been repeatedly highlighted. Many governments of the Parties to the CBD have undertaken legal, political and institutional reform to recognize such rights. In many cases, these provisions have enabled communities to conserve and use biodiversity sustainably, generate income, and empower themselves. Political support for preservation of traditional knowledge and ecologically sustainable practices by communities, such as supporting conservation of agricultural biodiversity and ensuring a minimum support price for sustainable production in times of droughts and floods, also contribute to the well-being of poor households.

**Ensuring that the benefits of conservation mechanisms reach the poorest**

9. Several conservation measures include innovative mechanisms to address poverty, mainly in rural areas. These include: Payments for Ecosystem Services (including REDD+), ecotourism, sustainably managed fisheries and no-fish zones, community forestry, non-timber forest products, mangrove

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5 Strategic Plan for Biodiversity 2011-2020: https://www.cbd.int/sp/

6 UNEP/CBD/IMP/WS12015/1/3* Report of the international expert workshop on biodiversity mainstreaming. Para 11(h)

7 CBD Technical Series No. 64. Recognising and Supporting Territories and Areas Conserved By Indigenous Peoples And Local Communities: Global to Overview and National Case Studies; UNEP/CBD/COP/13/INF/30 Identification of best practices and lessons learned on how to integrate biodiversity, poverty eradication, and sustainable development. Summary of submissions received and synthesis of lessons learned.
restoration, protected area jobs, agroforestry, grassland management, and conservation of agricultural diversity.\(^8\) Evidence suggests that schemes such as REDD\(^+\) and Ecosystem Disaster Risk Reduction (Eco-DRR) also have extensive social, economic and environmental benefits. Ecosystem-based solutions can often be more cost-efficient and sustainable compared to grey infrastructure. However, studies and discussions suggest that these mechanisms by themselves do not guarantee their contribution to poverty reduction. It is necessary to ensure that the benefits produced by such mechanisms reach the poorest and the most vulnerable by embedding rights-based approaches into policy designs and accountability of such interventions through monitoring and reporting.

10. Based on the experiences of Member States, good practices for poverty eradication include national environmental conservation programmes that engaged indigenous communities with a view to ending indigenous disadvantage and disparity, and have produced outstanding environmental, social, economic and cultural returns.

11. Social and environmental co-benefits that arise from such investments are often not well accounted for. Better capturing of such opportunities and informing policy-makers of such solutions will enable improved decision-making for the benefit of both poverty reduction and biodiversity.

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\(^8\) CBD Technical Series No. 55. Linking Biodiversity Conservation and Poverty Alleviation: A State of Knowledge Review
International Fund for Agricultural Development (IFAD)

Outline Section II: Defining poverty in the context of the 2030 Agenda

Sub-section A: Multi-dimensional poverty and the SDGs

IFAD’s work is focused on poor rural people and their livelihoods and food security, and on smallholder agriculture as both a crucial source of rural household income and nutrition and a driver of rural economic growth. Over the years, IFAD has gained a wealth of experience that confers a unique advantage in these areas. Strongly supporting and rigorously operating in the context of country-led and -owned efforts to eradicate poverty and hunger, it collaborates with partners to develop innovative and sound projects that respond to the constraints and priorities identified by poor rural people. It fosters the empowerment of poor rural women and men, their organizations and communities. It engages in policy dialogue on the basis of its field experience.

In an effort to measure IFAD’s impact on poverty reduction, and therefore to respond to the increasing pressures related to demonstrating evidence-based decision making, IFAD invested resources in 2011-2012 resources in the IFAD9 Impact Assessment Initiative (IFAD9 IAI), a broad research agenda, to be able to demonstrate the impact of the Fund to determine how effectively its development interventions are promoting the well-being of rural poor people. The IAI initiative encompassed 24 impact assessments carried out by external partners (deep dives), 14 impact assessment for analysis by IFAD staff (shallow dives) out of about 200 projects completed during 2010–2015 and a number of supporting studies.

The IAI initiative had three main objectives: (i) explore methodologies to assess impact; (ii) measure the impacts of IFAD-investments; and (iii) learn lessons and develop rigorous and cost-effective approaches to attributing impact to IFAD-supported interventions. The initiative reflects a recognition of IFAD’s responsibility to generate evidence of the success of IFAD projects so as to learn lessons for future ones. Initially set out to answer an accountability question, namely estimating the impact of the Fund on poverty reduction and more specifically the number of beneficiaries moved out of poverty over 2010-2015, the IFAD9 IA exercise evolved towards encompassing a broader set of indicators to maximise the potential lessons learned. Overall, the approach devised as part of the IFAD9 IAI was scientific, pioneering, systematic and comprehensive. It has provided IFAD with significant lessons that will help advance an evidence and results-based agenda particularly in the domain of rural poverty reduction.

The IFAD9 Impact Assessment Initiative (IAI), has now been completed. The results show that 139 million people and 24 million families have currently been reached for all projects during the 2010–2015 period. The range of activities targeting these beneficiaries was designed to broadly improve the well-being of poor rural people. Beneficiaries include 18.0 million active borrowers and 26.6 million voluntary savers, highlighting IFAD’s focus on financial inclusion. Numerous farmers have been trained in agricultural practices, including 4.4 million in crop production technologies, 1.6 million in livestock production, and 1.4 million in natural resource management. Improvements in agricultural activities have been promoted, leading to 5.0 million hectares under improved management practices. The data suggest that IFAD’s investment in rural people is leading to significant outputs.
Despite the methodological limitations associated with measuring the number of people moved out of poverty, the IFAD9 IAI provided estimates of this measure based on the distribution of an asset index based on ownership of durable assets across beneficiary populations. With this method, it found that IFAD investments are projected to reduce poverty by between 5.6 and 9.9 percent using two relative poverty lines, set at the fortieth and sixtieth percentile cut-offs of the durable assets index distribution, respectively. These results are consistent with the poverty reduction impacts estimated by IFAD’s Independent Office of Evaluation (5 to 7 percent) and those found for the poverty-alleviating impact of cash transfer programs (3 to 7 percent). Therefore, the IFAD9 IAI has demonstrated that IFAD beneficiaries are, on average, better off in percentage terms when compared with a control group of farmers. IFAD’s investments in rural people have generated returns in a number of critical areas, including assets, resilience, livestock ownership, agricultural revenues, nutrition and women’s empowerment. The projections indicate that 44 million beneficiaries will see substantial increases in agricultural revenues, and 28.8 and 22.8 million beneficiaries will obtain significant gains in poultry and livestock asset ownership, respectively. More than 10 million beneficiaries will experience an increase in each of the following domains: overall assets, productive assets, gender empowerment, dietary diversity and reduction in shock exposure. In addition, 24 million beneficiaries will be moved out of poverty using the relative poverty line. Overall, the analysis paints a portrait of IFAD improving the well-being of rural people in terms of asset accumulation and higher revenue and income.

Sub-section C: Understanding the social and geographical distribution of poverty

Recent progress against poverty has been steady across the globe, however in all regions, poverty rates in rural areas still stand well above those in urban areas. These trends reflect the continuing challenges facing rural areas linked to the social, economic and political marginalization of rural people. (see Figure A, based on IFAD analysis of World Bank’s World Development Indicators [2015]).

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Despite achievements to date, the number of people living in extreme poverty remains unacceptably high, at 836 million in 2015. In all regions, rates of poverty and food insecurity are higher in rural areas, where 75 per cent of the extreme poor reside. Also, global crises such as climate change, migration and forced displacement are severely affecting rural areas, and rural-urban inequalities threaten development progress.

Eradicating poverty without strategic investment in rural areas will therefore not be possible.

As extreme poverty has declined globally, the regional profile of poverty has shifted as a consequence of uneven progress. In 2013, Sub-Saharan Africa accounted for more of the poor—389 million people—than all other regions combined; the share of the region in the global total was 50.7 percent (see figure B). The rural concentration of poverty generally, couple with its predominance in sub-Saharan Africa, the world’s least urban region with 60 per cent of the population still living in rural areas,10


FIGURE A Globally, extreme poverty has been significantly reduced but rural areas still lag behind

FIGURE B Where are the Global Poor Living? The Global Poor, by Region, 2013
tends to highlight the centrality of policies to promote inclusive rural transformation for eradicating poverty.

Outline Section III: Policy actions for eradicating poverty

Sub-section A: Adjusting policies for effective poverty eradication

- Inclusive rural transformation is central for sustainable progress in reducing and eliminating poverty and hunger. Inclusive rural transformation will not happen automatically; it is the result of deliberate policy and investments measures, for example related to land tenure, gender equality and women's empowerment, connecting smallholders to markets, creating opportunities for young rural people, and climate change adaptation.
- Inclusive rural transformation hinges largely on agriculture due to strong interaction between structural transformation and the agrifood systems as transformation unfolds.
- Agriculture, rural areas and the broader agrifood system always matter for poverty reduction. Not only do they contribute directly to livelihoods, food and nutrition security, and environmental and natural resource conservation, they also define the politics of transformation, which, in turn, frames the political economy of rural development.
- Public policy and investment must focus on two elements: leveraging burgeoning demand emanating from urbanization and dietary diversification to deepen employment in the rural nonfarm economy, and developing inclusive food supply chains to provision ever-increasing numbers of consumers. Rural producers need to sell to sources of dynamic, growing demand, especially to domestic urban markets.
- Broad objectives and priorities for policy and investment include improving market performance and meeting new demands, enhancing access to land and tenure security for smallholders, promoting gender equality and empowering rural women, financing agribusiness, upgrading infrastructure, using public-private partnerships where possible, building skills and entrepreneurship, particularly among young people, and making agribusiness inclusive by integrating market-oriented smallholders and rural communities into dynamic value chains.
- Attracting private investment into agriculture and the rural nonfarm economy is vital. Reforming the rules that limit private entry and investment in value chains that serve smallholders must be a priority, while innovation in the communications technologies favoured by youth must continue and deepen.

Sub-section B: Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts

According to recent evaluations, the following approaches and lessons have merit in terms of driving different social, economic and environmental dimensions of inclusive rural transformation:

- Too often, development project activities are often not sufficiently refined to meet the needs of all intended beneficiaries, in particular those at risk of being excluded, such as indigenous peoples, pastoralists, landless people, migrants and other vulnerable groups. In this respect, it is important that poverty eradication efforts: (i) adapt their approaches and activities to the complexity of contexts and target groups; (ii) further enhance targeting in terms of scope and accessibility to project benefits by poor rural people, paying increased attention to those at risk of being left behind; and (iii) ensure more disaggregated indicators to track the participation of and benefits for different groups and eventually to demonstrate the effectiveness of project initiatives.
To address social and gender dynamics, IFAD has pioneered the development of Household Methodologies – a participatory approach that promotes equitable intra-household relations and decision-making processes by encouraging all household members to realize that working together is a win-win solution that benefits everyone. IFAD has spent around four years experimenting with these methodologies, with encouraging results from an evaluation showing that transformative social and economic changes at household level can contribute to wider rural transformation. IFAD is now looking at how to adapt and scale up these methodologies.  

Another innovation that has shown success in IFAD’s portfolio involves utilizing youth networks to facilitate opportunities for young farmers to access markets and to take part in political processes influencing their economic prospects at local and national levels. These youth networks have worked in collaboration with partners from the private sector, government ministries and civil society, proving to be an effective means of expanding democratic and economic participation among youth. These wide-reaching, multistakeholder approaches represent a movement towards adopting more integrated visions of rural areas, leaving behind project-based approaches.

The Public-private-producer partnerships (4Ps) model supports the emergence of pro-poor and win-win business solutions that provide financial and non-financial incentives to private-sector companies to reach out to smallholder farmers as suppliers. The main objective is to forge market-based linkages between small-scale producers and the local private agribusiness sector. This model has proven effective in attracting more pro-poor investments to the agricultural sector, thereby bringing additional benefits to the rural poor.

Overall, key will be prioritizing holistic, people-centred approaches that address the context-specific challenges that poor rural people and communities face. To produce greater impact in reducing poverty, operational approaches must be sensitive to a range of cross-cutting issues – including, inter alia, climate change, improved nutritional impact and gender equality and women’s empowerment.

- Climate mainstreaming, for example, means integrating considerations of climate-related risks and opportunities into investment and policies, recognizing that smallholder farmers are among those most vulnerable to climate change impacts. Mechanisms to channel climate finance to smallholder farmers so they can access the information tools and technologies that help build their resilience to climate change must be at the heart of this.  

- A nutrition-sensitive approach means having explicit nutrition objectives, activities and indicators. It means taking an applied a nutrition lens to interventions and having a defined pathway through which contribution to improving nutrition can be maximized. Interventions should be catalytic and go beyond simply increasing agricultural productivity and raising incomes or production. To ensure that changes in production result in changes in consumption, investments should also be made in activities that empower women and ensure that households’ knowledge, attitudes and practices lead to healthy food choices and diets. Actions must also reflect the fact that determinants of malnutrition are multi-sectoral, involving food, health and care. Nutrition-sensitive projects should connect and coordinate with interventions from other sectors so that the determinants are adequately addressed. Policy engagement and dialogue are essential.

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11 For more information, see: https://www.ifad.org/topic/tools/tags/gender/household_methodologies/2592611.

12 For more information, see: https://www.ifad.org/en/topic/asap/tags/climate_change/2782790.
Food and Agriculture Organization (FAO)

With reference to the letter of Mr. Wu Hongbo, dated 6 January 2016, requesting UN entities’ contribution to the report of the Secretary General on the 2017 Economic and Social Council’s theme “Eradicating poverty in all its form and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges”, we are pleased to share with you FAO’s comments and suggestions on section III, Point B of the outline.

We think that more consideration could be given to policies oriented to promote decent rural employment for youth and to prevent and combat child labour in agriculture. In particular as:

- **Most of the world’s poorest people (some 75 percent) live in rural areas** mostly depending on agriculture for their livelihoods and food security. They are often constrained by limited access to resources, services, technologies, markets and economic opportunities, which lower agricultural productivity and household income in rural areas.

- **A particularly daunting challenge is posed by rural youth.** Almost 88 percent of the world’s 1.8 billion youth live in developing countries – the majority of whom live and work in rural areas. Although this figure is expected to grow, employment opportunities for rural youth remain limited and of poor quality. At the same time, there are considerable untapped employment opportunities in agriculture. Population growth, urbanization and rising household income are increasing the demand for food. Yet, the ageing of farming populations worldwide makes it less likely that new technologies needed to sustainably increase agricultural productivity to meet increased food demand will be adopted. Therefore, creating more productive and gainful jobs for youth in agriculture is particularly urgent.

- Promoting decent employment is crucial for generating living incomes and reducing poverty in rural areas. FAO aims to build lasting policy change by supporting countries in the development of strategies and programmes that foster the creation of more and better jobs, especially for **women** and **youth**, the application of international **labour standards**, particularly for **child labour prevention and elimination in the agriculture sector**, and enhancing the benefits of **migration**, while addressing the root causes of distress migration in rural areas.

- FAO actively contributes to inter-agency collaboration and convergence in key policy areas related to the decent work agenda in rural areas. In particular, FAO further strengthened its longstanding partnership with the ILO and its International Training Center (ITC), as well as with IFAD. FAO is also an active member of the Inter-Agency Network on Youth Development (IANYD) and active contributor to the Global Initiative on Decent Jobs for Youth (DJ4Y), launched in February 2016, under the auspices of the ECOSOC Youth Forum. In June 2014, FAO became an official member of the Global Migration Group (GMG). Similarly, at regional level, FAO closely collaborates with regional and subregional organizations and development banks. In the Africa region, for instance, FAO collaborated with the African Union and selected UN agencies, including the ILO, in the design of the AU First five-year priority programme (5YPP) on employment, poverty eradication and inclusive development; with NEPAD on youth employment programming; and with the AfDB Enable Youth large-scale programme in conceptualizing more inclusive approaches for youth in agriculture.
I. Introduction (500 words)

The 2030 Agenda for Sustainable Development as the roadmap for poverty eradication
- The unfinished business of poverty reduction efforts after the MDGs
- Poverty as a universal phenomenon with national characteristics

Policy integration and addressing poverty holistically

ICTs are recognised as cross-cutting enablers of sustainable development. The 2030 Agenda for Development also calls them a vital ‘Means of Implementation’ in achieving the SDGs. Increased Internet use can reduce poverty and inequality, create jobs through improved efficiency and transparency, applications and services, such as e-agriculture and digital finance, help reduce poverty and hunger, as well as monitor and mitigate climate change and help sustain our natural resources.

To date, there is some evidence that broadband Internet & ICTs are associated with greater economic growth, jobs and productivity.

For example, ICTs can:

- Boost economic growth (e.g. +1.38% increase in GDP for 10% increase in broadband penetration – World Bank, 2009);
- ICT accounts for a growing share of GDP – e.g. in 2012, BCG estimated that “the Internet accounted for 4.1% of GDP in G20 countries”, and forecast that the ‘Internet economy’ would grow to 5.3% of GDP;
- Generating a higher proportion economic growth or % gain in GDP e.g., McKinsey, 2011[1];
- Directly increasing Gross Domestic Product (GDP) either through growth of the ICT sector (e.g., World Bank, 2009[2]) or by greater access to and trade in new services or new markets abroad;
- Reducing transaction costs e.g., through greater volumes of transactions and disintermediation;
- Facilitating better, faster, more informed decision-making throughout an economy;
- Increasing labour productivity e.g., Booz & Company, 2009[3] found that a 10% increase in broadband penetration in any year is correlated with a 1.5% increase in labour productivity over the following five years (although this argument has been hotly debated, in the US in particular).

However, by end 2016, 57 per cent of the world’s population still remained offline. The challenge is about how to connect the unconnected. At the 2014 ITU Plenipotentiary Conference, ITU’s membership recognized the importance of ICTs in the sustainable development agenda and unanimously adopted the Connect 2020 agenda. One of the goals of the Connect 2020 agenda is that 60% of the world’s population should be online by 2020. This goal implies bringing another 1.5 billion people online.

(between 2016 and 2020), so they too can experience the benefits of greater access to the Internet and greater information.

Poverty eradication as a universal commitment
- Requires actions in all countries at all stages of development

Despite the high growth rates, LDCs are starting from a much lower base in terms of Internet access and therefore the progress in absolute terms is smaller – for example, only an estimated 11.1 per cent of households having access to the internet at the end of 2016 underscoring the importance of SDG9.c which aims, in line with ITU’s Connect 2020 Agenda, for significant progress in the number of people connected in LDCs by 2020.

- National commitment supported by global partnership
- Growing involvement of non-State actors in poverty eradication

The 2017 ECOSOC main theme informed by the preparatory process for the 2017 ECOSOC cycle

II Defining poverty in the context of the 2030 Agenda (2,500 words)

A. Multi-dimensional poverty and the SDGs
- Poverty reflects multiple deprivations and is not limited to income-based measurements
- Dynamic nature of poverty (both substantive and temporal) and need for holistic framework for poverty eradication

B. Poverty measurements and the SDGs
- SDGs reflect a multi-dimensional understanding of poverty, but a principal target remains the eradication of extreme poverty
- The global poverty line and national definitions of poverty (e.g., absolute, relative)

C. Understanding the social and geographical distribution of poverty
- Identifying the poor and vulnerable within countries
- Assessing specific poverty eradication challenges across countries, including developing countries, countries in special situations, MICs and developed countries

- Employing data and the data revolution to identify and assess policy needs of those left behind

III Policy actions for eradicating poverty (4,500 words)

A. Adjusting policies for effective poverty eradication (drawing on the work of the ECOSOC system and the preparations for the ECOSOC segments and forums)
- Policy changes for poverty eradication
- Early experiments and lessons learned
B. Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts (to be illustrated using contributions from ECOSOC system, the wider UN system and UN partners)

- Economic opportunities
  - Pursuing inclusive, broad-based growth that delivers opportunities for all
  - Creating employment and decent work opportunities

Digital solutions can play an important role in national strategies to overcome youth unemployment. This includes, for example, ensuring that youth around the world obtain digital literacy skills to qualify for the growing number of jobs that demand ICT skills, and that governments promote youth entrepreneurs by supporting innovation hubs, mobile app competitions, co-working spaces for digital entrepreneurs, online mentoring networks and a host of other innovative ICT-enabled resources.

One of the major causes of youth unemployment is often the skills mismatch between what the market is demanding and what institutions of learning – both formal and informal – are providing. In particular, many youth are not learning the digital skills that have become essential in virtually every market segment. The good news is that there is an explosion of new online learning opportunities for youth to get the skills they need. These new learning opportunities, as well as a growing number of jobs and business opportunities for youth if they have the right skills.

The ongoing information and communication technology (ICT) revolution is transforming existing sectors and fuelling new business creation such as the apps economy that didn’t exist a few years ago. The demand for both basic and more advanced ICT skills cuts across all sectors, from agriculture and construction to education and service industries to ICT jobs themselves, in both developing and developed countries. Equipping young people with digital skills opens doors to a range of jobs and business opportunities.

- Ensuring access to financial services and technology

**Digital Financial Services (DFS)**

In recent years, ICT has been instrumental to developing new and more affordable digital financial services and products that better respond to the needs of unbanked people in the world today, most notably rural and remote communities. The full potential of mobile money has not yet been realised, with two billion people in developing countries still lacking a viable alternative to the cash economy and informal financial services, 1.6 billion of whom have access to a mobile phone. Yet, the financial industry has come across significant challenges in scaling services for the unbanked, mostly due to regulatory frameworks being out of step.

The ITU brought together financial and telecommunication regulators at the global level to address regulation and supervision challenges. In addition to regulators, the ITU has also convened private-
sector stakeholders, consumer advocates, digital finance technical experts, development partners, and other key DFS stakeholders to:

1. **Increase and formalize** the collaboration between financial and telecommunication regulators with respect to digital financial services;

2. **Identify** key issues limiting the development of safe, enabling DFS ecosystems;

3. **Analyze** how these issues have been addressed in practice and exchange information on best practices; and

4. **Develop** policy recommendations for regulators and other stakeholders on how to approach these issues in their countries.

This work seeks to directly address the following SDGs:

- **SDG 1: No poverty**—“By 2030, ensure that all men and women, in particular the poor and the vulnerable, have...access to financial services including microfinance”.

- **SDG 5: Gender equality**—“access to.... financial services” for women.

- **SDG 9: Industry, innovation and infrastructure**—by providing small enterprises with access to financial services (digitizing payments thereby reducing the need for cash-in and cash-out).

- **SDG 10: Reduced inequalities**—reducing the costs for remittances.

- Social protection systems, including social protection floors
  - Ensuring essential health
  - Promoting income security over the life-cycle
  - Supporting opportunities and access to education and learning
  - **Advancing opportunities for women and girls**

The gender digital divide

The gender digital divide has been tracked by ITU in developed and developing countries in 2013 and again in 2016. In 2016, female Internet user penetration is 12.2% lower than that for males. The gap is lowest in developed countries (at 2.8% in 2016), significantly higher in developing countries (16.8% in 2016), and highest in LDCs (30.9% in 2016).

Significantly, the global gender digital divide has actually widened by 1.2% since 2013, equivalent to a total gap of some 257 million more men online than women and a significant gap in terms of female empowerment, and going against everything we know about the correlation between better maternal education and improved education rates and school completion rates for children in families with better educated mothers.

In addition, there are far fewer women than men who study science, technology, engineering and math (STEM) or who work in jobs requiring ICT skills such as computer scientists, computer engineers and software, website and mobile apps developers. Given the global shortage for people with STEM skills, there are unfilled jobs that could be performed by qualified women, but young women and girls are often discouraged from entering these fields. Moreover, given the importance that ICTs play in our daily lives,
it is necessary that ICTs be developed by both women and men to address their daily challenges.

- Environmental resources and resilience
  - Ensuring access to land and natural resources
    - Reducing exposure and vulnerability to climate-related extreme events and other shocks and disasters
  
- Participation in political, economic and public life

C. Systemic challenges and opportunities

- Identifying the resources required for poverty eradication
- Sound policy frameworks and rights-based and gender-sensitive approaches
- National ownership and national policy space
- Strengthening the international enabling environment in key priority areas (e.g., globalization and trade; infrastructure; post-conflict reconstruction; climate change), including through development cooperation and multi-stakeholder partnerships

There is no doubt that broadband has become a critical infrastructure and an essential backbone of each economic sector, helping to cut costs and improve on service delivery for millions of individuals, particularly those living in hard to reach areas. ITU’s mandate is to ensure that this infrastructure is robust, accessible and affordable to everyone.

Existing research has identified that among the key reasons of why people are not connected, is the lack of infrastructure (the lack of sufficient physical infrastructure to allow meaningful access), along with affordability (the cost of Internet access is still too high for the majority of the unconnected), lack of skills (Internet unawareness, absence of e-literacy / digital skills), lack of digital content (no relevant content / language) and regulatory reform and effective competition to stimulate both supply and demand for expanded ICT infrastructure.

Investment in ICT infrastructure and connectivity is an investment in people. The Broadband Commission for Sustainable Development presented a Discussion paper during the World Economic Forum’s Annual General Meeting in Davos in January y2016, which estimates that it will take global investment of 450 billion dollars in Internet network infrastructure to connect the next 1.5 billion unconnected people worldwide by 2020.

IV Key messages and recommendations (1,000 words)

A. Consolidated messages from previous sections addressing different stakeholders (e.g., developing countries, MIC, industrial countries, UN development system, ECOSOC system)
Connectivity should be an integral part of national sustainable development strategies to ensure that all the world’s people have access to ICTs in general and broadband networks in particular, so that they can profit from the incredible social and economic benefits they make possible. However, 57 per cent of the world’s population still remained offline, and bridging the digital divide is proving a persistent challenge to bring the world’s poorest, unconnected people online.

ITU recognizes the importance of working together with a range of stakeholders to promote connectivity. Governments need work collaboratively with all stakeholders and in particular with the industry and regulators to facilitate and support the development of ICT/Broadband infrastructure and provision of services, particularly in rural, un-served and underserved areas.

B. Recommendations for eradicating poverty and advancing the 2030 Agenda for Sustainable Development

A range of policy options are available to maximize access to ICTs, and to capitalize on their benefits. These policy options can broadly be divided into both supply and demand sides’ measures, although some policy measures can promote both – for example, the adoption of a National Broadband Plan promoting development of content and human capacities; monitoring; and tax reductions to reduce overall tariffs and promote affordability. From the supply side, predictable and stable regulations are needed to maintain effective competition and drive the development of innovative services.

ICTs have a vital contribution to make to all seventeen SDGs, as an important ‘Means of Implementation’. For some Goals, their contribution may be broad and general – for example, through increasing awareness, greater information about citizens’ rights, women’s rights, more responsible production and consumption, or educational or job opportunities. For other Goals, ICTs may enable new and cutting-edge techniques, including the remote diagnosis of disease, or the monitoring and tracking of wildlife below water or over land. For virtually each and every SDG and domain of development, ICTs can contribute significantly to advancing progress.

However, all too often, it is assumed that improvements in ICT connectivity rates will automatically translate into improvements in development. In fact, last year’s ‘Digital Dividend’ report by the World Bank (2016) suggests that this is not always the case, and that countries and policy-makers – need to invest significant efforts into improving the real-world ‘analogue’ complements, such as better overall governance and regulatory frameworks to enable countries to reap the full benefits of the digital revolution.

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Input to section III

The formulation of the MDGs shifted the emphasis from economic growth to a broader development agenda with priorities identified in the areas of poverty reduction, education, health, gender and the environment. In fact, *World Economic and Social Survey (WESS) 2003* already noted that standard prescriptions that relied on economic growth and productivity increases to generate poverty reduction were not always effective in dealing with multi-dimensional poverty. This is because an increase in average income associated with economic growth does not necessarily lead to improvements in health status and educational attainment, for example, two important dimensions of chronic poverty. The formulation of the SDGs draws from the experience of the MDGs and expands the ambition and coverage of relevant development issues. It is thus important to draw the policy lessons learned during the MDGs era.

The *WESS 2014/2015* made an extensive review of the economic, social and environmental policies that successfully contributed to the achievement of the MDGs. The success was defined by their positive impacts on poverty reduction and other social outcomes, as well as the level of integration and coherence built across policy areas. The *Survey* made the important point that, in most countries, successful policies to achieve the MDGs were part of countries’ long-term development policies. That is, successful policies to achieve the MDGs were the results of countries’ long-term commitments to poverty reduction and social development. The experience gained by countries in accelerating progress towards internationally recognized goals such as the MDGs will facilitate integration of the SDGs into national planning processes, including regular progress reporting with participation of multiple stakeholders.

The analysis presented in the Survey supports the following overarching lessons and policy recommendations.

(i) The implementation of the MDGs was not immediate and it took some time before countries recognized the value of an internationally agreed agenda for the design and implementation of their own national policies. Building from the MDG experience, SDG implementation is likely to proceed at a faster pace; except perhaps in developed countries whose level of engagement with the MDGs was limited to MDG-8.

(ii) Macroeconomic policies alone are not sufficient to address the problems of extreme poverty and complementary policies are necessary. Macroeconomic policies, however, still constitute a critical part of poverty eradication through economic growth and macroeconomic stability that reduce the effects of economic shocks. Negative shocks have larger impacts on poverty in absolute terms and, once such a shock occurs, protection of the poor is rarely a policy priority.

(iii) A framework of coherent and comprehensive policies (including macroeconomic policies) that integrate economic, social and environmental interventions should be in place to minimize trade-offs across development dimensions. In many instances, well intended policies have had undesirable trade-offs and unintended consequences. With a coherent and comprehensive policy framework, positive synergies and consistency among policies
improve and facilitate simultaneously meeting specific goals (such as poverty reduction) with positive impacts in other development dimensions.

(iv) While one of the significant features of the SDGs is universality, no single policy or intervention is applicable to all countries. Policies need to be tailor-made to appropriately reflect the “initial condition” and the broader development policy framework of each country. Each country needs to identify the principal obstacles and bottlenecks to sustainable development, in general, and poverty eradication, in particular, and develop their own policy framework.

(v) Poverty eradication policies are most effective when traditionally excluded groups are brought into policy decision-making processes and implementation. Political minorities, indigenous people, people with disabilities or those living with HIV/AIDS are often among the poorest and most vulnerable groups; faster gains in their living standards can be achieved by integrating them into policy decisions.

(vi) It is important for countries to undertake effective monitoring and evaluation of policies or interventions to ensure policy coherence, adequate outreach to targeted groups and effectiveness. Periodic statistical monitoring and assessment are commonly done where data are readily available, but community participation makes monitoring and evaluation more effective; it also accelerates policy feedback process into the next cycle of policy implementation.
Inclusive and effective public administration is pivotal to the eradication of poverty in all of its forms and dimensions. “Leaving no one behind” is a core principle of the 2030 Agenda for Sustainable Development. It should guide public administrations in delivering on all their functions, along with the need for effectiveness, inclusiveness and accountability. One of the critical implications of poverty is lack of access to basic services including healthcare, education, housing, water and sanitation. This is exacerbated by inequitable power relations and discrimination that may further inhibit the ability of the poor and disenfranchised, particularly those furthest behind, to shape policies which affect them and access public services.

Implementing the 2030 Agenda for Sustainable Development poses challenges and opportunities for States and the public sector organizations. In particular, fighting multidimensional poverty requires whole-of-government approaches to bring the various government institutions together to develop and implement integrated policies to address the cross-sectoral issues related to the 2030 Agenda. This will help foster collaboration among ministries, agencies and departments - with and among each other - to enhance interoperability and integrated service delivery. It also entails whole-of-society approaches that involve all actors from the society (civil society, private sector, philanthropy, media and other major groups) through an inclusive and empowering process of policy and decision-making. In parallel with policy integration and inter-agency cooperation States need to promote responsiveness to peoples’ needs, staring from the furthest behind, accountability for public service delivery both at the national and local levels of government as well as multi-stakeholder partnerships.

Coherent public sector approaches need to combine social measures promoting social protection, equal access to public services and participation in policy and decision-making with policies promoting economic growth and environmental sustainability. Investing in resilient public infrastructure, for instance, does not only contribute to inclusive industrialisation and the revitalisation of the economy and growth but also needs to address questions related, inter alia, to public health, employment, gender empowerment and climate change. The aforementioned measures need to be carefully interconnected, integrated and aligned with peoples’ priorities at the planning, execution and monitoring and evaluation phases of the concerned policy cycles.

Although inclusive and accountable policy integration presents challenges, it also offers a tremendous opportunity for States and public sector organizations to ensure that no one is left behind in education (SDG 4.1-4.4), healthcare (SDG 3.8), employment (SDG 8.5-8.6), social protection (SDG 1.3), water and sanitation (SDG 6.1-6.2), public procurement (SDG 12.7) and information-sharing (SDG 12.8), energy (SDG 7.1), reliable infrastructure (SDG 9.1), including sustainable housing (SDG 11.1), transportation (SDG 11.2) and environmentally sound systems, such as waste disposal and others (SDG 12.4-12.5). This can be done through not only service availability to all social groups without discrimination, but also by ensuring the quality, timeliness, accessibility, affordability and acceptability of such services. It also requires embracing opportunities offered by the interlinkages among the 2030 Agenda Goals and targets. This new way of doing things compels Member States to stay through to the universal creed of the Agenda to which the committed in 2015 –i.e. integrating the social, economic and environmental pillars and leaving no one behind in the fight against poverty for a more equitable and sustainable world. Institutions should also proactively reach out to the poorest and most vulnerable to engage
them in shaping policies and designing programmes that respond to their needs. For the voice of the poorest and most vulnerable to be truly heard, public institutions at the local and national levels need to be fully representative of different segments of the population.\textsuperscript{15} It is also important the civil servants receive sufficient training on the inclusion of the poorest and most vulnerable and are sensitized to their needs.

Decades-long public administration praxis has shown the critical importance of individual, institutional and systemic \textbf{capacity development}, including through the effective use of information and communication technology (ICT), open data and public audit tools, with due regard to historical and contextual specificities of public administration systems and institutions. Formulation, implementation, maintenance and updating of built-in incentive structures for intra- and inter-agency cooperation with emphasis on the primacy of \textbf{people’s engagement}\textsuperscript{16} at local, regional and national levels of governance are also crucial. Also important is the need for explicit and \textbf{direct focus of protecting and empowering women and girls}\textsuperscript{17} as well as \textbf{right-based antipoverty policies targeting primarily the furthest behind} in all layers of administration and at all stages of the policy and implementation cycle. This requires capacity to identify poor and vulnerable social groups, generate and analyse social, economic and geospatial data (on their distribution within a country or region) and better address their needs coupled with greater accountability and participatory monitoring of policy implementation.

The 2030 Agenda for Sustainable Development has specifically called for substantially reducing corruption and bribery in all its forms, and developing effective, accountable and transparent institutions at all levels.\textsuperscript{18} Therefore, accountability mechanisms need to be inclusive and to engage all segments of the population. Independent audit institutions can help review implementation. Governments must also take the lead in defining national targets and baseline data, with the information being publicized for effective and inclusive review of SDG implementation.\textsuperscript{19}

Moreover, public sector leaders need capacity for integrated multi-disciplinary system and evaluative thinking as well as problem solving in complex, globalized and increasingly volatile contexts. To ensure that the leave no one behind principle should cut across all ministries and agencies, the highest level of government leadership has to be genuinely committed and accountable to this principle and ensure capacity development for public sector officials to implement it. Experience has shown that continuous high-level political support makes it much easier to mobilise and coordinate public institutions and policies.\textsuperscript{20}

Last but not least, States need to establish mechanisms to foster partnerships with civil society, the business community and other major groups to forge alliances for the successful implementation of the 2030 Agenda national implementation plans.

\textsuperscript{15} Draft CEPA contribution to the 2016 HLPF
\textsuperscript{16} Providing equal opportunities for people’s engagement is critical to the attainment of the SDGs. It also enhances the capacity of policymakers to frame public needs and formulate policies, which address different values and interests.
\textsuperscript{17} The United Nations Secretary-General states that: “protecting and empowering women and girls, is one of the most important steps in sustainable development; My Vision for Revitalizing The United Nations available at: http://www.newsweek.com/2017/01/20/davos-2017-un-secretary-general-antonio-guterres-opinion-540326.html
\textsuperscript{18} https://publicadministration.un.org/en/combatingcorruption
\textsuperscript{20} Overview of institutional arrangements for implementing the 2030 Agenda at national level (Policy Brief)
Division for Social Policy and Development (DSPD)

“Eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges”

I. Introduction

Poverty eradication as a universal commitment
Requires actions in all countries at all stages of development

The recently adopted 2030 Agenda for Sustainable Development called for leaving no-one behind. This is a timely opportunity for Member States to embark on implementing the Agenda in an integrated life-course approach, to ensure sustainable and equitable development for people of all ages, which would be measured and monitored through improved collection, analysis and reporting of age- and sex-disaggregated data.

II. Defining poverty in the context of the 2030 Agenda (2500)

C. Understanding the social and geographical distribution of poverty

Older Persons and Poverty

Poverty is one of the main threats to the well-being of older persons, and the risk of old age poverty is more pronounced in less developed countries, where around 602 million older persons live today.

Older women are at much greater risk than older men. Whether in developed or less developed countries, research shows that households headed by older women, whether single, divorced or widowed, are more likely than older men to be living in poverty.

While public social security pensions have become essential tools to ensure that older persons receive a stable income after the end of their working life and throughout their old-age, on a global scale, and despite efforts to expand pension coverage, significant inequalities persist. In 2010/12, nearly half of all people over pensionable age did not receive a pension. In the absence of social protection systems with high coverage and adequate benefits, older persons' assets and savings are usually not sufficient to guarantee adequate income security until the end of their lives. This makes older persons particularly vulnerable to economic insecurity and poverty, with limited options for escaping it.

In view of the sheer magnitude of growth in the old-age population globally, particularly in low and middle-income countries, ending poverty in all its forms everywhere (SDG1), depends on the international community and national Governments recognising and addressing old-age income insecurity

Older women

The 2030 Agenda for Sustainable Development recognises the crucial role women of all ages have to play in implementing the SDGs. While women of all ages face discrimination, the combination of age and sex discrimination puts older women at more of a disadvantage, as many of them continue to suffer
from discriminatory laws and practices, including limited access to services and entitlements. Member States are encouraged to take into account all stages of life when addressing achieving gender equality and empowering all women and girls.

Women can be victims of violence across their lifespan, and yet abuse, neglect and violence against older women has received only modest attention in the gender-based discussions, research, policy and programme developments. A more inclusive life course approach is needed to combat violence and abuse against women in older age.

Poverty and Disability

Existing data indicates that disability increases the risk of poverty and poverty increases the incidence of disability. Persons with disabilities are more likely to experience economic and social disadvantage compared to the general population across several dimensions of social and economic well-being. That disadvantage is very often the result of their surrounding environment: physical and institutional barriers, discrimination, exclusion and unequal opportunities. Such exclusion has costs: excluding persons with disabilities from work costs societies not only the value of their lost potential productivity but also the expense of providing disability benefits and pensions.

Some studies indicate that disability is more common among women, older people and households that are poor, and that lower-income countries have a higher prevalence of disability than higher-income countries. A study analysing the prevalence of disability among poor households in 15 developing countries showed that the economic situation of households that had at least one member with a disability was worse than the situation of households without any person with a disability. In addition, in 10 of those 15 countries, households that had at least one member with a disability had significantly lower assets. It is estimated that 20 per cent of the world’s poorest persons have disabilities.

Data from 59 countries surveyed in the World Report on Disability showed that in lower-income countries 22.4 per cent of all persons with disabilities were in the poorest wealth quintile, compared with 13.3 per cent in the richest quintile.1 In a separate study, in 18 of 21 countries that are part of the Organization for Economic Cooperation and Development (OECD), working-age people with disabilities showed higher poverty rates (defined as less than 60 per cent of the median-adjusted disposable income) than those without disabilities. On average, across OECD countries, the income of persons with disabilities was 12 per cent lower than the national average and as much as 20 to 30 per cent lower than that in some countries.

Despite the widely acknowledged intersection of disability, poverty and inequality, national and global agendas and efforts to combat poverty and inequality have not always adequately included disability. No internationally agreed development goal can be achieved without including the rights, needs and perspectives of over one billion persons with disabilities.

Many countries face challenges in developing and implementing effective measures to reduce poverty and inequality among persons with disabilities. That is in part attributed to the lack of capacities, resources and chronic levels of poverty in some countries and a lack of reliable data relating to people living with disabilities. There is, therefore, a need to undertake research to determine the specific numbers, spatial distribution and needs of persons with disabilities so as to acquire evidence on the
impact of poverty on disability and vice versa in order to direct available resources towards tackling disability as part of poverty reduction efforts.

In addition, it remains a challenge for many developing countries to create enabling conditions and equal opportunity to enhance persons with disabilities’ access to health care, education and vocational training, employment and decent work as well as public services, and to re-examine relevant development policies and their implementation to determine the extent to which they recognize and address specific issues of persons with disabilities. In addition, putting in place mechanisms that will ensure the effective mainstreaming of disability so as to increase the participation and social inclusion of people with disabilities is another challenge.

Persons with disabilities regularly encounter barriers to development that are disability-specific. Persons with disabilities are also particularly vulnerable to situations of multiple or aggravated discrimination and face increased exposure compared to the general population to various situations, including austerity measures imposed by international financial institutions and macroeconomic policies that affect social financing.

Successful interventions to effectively reduce poverty among persons with disabilities rely on the existence of data and research pointing to key structural barriers. Disability data across all areas of public policy is required to enable the formulation of inequality and poverty reduction targets and indicators related to persons with disabilities. That calls for special efforts to be made to improve data collection, both by including persons with disabilities in national censuses and other mainstream statistical tools and by implementing periodic national disability surveys.

Ensuring funding for the provision of universal basic amenities and services such as access to housing, water, sanitation and food, and social services such as education, health and nutrition for persons with disabilities has been found to be critical to the reduction of poverty and the promotion of equality of opportunity. Though universal in scope, the design and implementation of such programmes need to recognize the inequalities that lead to the social and economic exclusion of groups of persons with disabilities. It has been shown that universal provisions that take into consideration the nuances of disadvantaged groups, such as persons with disabilities, tend to be more cost-efficient than targeted delivery.

The importance and value of increasing the participation of persons with disabilities has also been emphasized at all levels in promoting disability-inclusive development. Through public participation, engagement with citizens and stakeholders, particularly persons with disabilities and their organizations, and the provision of relevant information, responsive policies and programmes that target the underlying causes of poverty among persons with disabilities can be pursued.

Increasingly progress is being made in including the issue of disability in poverty-reduction efforts and in reducing inequality among persons with and without disabilities. Many countries have responded to the higher incidences of poverty and inequality among persons with disabilities with a broad range of policy interventions.

The discussions regarding international development priorities suggest that in order to combat poverty and inequality of persons with disabilities, the promotion of decent employment, education and life-
long learning as well as social protection schemes, among others, are key elements the 2030 development agenda.

II. Policy actions for eradicating poverty

Supporting opportunities and access to education and learning

Education plays a significant role in eradicating poverty. Mass education, quality education and culturally relevant education have large implications for poverty reduction. The attainment of education makes individuals more productive and raises their earnings potential and standard of living. The chances of a person being poor diminish significantly with higher levels of educational attainment. Hence, the lack of education is a key determinant of income and non-income poverty. Uneducated workers are more likely to join the ranks of the working poor. Similarly, children born to women with low levels of schooling are more likely to have higher mortality and morbidity levels. Research has also consistently shown that countries with low levels of educational attainment are more likely to be poorer than countries with higher levels of educational attainment. At the household level, higher levels of female education have also been shown to reduce other dimensions of poverty such as child mortality, malnutrition and stunting. Further, education impacts women’s fertility decisions, use of health services, including family planning. Hence, investing in education is key to eradicating poverty in all its forms and dimensions.

To enhance the contribution of education to the earning potential of people living in poverty as well as to sustained, inclusive and equitable economic growth, countries have implemented a variety of strategies that address the multiple underlying causes of low educational attainment and lack of schooling opportunities. These include addressing economic and non-economic constraints to schooling such as biases against the girl child, expanding access to primary and secondary school, improving the quality of education, building education and transportation infrastructure and investing in teachers. Other countries have taken aim at ensuring equal access by offering free education. The abolition of school fees has had the intended effect of vastly increasing access to education in countries such as Kenya, Burundi, the Democratic Republic of the Congo, Ghana, Ethiopia, Malawi and Mozambique.\(^{21}\) To boost equality of opportunity to quality education and promote lifelong learning opportunities for all, some countries are supporting education programs that focus on enhancing basic skills and direct instruction toward children’s actual learning levels. A review of these strategies has shown that they can be effective at improving learning outcomes.\(^{22}\) In addition, culturally and linguistically adequate education contributes to overcome discrimination and related social problems. However, for education to have a positive impact on poverty, countries must pursue macroeconomic and social policies that foster the creation of full employment and decent work for all. Employment creation is the most effective way of tackling unemployment and underemployment at all ages and, in particular, the growing challenge facing many countries of having educated but unemployed youths. In some countries,


the unemployment rate has increased with each level of educational attainment, with university graduates having the highest rate of unemployment among youth.23

A growing number of countries have also implemented conditional cash transfers programmes with the goal to reach people living in poverty and those furthest behind through investments in education. Over fifty countries worldwide operate conditional cash transfer programmes targeting a number of outcomes such as children schooling, health and nutrition. 24 Substantial evidence shows that conditional cash transfer programmes contribute to immediate poverty reduction through cash transfers. These programmes also have long-term impacts on poverty reduction through investments in human capital, particularly education and health as well as nutritional outcomes for children. Evidence from thirteen Latin American countries suggests that relative to an internationally comparable poverty line of US$2.5 per day, national poverty rates would be 1 to 2 percentage points higher or 13 per cent higher relative to average baseline rates in the absence of conditional cash transfers. 25 A review of the most comprehensive body of evidence on the educational impacts of forty-two programs conditional cash transfer programmes in developing countries found that the aggregate educational impacts of conditional cash transfer programmes on school enrolment were small, on average. Across all available studies, the aggregate impact of conditional cash transfer programmes on primary and secondary school enrolment was 3 percentage points and 5 percentage points respectively. Despite their modest impact, conditional cash transfer programs have succeeded in boosting school enrolment rates as well as keeping children in school for longer.26

**Ensuring essential health**

Ensuring essential health reduces the burden of disease and contributes to the eradication of poverty. Poor or inadequate health has deleterious effects on economic growth, and hence on the eradication of poverty in all its forms and dimensions, including extreme poverty. There are strong bidirectional causal links between health and economic growth or health and poverty. Reducing the burden of disease also has positive effects on growth. It contributes to higher incomes, consumption and productivity growth, increases adult labour supply, and boosts human capital formation, particularly educational attainment among children. Similarly, poverty is a strong determinant of poor health outcomes while good health is associated with lower levels of poverty. Most diseases in lower-income countries are caused by poverty.27 Therefore, ensuring essential health has the potential to directly raise living standards while gains from sustained economic growth contribute to improved health outcomes.28

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Health interventions contribute to poverty reduction in several ways. The channels through which improvements in health can contribute to poverty eradication include declines in child and adult mortality burdens and infertility, and increases in educational attainment, adult labour supply, productivity and efficiency, as well as culturally appropriate access to health care. Improvements in life expectancy can also incentivize individuals and families to invest more in education and skills acquisition, contributing to long-run economic growth and poverty reduction. Further, reductions in the burden of disease can result in significant savings in public spending on health, allowing any accrued savings to be invested in other critical areas such as infrastructure development or agriculture. Therefore, reducing levels of poverty should contribute to good health outcomes, which contributes to growth.

Lack of access to affordable health care is a common risk factor for poverty. Many individuals and families fall into – or back into - poverty due to high out-of-pocket health-related expenses. With increasing age and longevity, the risks of chronic disease and age-related disabilities increase. Equitable access to and utilization of age-appropriate healthcare services is therefore essential throughout the lifecycle and should be enabled through public financing to both improve well-being and reduce health-related poverty.

To reduce poverty, countries should ensure sustained investments in primary care and public health measures and access to these services such as large scale health interventions targeting child vaccinations, vision care, and diseases such as malaria and HIV/AIDS. Such interventions help to dismantle intergenerational health-based poverty traps such lower levels of school attendance and participation among children or lower labour force participation and earnings among adults. Cross-country evidence also points to the importance of raising per capita incomes in improving health outcomes such as child mortality and life expectancy. Other important country-specific factors that have a bearing on poverty and health outcomes include patterns of income distribution, the diffusion of low-cost health technologies and interventions, access to clean water and sanitation, levels of schooling and the status of women.

Some of the most effective large scale health interventions and policies that have contributed to the reduction of various dimensions of poverty include conditional cash transfer programmes (with a health component), child vaccination campaigns, anti-malaria campaigns, and the provision of antiretroviral therapy (ART) in countries affected by HIV/AIDS. Many of these programmes have been shown to have positive impacts on health outcomes, fertility, human capital formation, labour force participation and wages.

For instance, the Roll Back Malaria Partnership- a platform for channelling resources and harmonizing actions is credited for scaling up global action against malaria that resulted in worldwide malaria deaths being cut in half between 1998 and 2014. In Uganda, the eradication of malaria resulted in a sharp reduction in malaria related mortality, raised educational attainment by about half a year for both males and female, increased primary school completion by 30 per cent among girls and generated an almost

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40 per cent increase in the likelihood of male wage employment. Estimates suggest that an additional half year of schooling can result in 5 per cent greater earnings per year. Similarly, notable progress has been observed in campaigns targeting other major diseases that have long-term economic, social and health impacts. For instance, research has shown that the provision of ART through the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) in 10 African countries had significant health and economic benefits. Besides contributing to large reductions in mortality, by 2013, the programme had benefited an estimated 6.7 million HIV infected patients, resulting in a 13 per cent increase in employment among males. The uptick in levels of economic participation contributed to economic growth through increased labour productivity of HIV positive individuals and for family members who were spending time caring for HIV positive family members. The increased life expectancy and reduced morbidity that result from the expansion of such programmes increases the availability of labour. To reduce poverty, strategies are required to ensure that such an increase in the availability of labour does not raise levels of unemployment, underemployment or drive down wages. Reductions in morbidity can also indirectly contribute to poverty reduction in the long run given their positive impact on the human capital accumulation of children who would have otherwise been orphaned as a result of the epidemic. Hence, to ensure that such treatment programmes contribute to economic growth and poverty reduction, complementary macroeconomic and social policies are needed to create sufficient decent jobs.

**Decent Jobs**

Central to poverty eradication efforts is the creation of decent work for all.

Young people are disproportionately affected by unemployment, underemployment, vulnerable employment and working poverty. In 2015 71 million youth, close to 13 per cent of all young people worldwide, were unemployed. Investment in skills, quality education and human capital is a key facet of ensuring young people prosper.

The Global Initiative on Decent Jobs for Youth brings together the UN system, Governments, social partners, parliamentarians, the private sector, youth representatives and civil society in an effort to facilitate increased impact at country level through evidence-based interventions, knowledge and multi-stakeholder partnerships.

**Youth Policy Development**

Inclusive youth development is a key driver of sustainable development and poverty eradication around the world.

The development, implementation and monitoring of effective youth policies is central to poverty eradication and to the implementation of the 2030 Agenda.

Robust, innovative and progressive youth policies serve to capture and concretize the Sustainable Development Goals and provide a framework for their implementation to enable young people to fulfil their potential as active members of society. Youth policies should include measures to carefully analyse and remove structural barriers to youth, particularly those faced by the most vulnerable and

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33 Wagner, Z., J. Barofsky and N. Sood. 2015. “PEPFAR funding associated with an increase in employment among males in ten sub-Saharan Africa countries.” Health Affairs, June, 34(6):946-953
disadvantaged youth, such as girls and young women, youth with disabilities, indigenous youth, young migrants, and rural youth, so that they can escape cycles of poverty.

The Report of the Secretary-General on policies and programmes involving youth submitted to the Commission for Social Development (resolution 53/1 of 10 February 2015) stresses the need for robust, stand-alone youth policies coupled with consistent cross-sectoral efforts and provides a compilation of recent initiatives in the area of youth policies and programmes based on input received from Member States, United Nations entities and civil society organizations. The report focuses on the three broad thematic considerations included in the resolution: gender, participation and inclusion, and marginalized groups.

[Key recommendations arising from the SG Report]

- Develop and strengthen existing evidence-based national policies for youth development and endorse coherent cross-sectoral efforts in line with the World Programme of Action for Youth and the 2030 Agenda for Sustainable Development, as well as ensure the availability of adequate resources for implementation and the participation and inclusion of young people;

- Increase qualitative and quantitative research and data collection on the effectiveness of youth policies, including the impact of and approaches to youth policies, taking into account youth-led research and data collection where appropriate;

- Take concrete measures, such as establishing participatory processes, ensuring that the needs and voice of marginalized groups are included in policymaking, with the goal of leaving no one behind;

- Ensure gender equality for girls and young women, including enacting corresponding legislative and policy reform as appropriate.]
Section II. Defining poverty in the context of the 2030 Agenda

- Africa has achieved unprecedented growth rates over the past two decades that has been underpinned by better macroeconomic management and increased investments, particularly in infrastructure development due to improving business environment, increased political stability and enhanced regional integration. This allowed for notable progress on many of the MDGs, particularly those related to access to basic services, including health and education and women empowerment.

- However, ensuring that growth is inclusive and broadly shared continues to be a challenge in many African countries. The share of the African population in extreme poverty declined from 57% in 1990 to 43% in 2012, making Africa the only region in the world that did not reach MDG1 of halving poverty.

- According to the 2016 World Bank Africa Poverty Report, it is crucial to focus the global poverty agenda on Africa given that the absolute number of people living in extreme poverty increased by more than 100 million, in part due to Africa’s rapidly increasing population. 390 million Africans still live in poverty – representing about half of the world poor. Inequality, including between urban and rural areas, continues to be a major concern.

- Africa is the region with the highest rates of maternal and under-five mortality and unemployment, particularly among women and youth. Almost 700 million Africans have no access to improved sanitation facility and 50% of about 660 million people who live without access to safe drinking water are in Africa according to WHO.

- Despite increased social expenditure, expanding access to social protection for those in need remains a challenge for many African countries, particularly in light of the high unemployment rates, particularly among youth, and declining revenues and exports due to low-commodity prices. According to UN figures, in Sub-Saharan Africa, only 15% of those in the bottom one fifth on the income ladder receive social protection benefits.

- The effects of climate change, including the recurrent cycles of drought, desertification and land degradation continue to hinder progress and threaten to undermine the hard won gains in the MDGs implementation, particularly in light of their effect on the agriculture sector and the related low harvests and increase in food prices.

- Conflicts, security and political instability in some African countries have also profound negative effects on all economic activities and undermine the capacity of these countries to provide basic services for their populations or create conducive conditions for investments and growth. As of
an estimated 16.2 million Africans were displaced by conflicts. Poverty reduction has been slowest in fragile states compared to other African countries.

- Addressing data gaps, particularly in the area of disaggregated data, is crucial to expose challenges faced by African countries in eradicating poverty in all its dimensions. According to the World Bank, only 27 of 48 countries in Sub-Saharan Africa had conducted at least two comparable surveys between 1990 and 2015 to track poverty. It is imperative to step up international cooperation to build and strengthen national data systems in African countries so as to support the implementation of the 2030 Agenda for Sustainable Development, with poverty eradication as its overarching objective.

**Section III. Policy actions for eradicating poverty**

- The African Union transformative Agenda 2063 – Africa’s overarching development strategy for socio-economic transformation share the same promise of the 2030 Agenda for Sustainable Development of leaving no one behind. Agenda 2063 will be implemented through five consecutive 10-year implementation plans. The Agenda’s First Ten-Year Implementation Plan has formulated Africa’s sustainable development priorities in the medium and long term.

- Premised on a people-centred approach and the promise of a peaceful and prosperous Africa, Agenda 2063 adopts a comprehensive view to development that reinforce the peace, security and sustainable development nexus as it encompasses actions at all levels in the areas of economic and social development, environmental sustainability, good governance, human rights, peace and security.

- The First Ten-Year Implementation Plan of the AU Agenda 2063 seeks to seize the momentum created by the remarkable economic growth achieved since 2000 by enhancing economic growth rates while continue to promote economic and social inclusion and environmental protection. The Plan prioritizes improving the standard of living, quality of life and wellbeing for all Africans through advancing progress in the areas of job creation, agriculture development and food security; and social security and protection.

- African countries are more aware than ever that reliance on a narrow-base of primary commodity exports does not provide a strong foundation for harnessing the demographic dividend and promoting a sustainable and broadly shared economic growth. Industrialization and value addition have been among the key underpinnings of the AU Agenda 2063. National and regional strategies have been put in place to increase the output of the manufacturing sector, including through more investments in education, training, energy, infrastructure development and facilitating intra-African trade.
• Investments needed to achieve the SDGs in Africa across the three pillars of sustainable development are enormous. They are estimated at US$600 billion per year, according to the UN. Africa has committed to maximize domestic resource mobilization to finance its development.

• However, the importance of international support to complement national efforts, including within effective global partnership for development, cannot be over emphasized. This includes the fulfilment of ODA commitments and scaling up green financing and the implementation of the UNFCCC commitments, including providing financial resources to support adaptation and mitigation by African countries. Other financial and non-financial means of implementation are also indispensable for supporting progress towards development objectives, including eradicating poverty by 2030.

• In light of the scale and negative impact of illicit financial flows—which is costing the continent over $50 billion annually according to the report of the High-level Panel on Illicit Financial Flows, it is imperative that Africa’s development partners enhance their cooperation with African countries to address issues such as tax avoidance and profit shifting, including by multinational companies (MNCs), in order to stem illicit financial flows from the continent and strengthen the capacity of tax systems in African countries. This is crucial for maximizing domestic resource mobilization and providing a major source of funds for development programmes, including building and expanding social protection floors.

• The Ebola crisis in West Africa in 2015 has put the topic of functioning health systems at the centre of global development cooperation. It is imperative to continue to address the technical and financial capacity gaps and build resilience of African national health systems and ensuring that mechanisms are in place to prevent the outbreak of pandemics.

• Conflicts and security and political instability have deep negative impact on the success of the measures implemented to reduce poverty. It is imperative that the international community supports the African ambitious strategy to end all wars in Africa by 2020 as outlined in the “Silencing the Guns” Initiative, including by enhancing the capacity of the African Union and the Regional Economic Communities (RECs) in the areas of conflict prevention and resolution, peacekeeping, peacebuilding and post-conflict reconstruction and development.

• Emerging threats to peace, security and development such as organized crime and terrorism as well as the humanitarian consequences of conflicts including refugee movements should be subject to closer cooperation and coordination between Africa and development partners, including the United Nations system, to further address their root causes, including economic and political exclusion.
United Nations Development Programme (UNDP)

Request:
✓ Trends, opportunities and challenges related to achieving SDG-1
✓ Synergies for poverty eradication across economic, social and environmental dimensions
✓ Systemic challenges and opportunities requiring greater international cooperation and action
✓ Recent innovations in poverty eradication
✓ Diverse strategies for different countries
✓ Recommendations for UN promotion & consideration at ECOSOC High Level Segment

1. UNDP Feedback and suggestions on the Draft Outline of Report

A. The Poverty-Environment nexus should be integrated more comprehensively than currently suggested by the draft outline (in keeping with Agenda 2030’s recognition that the links between poverty and environmental degradation are vital to improve people’s lives).

The following evidence and examples can be used to this end: Environment and natural resources (ENR) such as water, forests, soils, minerals and fisheries form an essential economic base in many developing countries, and their use generates significant economic and social benefits for people—particularly the poor. 70 percent of the world’s 1.2 billion people who live below the poverty line largely depend on natural resources for their livelihoods. Growing pressures on land and water have led to an unprecedented degradation of natural resources and deleterious economic and social repercussions on the poor; including by holding back gender equality. A significant majority of the world’s estimated 1 billion rural women depend on natural resources and agriculture for their livelihoods, making them more vulnerable to negative impacts.

Country-led efforts are needed to integrate poverty-environment objectives into development planning and budgeting processes. This means drawing the link between growth, inequality and poverty reduction in relation to Biodiversity and Ecosystem Services; Sustainable Land Management and Desertification; Water and Ocean Governance; Climate Change Adaptation and Mitigation; Sustainable Energy; Extractive Industries; Chemicals and Waste Management; Green Economy; and Financing. The sustainable production and consumption of chemicals, for example, is essential for poverty eradication. Chemicals are used in live-saving medicines, the purification of drinking water and to boost farm productivity. Without good management practices, chemicals and their hazardous wastes pose significant risks to human health and the environment, most critically among the poorest communities. In urban areas, low-income or minority populations are often exposed to hazardous chemicals and associated wastes in their jobs or places of residence. In rural areas, most chemical exposure and environmental pollution is linked to the misuse of agricultural chemicals and pollution brought by waterways, impacting the natural resources upon which these communities depend. UNDP has recently started work to help enable poor communities in Colombia, Indonesia, Kenya and Peru to introduce safer (mercury free) best practices and techniques for artisanal small scale gold mining (ASGM) - in cooperation with GEF, UNEP, UNIDO, and Conservation International. Around 15 million people in 55 countries (3 million women and children) participate in ASGM activities. Another 100 million people are indirectly dependent on ASGM for their livelihoods. We
thus expect the results to be a valuable contribution to poverty reduction efforts worldwide. More examples of UNDP and partner work see the following links and publications:

- Building and Inclusive Green Economy for All
- Breaking Down the Silos: Integrating Environmental Sustainability in the post-2015 Agenda
- What drives institutions to adopt integrated development approaches?
- Powerful Synergies: Gender equality, Economic Development, and Environmental Sustainability
- Poverty Environment Partnership (PEP): [http://www.povertyenvironment.net/partnership](http://www.povertyenvironment.net/partnership)

B. The current outline suggest little room to elaborate on the important relationship between poverty, growth and inequality. We suggest allowing for this discussion more explicitly. Section B of the outline implies, incorrectly, that social protection encompasses interventions related to gender equality, income security, health and education; when in fact it is one of many important potential responses in these areas. Under C we suggest a concrete potential solution to these shortcomings.

C. Given the need for an integrated approach and the risk of downplaying or over stressing particular manifestations and/or drivers of poverty, Section B might be re-envisioned as an account of the response of countries and UN system to the most prevalent and reoccurring constraints to eradicating poverty worldwide. UNDP has drawn on work by Laurence Chandy, Hiroshi Kato, Homi Kharas34, among others to argue that five aspects are key:

i. Preventing and reducing vulnerability to conflict, natural disasters and economic downturns that send poor households into a downward spiral. In Rwanda, for example, with BPPS backstopping, UNDP supported the Government’s effort to assess its vulnerability to disasters at national and local levels, creating a comprehensive risk profile to help boost preparedness.

ii. Curbing inequalities and exclusion that leaves segments of society stuck in poverty. In Mauritius, UNDP’s BPPS and CO staff worked with the government to adopt a single registry social protection system built on lessons learned, to reach the poorest and most vulnerable and mitigate against gender-bias. In 2015, UNDP support enabled 53 countries to adopt, expand or implement social protection systems.

iii. Supporting effective governance that ensures all citizens have voice, particularly those left behind. By the end of 2017, UNDP expects to have helped 48 countries strengthen the capacity of civil society to engage meaningfully in pro-poor policy debates and action. In Bangladesh, UNDP helped the government deliver services to rural and marginalized people by establishing more than 5,000 digital service centres. The centres significantly increased the speed with which government services are delivered and reduced travel distances, saving 4.5 million citizens an estimated $500 million in direct and indirect costs.

iv. Enabling governments to generate growth that is inclusive, sustainable and sustained. Through its advisory and capacity support UNDP helps governments develop and implement labour-

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34 The Last Mile in Ending Extreme Poverty, Laurence Chandy, Hiroshi Kato, Homi Kharas, Editors, 2015
market driven vocational training initiatives and expand access to reliable electricity in poor and marginalized areas.

For example, UNDP works with governments and the extractives industry to enable local small and micro businesses – particularly in rural areas – to improve quality standards and connect to local and international supply chains. In the Former Yugoslav Republic of Macedonia, UNDP supported the Government to tackle unemployment, through a training and support initiative that contributed around 12 per cent of all new private sector jobs in 2014. Through its Green Commodity initiative, UNDP supports governments to make regulatory and policy changes needed to shift entire sectors to sustainable production; realize market opportunities and enable poor and small scale producers to boost incomes, learn new techniques, clarify land rights and improve land tenure.

v. Helping countries halt environmental degradation that cause and aggravate deprivation and increases the risks of setbacks. In Tanzania, UNDP support, backstopped by BPPS advisers, enabled the government to conserve threatened forests through an initiative that created livelihoods, leading to the establishment of a national network of forest reserves and higher incomes for poor rural communities.

2. UNDP Input Embedded in Report Outline

INTRO:

The 2030 Agenda for Sustainable Development as the roadmap for poverty eradication

➢ The unfinished business of poverty reduction efforts after the MDGs

With the 2030 Agenda for Sustainable Development, world leaders moved past poverty reduction and set out to achieve sustainable development that leaves no one behind. Their optimism was born from experience: Over the last 15 years, the world achieved the fastest rate of poverty reduction in human history. Between 2000 and 2015, over one billion people were lifted out of extreme poverty, including in some of the poorest countries in the world.

In 2000, no one would have predicted that the first MDG target would be achieved 5 years early. By 2010, the number of poor people in the world had been cut in half. The global poverty rate declined from 37 percent in 1990 to 9.6 percent in 2015. This suggests the real lesson of the MDGs: projections are not trajectories. Remarkable leaps forward can and do happen including in some of the world's poorest countries.

The historic 2030 Agenda for Sustainable Development was adopted at the UN Summit in September 2015, after unprecedented consultations at all levels. At its core is a set of ambitious and transformative goals that constitute a blueprint for more sustainable societies worldwide—the Sustainable Development Goals (SDGs). It is now up to all governments, people and stakeholders to turn these goals into the eradication of poverty for all women, men and children around the world.

During the MDG era, lifting people above the international line for extreme poverty was relatively easy due to the large segments living just below it. Small increases in income, spurred by growth or government transfers were enough to pull households over the threshold. Today, far fewer live just below the international extreme poverty line and more countries have achieved a lower overall poverty
prevalence. The remaining poor are deeply poor and harder to reach. Under the SDGs therefore, more
and more concerted effort is needed to lift people out of extreme poverty.

Many of those that managed to escape extreme poverty continue to lack the capabilities, resources and
opportunities to improve their lives and the prospects of their families. Macro or micro-level shocks or
setbacks could thus, send poverty rates back up. A 5-year study in Chile, Mexico and Peru found that the
probability of backsliding into poverty decreased as incomes rose, but remained significant even at
incomes twice the poverty line

Increasingly, volatile capital flows, fluctuations of global markets and commodities, and climatic patterns
make setbacks more likely; as do deadly natural disasters, intractable conflicts and the displacement
they cause. The consequences are particularly dire for those with few resources or ability to cope; their
lives can easily be jeopardized. People in poverty are thus naturally averse to risks. Unfortunately,
forgoing risk can mean forgoing changes that have longer-term benefits – such as investing in education
or micro businesses, opening a savings account, or adopting new agricultural methods. As risk and
uncertainty grow more pervasive, vulnerability itself becomes a more important constraint to progress.
Indeed, at its most fundamental, extreme poverty has been defined as the inability of families to have
enough food and resources to survive and to think and plan beyond short-term survival

Even in countries with impressive average rates of progress, many societies experience rising
inequalities - between rich and poor people; women and men; people of different ethnicities, abilities,
religions, and places of residence. A UNDP review found that more than 75 percent of people in
developing countries —live in societies where income is more unequally distributed than in 1990

As with the other MDG goals, impressive successes in reducing and almost eradicating average absolute
poverty figures masked the fact that there remain pockets of extreme poverty; i.e. impressive
improvements in average living standards should not detract from the fact that there are still groups at
high risk of being left behind. The Roma population in Europe and the Western Balkans, for example,
saw decreasing poverty rates between 2004 and 2011, but remained significantly higher than the
poverty rate among the non-Roma population. A UNDP study found 80 percent of the Roma people in
EU countries at risk of poverty in 2016

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This figure in fact refers to the relative poverty measurement used in EU (those with per capita levels of income which are
less than 60% of the national median). See FRA (2016). Second European Union Minorities and Discrimination Survey. Roma –
Selected Findings.

Social unrest grows as societies become more unequal and large segments are shut out of opportunities, without voice or recourse. Entrenched inequalities can make it difficult to keep the peace and govern effectively, making more difficult to improve lives and transform economies. A recent study comparing the world’s most equal and unequal countries found that a 1 percent increase in incomes in unequal countries produced a 0.6 percent reduction in poverty. In the most equal countries, it yielded a 4.3 percent cut.

Unfinished aspects of the MDG agenda are carried over into the new SDG framework. The poverty reduction, employment, and nutrition dimensions of MDG1 are extensively covered in the SDG framework, being addressed in different goals, including 1, 2, 8 and 10.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MDG 1. Eradicate extreme poverty and hunger</td>
<td>SDG 1. End poverty in all its forms everywhere</td>
</tr>
<tr>
<td></td>
<td>SDG 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
</tr>
<tr>
<td></td>
<td>SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</td>
</tr>
<tr>
<td></td>
<td>SDG 10. Reduce inequality within and among countries</td>
</tr>
</tbody>
</table>


➢ Poverty as a universal phenomenon with national characteristics

Unlike the MDGs, the SDGs seek to respond to the breadth and complexity of the urgent social, environmental and economic challenges. The new Agenda makes clear that many of the SDG targets will rise or fall together, depending on countries’ willingness and ability to work in concert with other
countries, understand and harness the interlinkages across disciplines and sectors. It demands actions to address the multiple, intersecting inequalities and deprivations that trap people in poverty.

Agenda 2030 recognizes that all countries have problems to solve and contributions to make. With the adoption of the SDGs, all countries, north and south, committed to contribute to the eradication of extreme poverty everywhere, while stepping up efforts to tackle poverty at home, in all its manifestations. The SDGs thus recognize that poverty is relative, as it depends on the context in which people find themselves in within every society.

- **Policy integration and addressing poverty holistically**
  In practice taking a multidimensional approach to poverty eradication means more and better integrated programming and policy – that embeds objectives - such as stronger livelihoods, job creation and social protection - within initiatives that help countries prevent and recover from crisis and strengthen sustainable natural resource management. In Tanzania for example UNDP support to conserve threatened forests, integrated support for creating livelihoods, leading to the establishment of a national network of forest reserves and higher incomes for poor rural communities.

**Poverty eradication as a universal commitment**

- Requires actions in all countries at all stages of development
- National commitment supported by global partnership

- **Growing involvement of non-State actors in poverty eradication**
  UNDP believes that poverty eradication must be rooted in the principle of inclusion and the recognition of poor and other excluded groups as agents of their own development. This view derives, not only from an acknowledgment of the inherent value of voice and participation, but also from a significant body of evidence showing that people’s meaningful involvement, when properly designed and facilitated, can significantly enhance the effectiveness of poverty eradication interventions. In order for such meaningful involvement to take place, it is critically important that an enabling environment be maintained, including through the promotion of the freedoms of expression, peaceful assembly and association in keeping with internationally-agreed human rights standards.

For instance, in a 2010 synthesis study on ‘Mapping the Outcomes of Citizen Engagement’, researchers based at the Institute of Development Studies (IDS) of the University of Sussex mapped the outcomes of over 800 experiences of civic engagement and found that, overall, 75 per cent of these outcomes may be seen as ‘positive’. Furthermore, multi-country research carried out using a randomized control trial methodology by the Abdul Latif Jameel Poverty Action Lab of the Massachusetts Institute of Technology (MIT) found that “training communities and empowering them tend to improve the provision of services”.

**Defining poverty in the context of the 2030 Agenda (2,500 words)**

**A. Multi-dimensional poverty and the SDGs**

- Poverty reflects multiple deprivations and is not limited to income-based measurements
  Approximately 702 million people continue to live in poverty today, as measured by those living on less than US$1.90 per day. This fact however, does not tell us much about the deprivations that make people poor. UNDP developed a Multi-dimensional Poverty Index (MPI) for 116 countries that attempts to fill
this gap by considering a range of disadvantages poor people experience, including in education and health. The MPI found 1.6 billion people “multi-dimensionally” poor.

This discrepancy in income poverty and multidimensional poverty suggests the importance of looking beyond only income measures. Understanding the depth, severity and cumulative impact of poverty’s multiple dimensions is essential to eradicate it.

Raising income levels will inevitably be only part of the story. Poverty can be eradicated only where broad progress is made across the SDGs and where those in greatest danger of being left behind are given the highest priority. Eliminating income poverty will not guarantee poverty is eradicated in all its dimensions, including health, education, water and sanitation and the natural resources that provide for basic needs.

- Dynamic nature of poverty (both substantive and temporal) and need for holistic framework for poverty eradication

With its human development perspective, UNDP has long seen poverty as the manifestation of multiple, compounding deprivations that prevent people from living lives they value. Many people may have escaped poverty – according to income measures for example - but remain relatively poor in their local context; or in terms of acute deprivation in health, education and standard of living. Many remain highly vulnerable to setbacks that frequently send people back under poverty lines. UNDP’s Human Development Report 2015 found close to 900 million are vulnerable to fall into poverty due to setbacks financial, natural or otherwise.

UNDP’s Strategic Plan (2014-2017), responds to the new agenda, by making ending poverty the organization’s first principle; the ultimate benchmark against which all its work is measured. UNDP’s work is organized around key, reoccurring and integrated drivers of poverty in all its manifestations, including setbacks from violence, conflict and growing volatility and natural disasters; rising inequalities and stubborn exclusion; weak or poor governance; environmental degradation and climate change; and slow or job-less growth.

Poverty can be reduced sustainably and at scale, only where its causes and manifestations are fully understood and addressed. Poverty eradication demands cross-cutting, coherent initiatives that make people less vulnerable, reduce the risks of setback, break patterns of discrimination, and enable all women and men to fully participate and benefit from economic growth.

B. Poverty measurements and the SDGs
- SDGs reflect a multi-dimensional understanding of poverty, but a principal target remains the eradication of extreme poverty

The recognition of the multi-faceted nature of poverty and development must not cloud the way forward. The new Agenda makes the call to eradicate extreme poverty – it’s central, defining feature. The SDGs make plain the intention of all Member States to do their part to remove the scourge of extreme poverty from our common humanity and restore the hope of the close to one billion people living in extreme poverty. The SDGs commit all countries to tackle the deprivations that rob people in extreme poverty of basic dignities, enable them to more fully participate in their societies and economies.
Poverty is multidimensional and its eradication requires a multi-sectoral effort that takes into account the cultural context for lasting results. Poverty is the consequence of intersecting absolute and relative deprivations derived from a shared perception of class, gender and ethnicity; poverty is thus reproduced socially and inter-generationally. To confront poverty class, gender, linguistic/ethnicity/racial and other inequalities must be addressed, including the unequal distribution of assets and income, labour market inactivity and discrimination, unequal investments in children and the distribution of unpaid care work between women and men. Declining and/or volatile economic growth, has increased the relevance of redistributive policies to eradicate poverty. To this end, social dialogue is crucial in ensuring representation of all actors in the economy.

The global poverty line and national definitions of poverty (e.g., absolute, relative)

The global poverty line of $1.25 (PPP) per day has long been considered too restricted for the countries of the Europe and CIS region, and not suitable (as an absolute measure) for capturing the minimum living costs of the region, and detracting from the considerable relative poverty which exists.

Criticisms of the “$1-a-day” poverty line have stressed not only its arbitrariness, but also its failure to take into consideration other basic needs apart from food and essential non-food spending, such as housing, clothing and heating. In addition, the low $1-per-day poverty line was not relevant for many countries in Europe and Central Asia, which contributed to the slow take-up of the MDG agenda in many countries.\(^\text{36}\)

Table 0.1: Shares of population living below income poverty lines, (%) for selected countries, 2009-2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Population below national poverty line, per cent</th>
<th>Population below PPP$1.25/day, per cent</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>14.3</td>
<td>0.5</td>
<td>2012</td>
</tr>
<tr>
<td>Armenia</td>
<td>32.4</td>
<td>1.8</td>
<td>2012</td>
</tr>
<tr>
<td>Belarus</td>
<td>7.3</td>
<td>0.0</td>
<td>2011</td>
</tr>
<tr>
<td>Georgia</td>
<td>14.8</td>
<td>14.1</td>
<td>2012</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>6.5</td>
<td>0.1</td>
<td>2010</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>36.8</td>
<td>5.1</td>
<td>2011</td>
</tr>
<tr>
<td>Montenegro</td>
<td>9.4</td>
<td>0.2</td>
<td>2011</td>
</tr>
<tr>
<td>Republic of Moldova</td>
<td>17.5</td>
<td>0.2</td>
<td>2011</td>
</tr>
<tr>
<td>Serbia</td>
<td>24.7</td>
<td>0.1</td>
<td>2010</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>47.2</td>
<td>6.5</td>
<td>2009</td>
</tr>
<tr>
<td>Ukraine</td>
<td>8.9</td>
<td>0.0</td>
<td>2010</td>
</tr>
</tbody>
</table>

Note: 0.0 refer to the percentage smaller than 0.05. “Population below national poverty line” refers to the percentage of the population living below the national poverty line, which is the level deemed most appropriate for the country by its authorities. Population below PPP$1.25/day refer to the percentage of the population living below the international poverty line of PPP$1.25/day.

The current globally used absolute poverty threshold of PPP$1.90/day is also very low for countries in the region of Europe and CIS. One of the main sources of dissatisfaction with absolute poverty measures is that they ignore concerns about relative deprivation, shame, and social exclusion (Ravallion, 2015). To remedy this situation, the World Bank has suggested that in middle-income countries, two or more thresholds should be used. Other issues with absolute poverty lines are apparent in their high sensitivity to the choice of the PPP base year, the exchange rate used to convert income in national currency into U.S. dollars, and the basket of goods chosen to compute the PPP. Partly due to these problems, some institutions like the European Union and the OECD do not use absolute poverty thresholds as their primary tool for international comparisons, but rather rely on relative thresholds expressed as a share of median income (Bradshaw and Mayhew, 2011).

A general pattern was that, while richer countries generally engaged in less detailed and comprehensive poverty reporting under MDG1, they frequently added other “national” targets and indicators that better suited their circumstances. These included, for example, measures of poverty prevalence among ethnic minorities such as the Roma, single mothers, or the proportion of population that depends on social benefits.

Over many years, the “relativity” of poverty has come to be recognized, in part if not comprehensively. Adam Smith, for example, recognized the ways in which “necessities” were defined by custom, citing the labourer’s need to wear a linen shirt (Smith, 1812). This example shows that relatively low disposable incomes may not be enough by themselves to classify people as poor. It also illustrates the conceptual distinction between inequality at the lower tail of the income distribution and poverty.

Relative measures are most frequently used in wealthier societies. The EU puts much emphasis on the social inclusion of its citizens, and in its measures of poverty focus on a combination of income and non-income measures to guide its policies. For instance, the European Union and Eurostat have made substantial progress in capturing non-monetary deprivations.

C. Understanding the social and geographical distribution of poverty
➢ Identifying the poor and vulnerable within countries

By all measures, poverty today is predominantly rural. 70 percent of the extreme poor live in rural areas; 60 percent work in agriculture. Women, people with disabilities, children, ethnic and linguistic minorities and indigenous people are all disproportionally represented in poor populations. Poverty reduction has

37 For further details see http://ec.europa.eu/eurostat/statistics-explained/index.php/People_at_risk_of_poverty_or_social_exclusion.
been deeply uneven between regions and countries. A large proportion of global progress can be attributed to China’s remarkable success in reducing poverty. China alone accounts for around three quarters the worldwide decline in extreme poverty over the past 30 years. Since 2000, however, the rest of the world (outside of China) succeeded in lifting more than 300 million people out of extreme poverty. Even without China, the developing world achieved the first MDG target.

- **Assessing specific poverty eradication challenges across countries, including developing countries, countries in special situations, MICs and developed countries**

There has been an important shift in the global distribution of poverty from low-income countries (LICs) to middle-income countries (MICs). In 1990, 93 percent of the world’s poor people lived in LICs. Now, more than 70 percent of the world’s poor live in MICs, mainly in Sub-Saharan Africa and South Asia (most are stable, non-fragile middle-income countries). A majority of the world’s poorest people now live in countries that moved from low- to middle-income country status after 1999—notably Pakistan (2008), India (2007), Nigeria (2008), and Indonesia (2003).

UNDP is committed to helping countries grow their economies in ways that enable all people to benefit and participate in economic growth process. Two segments at particular risk:

- The first are those who live in “pockets” of extreme poverty - left behind due to market or governance failure; exclusion or discrimination. The vast majority in this category live in middle income countries with high average rates of progress. Many live in remote communities, largely disconnected from society or belong to marginalized groups facing multiple, compounding sources of discrimination.

- The second at risk population, are those living in particularly poor countries, which have been, thus far, largely cut off from globalization. An analysis undertaken for “The Last Mile” identified 24 countries with both a high prevalence of extreme poverty and a poor track record of poverty reduction. 265 million people live in extreme poverty in these 24 countries. Without strong partnerships, adequate and effective development cooperation, they face a high risk of being left behind. Extreme poverty today is also increasingly concentrated in conflict-affected areas. Of the 24 countries that have high poverty rates and little record of poverty reduction, 13 had peacekeeping mission in the last decade.

Universal access to quality services, effective social protection systems and measures targeting excluded groups have proven an effective “triple punch” – to generate durable poverty reduction. Local economic development, public works, youth employment schemes, social insurance, cash transfers and school feeding programmes have all helped countries reverse the fortunes of marginalized communities. UNDP helps countries understand the multiple (locally specific) hurdles that marginalized and excluded groups face to climb and stay out of poverty, track their relative progress, and learn from experiences of others. By implementing the SDGs at all levels, including sub-national levels, more attention can be drawn to persistent gaps within countries.

- **Employing data and the data revolution to identify and assess policy needs of those left behind**

The UN Secretary-General has requested countries to undertake a data revolution in support of sustainable development. New forms of “big” data should be employed, to realize new, cost effective avenues for participatory monitoring, aimed particularly at identifying those being left

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38 The Last Mile in Ending Extreme Poverty, Laurence Chandy, Hiroshi Kato, Homi Kharas, Editors, 2015
behind. An important lesson from the MDGs is that national averages can sometimes obscure more than they illuminate. For this reason indicators should (wherever possible and relevant) be disaggregated by gender, age, ethnicity, and other vulnerability criteria—including geographic location.

The importance of sub-nationally disaggregated inequality, poverty and deprivation indicators is apparent in the data gathered for Turkey and Bosnia and Herzegovina for the country case studies that accompany the Regional Human Development Report 2016 for the region of Europe and CIS.

Box XX: The subnational disaggregation of poverty, deprivation and inequality data in Turkey and Bosnia and Herzegovina

The data* from Bosnia and Herzegovina show deviations in BiH’s 17 regions from national averages for a series of social and economic variables. These are expressed as a composite indicator showing spatial trends in both income and non-income deprivations. Whereas this indicator for the country’s richest region (Sarajevo canton) was some 34 percent above the national average in 2010, the least developed region (Canton 10) scored 21 percent below the national average. By 2015, however, sub-national disparities had moderated: Sarajevo’s indicator was only 30 percent above the national average; while the indicator for the least developed region (Una-Sana canton) was some 16 percent below the national average. Ten of BiH’s 17 regions reported declines in their disparities vis-a-vis national averages during 2010-2015—with Canton 10 registering the largest improvement.

<table>
<thead>
<tr>
<th>Region</th>
<th>Deviations from national averages</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Sarajevo canton</td>
<td>34%</td>
</tr>
<tr>
<td>Herzegovina Neretva canton</td>
<td>12%</td>
</tr>
<tr>
<td>District Brcko</td>
<td>1%</td>
</tr>
<tr>
<td>East Sarajevo area</td>
<td>1%</td>
</tr>
<tr>
<td>Foça area</td>
<td>-1%</td>
</tr>
<tr>
<td>Banja Lučka area</td>
<td>-1%</td>
</tr>
<tr>
<td>Tuzla canton</td>
<td>-3%</td>
</tr>
<tr>
<td>Zenica-Doboje canton</td>
<td>-3%</td>
</tr>
<tr>
<td>Central Bosnia canton</td>
<td>-4%</td>
</tr>
<tr>
<td>Trebinje area</td>
<td>-9%</td>
</tr>
<tr>
<td>Bosnian Podrinje canton</td>
<td>-10%</td>
</tr>
<tr>
<td>Doboje area</td>
<td>-10%</td>
</tr>
<tr>
<td>Una-Sana canton</td>
<td>-12%</td>
</tr>
<tr>
<td>Posavina canton</td>
<td>-13%</td>
</tr>
<tr>
<td>Bijeljina area</td>
<td>-14%</td>
</tr>
<tr>
<td>West Herzegovina canton</td>
<td>-15%</td>
</tr>
<tr>
<td>Canton 10</td>
<td>-21%</td>
</tr>
</tbody>
</table>

* In percentage points

Source: Regional Human Development Report on inequalities, UNDP 2016
The lack of disaggregated data in most countries has resulted in inadequate information on who is being left behind. MDG 1 poverty measure, for example, presented numerous challenges to monitoring progress in gender equality, as income poverty measures are often calculated assuming that household resources are distributed equitably among its members. These measures do not indicate the gender dimensions of poverty, such as the unequal sharing of household resources between women/girls and men/boys or unequal access to public services. Data frameworks that may have been sufficient to monitor progress in eradicating extreme poverty and malnutrition could easily be ‘unfit for the purpose’ of ensuring that no one is left behind. National statistical systems are often unable to provide the data needed to monitor risks of poverty and exclusion from decent employment and effective social protection systems.

Time-use data must be collected systematically and widely to better understand time-poverty, which requires a different type of policy intervention than income or consumption poverty. As more and better data are collected and disseminated, capacities to use the data in new analytical frameworks must also be developed. Quality data—both quantitative and qualitative—plays a crucial role for both the development of evidence-based policy and the capacity of the UN family to assess impacts of development cooperation over time.

Intergenerational effects, especially since the onset of the financial and economic crisis in 2008, are inadequately reflected in the MDG data. Some countries saw dramatic upticks in the youth unemployment, while others remained stable. This might create additional future pockets of poverty within countries. In other countries, migration was a reaction to the lack of employment opportunities, and did contribute to poverty reduction, while creating many other vulnerabilities – among the migrants themselves (mainly informal, unprotected), and the families/communities that they left behind. In Kazakhstan, for example, data showing the changes in the shares of national income received by households in the four poorest deciles (“Bottom 40”) are available for each of the country’s 16 regions. These data indicate that, during the 2010-2014 period, the income shares received by these households in the capital city of Astana grew 17 percent faster than incomes overall in this region. By contrast, low-income households in a number of Kazakhstan’s western and northern regions saw their share of total income decline during this time.

Today the multidimensional nature of poverty is broadly recognized—poor health, job insecurity, social exclusion, malnutrition and lack of personal security are among the aspects of poverty that reach beyond people’s material conditions. Moreover, an integrated measure of multidimensional poverty has been included in the SDGs, to complement income poverty measures and show interconnected deprivations. A number of researchers have advocated the measurement of non-monetary aspects of poverty. For instance, the Multidimensional Poverty Index (MPI) developed at Oxford University uses ten indicators to measure three critical dimensions of poverty at the individual level: education, health, and material living standards. These indicators measure deprivations in health and educational outcomes as well as in access to key services such as water, sanitation and electricity. In the mid-2000s,

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39 Source: The CASE STUDY on Regional Disparities and Inequalities in Kazakhstan, UNDP 2016
the number of people living in extreme poverty in Europe and Central Asia was 12 million according to the MPI, while 23 million lived on less than PPP$1.25/day. Multidimensional poverty was relatively low in most of these countries, due both to relatively high per-capita incomes and extensive state investment in service provision.

Box X: An MPI adapted to Kyrgyzstan (for 2006-2010)

An MPI was adapted to Kyrgyzstan (for 2006-2010) using the Alkire-Foster method. Poverty was conceptualized as a state in which established social norms and standards influence what constitutes a decent life. People whose levels of goods and services fall below these norms are considered poor. Calculations were based on official household budget and labour force survey data.

Eight indicators belonging to four dimensions (health and nutrition, education and employment, quality of housing, and financial insecurity) were used. All indicators were weighted equally, and while they focused on consumption levels, they were more nuanced than simply income or basic necessities. A household was considered poor if it was simultaneously deprived in at least two indicators.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Indicators</th>
<th>Deprived if...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and nutrition</td>
<td>Quality of food</td>
<td>Consuming less than 2100 kcal daily</td>
</tr>
<tr>
<td></td>
<td>Access to healthcare services</td>
<td>Unable to get medical care</td>
</tr>
<tr>
<td></td>
<td>School enrolment or number of unemployed adults</td>
<td>School-age children not engaged in education or unemployed adults</td>
</tr>
<tr>
<td></td>
<td>Number of people who dropped out of the educational system without completion</td>
<td>Did not reach the required level of education</td>
</tr>
<tr>
<td>Education and employment</td>
<td>Lack of access to clean drinking water</td>
<td>Open-air source of drinking water</td>
</tr>
<tr>
<td></td>
<td>Lack of toilet facilities or sewage</td>
<td>No toilet facilities</td>
</tr>
<tr>
<td>Quality of housing</td>
<td>Levels of relative poverty</td>
<td>Relative poverty</td>
</tr>
<tr>
<td>Financial insecurity</td>
<td>Presence of debt that exceeds 30% of income</td>
<td>Debt exceeding 30% of income</td>
</tr>
</tbody>
</table>

While the MPI was considerably higher in rural areas than in urban areas during 2006-2010, it was generally falling in rural areas but unstable in urban areas.

UNDP also experimented with an MPI to measure Roma deprivation. It combines 12 equally weighted indicators in six dimensions of deprivation, namely education, health, basic rights, housing, income and employment. If an individual suffers from 5-7 types (indicators) of deprivation, he/she is living in “multidimensional poverty”; if he/she suffers from 8 or more deprivation, he/she is living in “severe multidimensional poverty” (8 or more deprivations). In some countries the MPI presents a strikingly different picture from that of income poverty. In Albania, for example, while the income poverty rate for Roma was halved from 2004 to 2011 (78% to 36%), multidimensional poverty actually increased (from 49% to 66%), showing that higher incomes do not translate into better indicators in other dimensions. For more on multidimensional poverty: Oxford Poverty and UNDP Human Development Initiative: http://www.ophi.org.uk/research/multidimensional-poverty/

To perform poverty transition analyses, panel datasets which provide information on household living standards over time are needed. This type of data (known as longitudinal data) would allow observing changes in poverty status of a household in relation to a pre-established poverty line. Many countries lack such longitudinal datasets, as they are complex and their collection is expensive. Experimental reports rely on the “synthetic panel” methodology to explore household transition in and out poverty. For Albania, for example, the synthetic panel will be generated based on Household Budget Survey 2008 and Household Budget Survey 2014. The methodology follows Dang et al. (2014) which enables estimation of household consumption in a future (or past) year transforming two or more cross-sections of household survey data into a panel dataset. UNDP will apply the method to Europe and CIS countries in 2017.

Box XX: Albania out-of-poverty and back to-poverty transitions and lessons learnt

In Albania UNDP research looked at the dynamics around poverty, disentangling from the net poverty measure transition in and out of poverty. Transition in or out of poverty will be explained through a set of covariates which help to understand driving factors of economic mobility. Recent poverty research reveals that the factors lifting families out of poverty often differ from those factors causing non-poor households to fall into poverty. Falling into poverty is caused by the lack of social protection and social care, lack of assets or a combination of all of the above. Better understanding these different factors is informative to policies trying to eradicate poverty nationally.

Transition Matrix of Households 2008-2014 for Albania

<table>
<thead>
<tr>
<th>Year</th>
<th>Poor</th>
<th>Vulnerability</th>
<th>Middle Class</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>38.70%</td>
<td>52.50%</td>
<td>8.70%</td>
<td>100%</td>
</tr>
<tr>
<td>2008</td>
<td>26.40%</td>
<td>55.50%</td>
<td>18.10%</td>
<td>100%</td>
</tr>
</tbody>
</table>


* References to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999).
Factors that influence household probabilities to exit poverty relate mainly to labour market resources, social care and employment support, especially for women. Receiving income from capital or having assets including vehicles or house appliances, ownership of dwelling and better living conditions reduces the probability of transiting into poverty for vulnerable and middle-income households.

Place of residence does not seem to significantly affect the probability of exiting poverty. However, once out of poverty, place of resident can lower risks of falling back in poverty. Likewise for household demographics: while the age of the head of a household doesn’t seem to affect the probability of falling into or exiting poverty, households headed by elderly individuals seem more likely to transit from middle class status into vulnerability or poverty.

III. Policy actions for eradicating poverty (4,500 words)

A. Adjusting policies for effective poverty eradication
   • Policy changes for poverty eradication
   • Early experiments and lessons learned

In “From the MDGs to Sustainable Development for All”, UNDP distilled the lessons from its own experiences, supporting more than 140 countries to meet the MDGs, as well as the reviews undertaken by more than 50 governments and stakeholder who assessed their country’s successes and failures under the MDGs41. The following recommendations, drawn from lessons learned are relevant for poverty eradication:

- **Stepped up, early action is needed to get on track** to eradicate extreme poverty by 2030. With enough political will and investment, many countries can yet benefit from proven initiatives, under the MDGs. Introducing pre-schools and school-feeding programmes, and ending fees on education and health services, for example, can drive progress across goals, as can investing in front-line health workers, neo-natal care, social protection and public advocacy campaigns (e.g. on gender equality, nutrition) coupled with enabling mechanisms, such as cash transfers [28].

- **Set targets that reflect people’s priorities for the future** - As set out in Agenda 2030, all countries should establish their own SDG targets reflecting their particular context and priorities, while stretching ambitions to achieve their globally agreed commitments. To get traction, national SDG targets should be agreed through an inclusive national process considered legitimate in all communities. Public campaigns can help boost participation in tailoring exercises that build the political stakes of achieving goals and tie SDGs to locally meaningful challenges. The commitment to try and reach those furthest behind first, should be reflected in national SDG targets and indicators. SDG-setting is an opportunity to reach broad consensus on the locally relevant disadvantages to be monitored and prioritized.

- **Empower local change agents** – The MDGs proved Global Goals can drive progress where and when they are effectively employed by local leaders and change agents to re-engender hope in a better future, enable people to find common ground, tie local challenges to global solutions, drive political action and inspire collaboration. The SDGs can similarly help local leaders and change agents build a robust national consensus on priorities that extend beyond political shifts. The SDGs should thus be introduced as both a commitment and an opportunity. Those engaged in SDG implementation should proactively seek out and equip would-be leaders and change agents. Nationally tailored SDG targets can be embedded in election platforms, political campaigns and national movements to help drive social change and progressive policies – empowering people to consider the SDGs national and global, not partisan, objectives. SDG information should be tailored to levels of local government where citizens are engaged in selecting and sanctioning leaders, enabling the emergence of legitimate local leaders and facilitating political consensus.

- **Invite broad engagement** The MDG experience tells us that communicating with citizens is not a “soft” or extraneous activity, but essential to deliver Global Goals. Institutionalized channels of public engagement can facilitate a shared understanding of needs and maximize the impact of policies. Engagement is effective when people understand when they are being listened to and can make meaningful contributions; where people trust that they have a say in decisions and are able to hold leaders to account. SDG implementation should thus, be steered by central governments and parliaments committed to engaging all stakeholders, including in particularly poor and marginalized communities. UN-led consultations and early campaigning has mobilized people in all countries. Many wish to stay involved. They should be tapped to volunteer and build support, generating ever greater public engagement. The SDG Action Campaign My World Platforms are an important vehicle to this end. SDG outreach campaigns should develop clearly defined objectives that includes asking local businesses, community groups, academic institutions and parts of government to articulate their contributions and track their results. Evidence-based “infotainment” and public-interest programming can be effective at persuading people to overcome prejudices and act in ways that advance the public good.

- **Realize subnational strategies** - Subnational strategies to achieve global and national SDG goals, are effective to the degree that they inspire broad engagement in solutions, help to identify groups and areas being left behind and otherwise generate a deeper understanding of local challenges. The SDGs should be seen as an invitation to improve intra-governmental coordination and accountability and strengthen local capacities. Agreement on a clear division of labour, based on the comparative advantage, role and capacities of local and national governments should guide SDG resource mobilization and monitoring. National government should work with subnational authorities to develop and implement subnational SDG strategies that tap local know-how, facilitate the direct involvement of citizens, identify and prioritize those being left behind, strengthen accountability and transparency. Participatory planning, budgeting and monitoring mechanisms are an important means. Subnational SDG strategies should inform and reflect national strategies and budgets. A “nesting” approach, which entails incorporating (i.e. “nesting”) select global and national targets within subnational strategies, can be used to reflect the complementary roles of local and national actors.

- **Pursue “big picture” opportunities** The SDGs are an invitation for countries to plan ahead, agree on a vision for 2030, and work backwards to avoid risks and identify the reforms needed to set transformative change in motion. National strategies and budgets must spell out the initiatives and
investments that will enable SDG achievement by 2030. To close education gaps, for example, a timeline of steps might include building schools, training and attracting teachers; improving school management; and meeting the particular needs of girls and children with disabilities. Scenario-building can help governments elaborate and sequence strategies, avoid risks, and find opportunities to close gaps in technology, financing and capacity. It should also empower political leaders to adjust policy levers in ways that advance multiple goals at once, achieving faster, more coherent progress by harnessing synergies.

- **Prioritize policy accelerators** Prioritization does not imply bypassing relevant SDG targets but rather identifying specific areas that can serve as an entry point for the transformational change sustainable development demands. A country subject to acute drought, for example, may decide to initially prioritize sustainable water resource management, recognizing that a comprehensive water resource management strategy can help sustain local ecosystems (SDG 14/15) while improving water use for industry (SDG 12) and reducing the risk of water shortages affecting poverty, agriculture and employment (SDG 1/2/8) [48]. SDG “Policy Accelerators” designed to drive progress across multiple objectives, should be identified early on and prioritized in sector plans and national strategies.

- **Strengthen adaptive capacities** The search for the “right” policies is a continuous process of trial and error that involves everyone. Strong, well-coordinated government is essential to realize integrated Global Goals. Ministries typically have largely separate budgets, communication channels and monitoring systems. To facilitate action across Ministries and government, heads of State or government should mandate SDG implementation that includes local governments, civil society and Parliaments. All efforts should be made to re-purpose relevant units and processes, rather than establish new or parallel systems. Success at scale is possible when and where local actors can adopt new approaches, analyse and adjust initiatives until they work. Scaled-up technical and financial support is needed to build the adaptive and implementation capacities of governments in low-income countries, including to respond to people’s needs and demands; generate revenue; and gather, analyse and use disaggregated data to improve policies and learn from practice.

- **Build a big tent** Solutions to real-life problems generally lie outside the boundaries of individual ministries, tightly focused initiatives or disciplines. It is therefore essential for leaders to find ways of working outside the silos and divisions that make solutions hard to find and implement. Global Goals can be a powerful way to rally diverse actors. SDG practice can dispel myths that economic, environmental and social goals are inherently in conflict (i.e. advancing one sets back others) by demonstrating that the opposite is, in fact, true: economic, environmental and social challenges are intertwined, and as such, most effectively tackled together. Those leading security, environment and poverty initiatives can multiply their impact by sequencing mutually supportive interventions. Effective mobile courts, for example, can enhance poor communities’ access to a just rule of law. This, in turn, can diffuse local tensions over natural resources and enable forward looking initiatives that boost women’s incomes. In addition to tackling particular illnesses, global health partnerships should work to strengthen the front-line capacities of national health systems that advance multiple SDGs. To join up fragmented activities, clear divisions of labour are vital, particularly between local and central government; international and local practitioners. Technologies and innovative partnerships should be employed to facilitate exchange, distill know-how and find complementary strengths on which to build strategies and divisions of labour.
B. Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts

Economic opportunities
- Pursuing inclusive, broad-based growth that delivers opportunities for all
- Creating employment and decent work opportunities
- Ensuring access to financial services and technology

Eradicating extreme poverty around the world as foreseen in Agenda 2030 and the SDGs requires high and sustained economic growth, especially among the Least Developed Countries. International trade and Foreign Direct Investment are key enablers of growth and can contribute to poverty reduction by creating job opportunities, enhancing productivity, transferring technology and know-how, including on environmentally appropriate technological solutions, etc. The linkages between trade and investment on one hand, and growth and poverty reduction on the other, are complex and country specific. They depend among others, on the consumption pattern of the poor, and whether trade and investment-induced growth happen in sectors and locations where the poor, including women, live and/or are economically active. Evidence suggests that the extreme poor face specific barriers, multiple deprivations and risks that prevent them from taking advantage of wider economic opportunities, including those offered by cross-border trade.

A coherent set of inclusive policies at national level, including to build infrastructure and human capital; strengthen the labour market and competition policies, can make trade, investment and economic integration more effective instruments of poverty-reduction. Specific action to tackle the barriers and helping the poor to manage risks are critical to improve the inclusiveness of growth and enable pro-poor trade and investment. In Malawi, UNDP, UKAid and KFW – a development bank based in Frankfurt owned by the German Government – worked together with the Government to establish the Malawi Innovation Challenge Fund. The Fund provides matching grants to help finance (up to 50%) innovative projects by the private sector operating in Malawi with potential commercial viability, growth and/or replication. Projects seek to maximize the impact on the poor by creating employment, increasing incomes, and allowing the poor to participate in markets not previously open to them. 10 projects financed from the Fund’s first round in 2014 across the two Funding windows (manufacturing and agriculture sectors) are on-going. Results at the point include: Increase in incomes of estimated 30,200 households; Estimated 1,090 new jobs for the poor created; Estimated number of poor consumers reached by the Fund’s project portfolio: 30,000. A second round of project competition has recently been launched adding a third funding window on logistics –a critical issue for a land-locked country such as Malawi.

UNDP sees the private sector as transformative partners in the elimination of poverty and inequality, and in the sustainable management of natural resources leading to the achievement of the SDGs. If properly harnessed, international trade –mostly undertaken by private enterprises –creates livelihood and job opportunities and higher incomes for the poor; provides access to knowhow and technology and enhance competitiveness. UNDP sees investment in a more diversified economic and trade base as critical in building resilience –especially in LDCs and other vulnerable countries. Work in this area includes generating knowledge about the contribution that the private sector can make in building productive capacities, including human capital through for instance, private sector-led technical and vocational training. UNDP promotes inclusive business models that create benefits to the poor as
customers, employees, producers and business owners while remaining commercially viable. It does so through research on sustainable and inclusive business; development of impact-measurement systems to highlight companies’ contributions to the SDGs; designs and/or strengthens innovative financing mechanisms including impact investment, etc.

The UNDP is supporting countries in Africa, for example, to take an inclusive business and market development approach to stimulate growth that delivers opportunities for all, including through its support to the African Union Commission to develop an AUC African Inclusive Markets Excellence Centre (AIMEC). The AIMEC is intended to become the premier pan-African platform on inclusive business and inclusive markets. AIMEC’s mission is to identify, promote and facilitate the replication of good practice and innovation in inclusive business and inclusive market policy and programming. The business plan is expected to officially endorsed and sent for final decision making in June/July 2017.

Through the African Agribusiness Supplier Development Programme (ASDP) UNDP is supporting African efforts to improve the quantity and quality of agricultural products produced by smallholder farmers and SMEs, enabling them to boost their incomes, access growing agricultural supply chains and contribute to African economies. UNDP has provided training to the representatives of 12 Countries; and continues to help countries advance their ASDP action plans. UNDP is also working to help countries establish sector specific Inclusive Business Ecosystem Platforms. Through these platforms, key actors are involved in the creation of roadmaps to scale up inclusive business solutions based on in-depth sector diagnostics. Trainings have helped empower stakeholders with knowledge, skills and tools to foster inclusive business initiatives. Inclusive Business Ecosystems mapping studies were carried out for mobile money and financial inclusion in Lesotho, tourism in Uganda and solar energy in Senegal. Uganda is employing its Platform to enhance Public Private Sector Collaboration in the Tourism Sector and manage catalytic grants to fund inclusive business tourism ventures benefiting local communities and SMEs.

The UNDP Africa Regional Programme is creating an online portal which will be a “one-stop shop” for young entrepreneurs in Africa to get substantive support to create and/or grow their businesses. The portal will connect youth entrepreneurs with the ecosystem players that provide 1) Information, 2) Networks, 3) Mentoring, and 4) Funding. The platform will leverage existing portals and consolidate all existing resources in the entrepreneurship ecosystem in Africa. UNDP plans to give grants to seed stage youth entrepreneurs for them to develop and grow their social enterprise ideas that contribute directly to the attainment of the SDGs. In addition, UNDP will also provide financial support for broader youth entrepreneur related ecosystem development in African countries.

In Europe and CIS countries, labour market inequalities and exclusion lie at the heart of the poverty challenge. This is the case both in terms of labour markets *per se*, and because access to social protection is often linked to formal labour market participation. People without decent jobs face much higher risks of poverty, vulnerability, and exclusion from social services and social protection. Women, young workers, migrants, the long-term unemployed, people with disabilities, Roma, and others with unequal labour market status are particularly vulnerable to these risks. While trends are improving in some countries and for some groups, in others, labour market inequalities are increasing. Key directions in addressing labour market include: (i) better alignment of employment, social protection, and overall macroeconomic policies, with a particular emphasis on the former; and (ii) reducing the scale of informal employment, with a particular focus on decreasing taxes on labour.
Standard employment indicators are however not capturing the inequalities in employment opportunities in the region. First: the employment rate shows the share of the working-age population that is engaged in a productive activity—irrespective of whether this activity corresponds to full time, regular, formal and decent employment. This indicator does not distinguish between those who work “normal” or regular work hours on regular contracts, versus those on shorter and unstable work schedules. Nor does it indicate whether the activity is in the formal or informal sector, and therefore whether the individuals in question have rights to protection, a safe working environment, and to social insurance coverage. This indicator thus gives no indication of the quality of the employment enjoyed by different sections of the workforce, and the extent of under-employment and low quality, low wage employment.\(^{42}\) Kyrgyzstan and Tajikistan have high participation rates, but also some of the largest shares of working poor and vulnerable employment as well as labour migrants in the region—suggesting that the number and quality of employment opportunities are insufficient. Many forms of non-decent employment are widespread in the region. Precarious and informal employment are particularly prominent in agriculture, which in many countries accounts for more than a third of the employed population. In Ukraine, for example, two-thirds of informal employment takes place in agriculture;\(^{43}\) in Armenia, this share has been reported as over 70%, incorporating practically the entire agricultural sector.\(^{44}\) Such employment often consists of low-productivity agricultural self-employment on small plots. Incomes from such work are highly unstable, due to poor harvests or fluctuating farm gate prices. The Arab region today is struggling to tackle problems of historically stagnant job growth while simultaneously addressing a combination of societal, economic, environmental and political pressures. Arab countries share the key challenge of increased unemployment since the mid-1980s, particularly affecting youth and women, whilst stagnant economies, political tension, armed conflict, and social instability are exacerbating the situation.

The on-going conflicts in Syria, Libya and Yemen have damaged various economic sectors considerably, with negative multiplier effects in the region. Conflicts have led to massive and protracted forced displacements internally and to neighboring countries (such as Lebanon, Jordan, Iraq, Algeria and Tunisia). These put high strains on already vulnerable host communities and economies, where scarce jobs and livelihoods opportunities, lack of resources and inadequate living conditions are eroding socio-economic and environmental resilience and threatening social cohesion. IDPs, refugees also face specific vulnerabilities (loss of rights, social capital, assets, psychological distress) which affect their ability to seize economic opportunities and can trap them into poverty. Women and youth face particular challenges. In such a context, ‘business as usual’ in poverty reduction efforts cannot work. Innovative, holistic, gender responsive and conflict-sensitive solutions are needed to help host countries and communities continue to make progress toward poverty reduction, while addressing the specific vulnerabilities of the displaced in accessing sustainable livelihoods opportunities. UNDP’s support in the Arab region includes the following:

- **Evidence-based advocacy for sustainable jobs and economic opportunities for refugees.** UNDP supports evidence-based advocacy for opening labor markets and expanding economic opportunities for Syrian refugees. Through a partnership with ILO, UNHCR and WFP, UNDP supported a participatory Multi-Country Economic Opportunity Assessment of current approaches to expand economic opportunities by refugees, IDPs and host communities;

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\(^{42}\) See [ILO’s standard definition](https://www.ilo.org/global/standards-definition/lang-en/index.htm), used to derive employment indicators from Labour Force Surveys.

\(^{43}\) ILO, 2013, Decent Work Country Profile: Ukraine.


In 2014, 99.3% of all agricultural jobs were informal, constituting 72% of all informal jobs.
identified promising initiatives that could be adapted/replicated across countries, alongside lessons learned and recommendations for host governments and development partners. http://media.wix.com/ugd/cd0bc0_5c42e1cdec0447509725b506fe22a5b7.pdf

- Market-driven and adapted education, skills, employment, and entrepreneurship programs, including through partnerships with the private sector, with an overarching focus on vulnerable youth and women: In Jordan, as part of its response to the Syria crisis, UNDP supported 500 vulnerable Jordanians and 250 Syrians with inter-community skills exchange for social cohesion and livelihoods stabilization, while linking it to sustainable employment creation. are supported with demand-driven vocational training linked to both microbusiness development and labour market participation was also extended to750 vulnerable Jordanian men and women and more than 300 vulnerable Jordanians were supported with entrepreneurship development in partnership with a micro-venture fund.

- Linking emergency employment and institutional resilience: UNDP Yemen forged an innovative partnership with the WBG to implement a US$300 million emergency project supporting 2 million Yemenis, including IDPs, through cash-for-work programmes, as well as through improvements to public service delivery and the repairing of critical infrastructure across the country. Working through the Social Fund for Development and Public Works Program, the project contributes to the resilience of two major institutional arms of poverty reduction efforts in Yemen.

- Integrating job creation and environmental resilience: In Jordan, UNDP supports a Waste to Energy initiative that promotes green businesses around recycled waste and support to create MSMEs linked to the provision of solar energy. In partnership with UNEP, the Ministry of Environment, and other ministries, as well as NGOs, UNDP also focuses on mitigating competition over natural resources and ecosystem services in affected areas, through the development of sustainable income generation programs focused on green jobs, along with interventions that support environmental awareness and improve ecosystems management. Thus far project has created 7,700 green jobs in solid waste and debris management. In rural areas, UNDP promotes youth-led agri-business and value chain development for vegetable/horticulture production and marketing, honey production, livestock/dairy products marketing (e.g. Yemen, Sudan, Somalia, Jordan and Lebanon etc). In Yemen, the 3X6 based joint programme with ILO, WFP, FAO and UNDP aims to socially and economically empower disadvantaged youth and women in market oriented technical, entrepreneurial and managerial skills for green business development, improving their access to productive resources and sustainable earning potentials.

- Making jobs and livelihoods support work for de-radicalization: Research highlights that a large youth cohort need not be a problem if there are sufficient socioeconomic opportunities for young people and they can be engaged in meaningful, democratic national projects that will unleash their positive potential to contribute to their societies and the national economy. In Jordan, Lebanon, Yemen, Libya, Syria and Iraq, UNDP’s support in jobs and livelihoods integrates elements that seek to enhance social cohesion and mitigate risks of radicalization among youth at-risk.

- Area based approaches: In Egypt Network for Integrated Development project targets the poorest governorates, where over half of its population living under the national poverty line. The initiative provides multi-sectoral interventions in skills development, job creation, women’s empowerment, sustainable agriculture, community services for the vulnerable communities. The Project has a strong track record in job creations (micro/small business mostly in crafts and cottage industries) and providing women literacy education and vocational training.
Social protection systems, including social protection floors

- Ensuring essential health
- Promoting income security over the life-cycle
- Supporting opportunities and access to education and learning
- Advancing opportunities for women and girls

UNDP has been increasingly active in assisting governments in designing and implementing inclusive social protection programmes to reduce poverty, exclusion and vulnerability. With UNDP support in 2015, and financing of over $150 million, 53 countries worked on the adoption, expansion and implementation of social protection systems. UNDP’s current portfolio of social protection activities covers a wide range of policy support activities and interventions, that can be broadly organized around the following categories:

- Support governments in the development of national strategies, policies and laws concerning social protection. For example, in 2015, the RSC Africa Inclusive Growth and Sustainable Development Team in collaboration with the DRR & Climate Change Team and UNHABITAT, provided an integrated support to the Government of Mauritius to develop a national plan against poverty and social exclusion (so called ‘Marshall Plan’) covering a wide variety of sectors, ranging from environment, to social protection, to employment, health, education, social housing; and covering topics of inequality, social exclusion, social cohesion or community development.

- Provide the framework and approach for building social protection systems, including social protection floors, including coordination within governments and with development partners. For example, a regional Working Group on Social Protection was established in the Arab States, co-chaired by UNDP and ILO, to provide coordinated assistance to countries in the region on the implementation of social protection floors.

- Support efforts to build local and national capacities in the design, implementation and delivery of social protection. This includes enhancing policymakers’ awareness of evolving social challenges, policy options, strategies and good practices in social protection. In Viet Nam, as part of its support to the Government’s Master Plan for Social Assistance Reform, UNDP co-sponsored the Viet Nam Social Protection Summer School, a week-long course for government officials on designing and implementing social protection programmes in the context of Viet Nam.

- Lead and participate in the generation of evidence-based analysis, including gap analysis, diagnostics, evaluation of existing programmes, impact evaluation on specific groups and analysis of specific barriers to access. For example, in Belize, UNDP and UNICEF provided supported a Core Diagnostic Analysis of the social protection system, to inform policy in the area.

- Support national partners’ efforts to increase the gender-responsiveness of social protection measures so that women as well as men can participate in the economy and manage their households. In Central America and the Dominican Republic, UNDP partnered with the ILO and UN Women to contribute to the policy debate on the implementation of social protection floors with a gender dimension.

- Enable communities to organize and articulate their needs and generate evidence of the gaps in services, to ensure responsive social protection that addresses to the needs of people and promote
their active participation in decision making processes. In Cambodia, for example, UNDP and UNAIDS, in partnership with the Cambodian People Living with HIV network (CPN+), organized the national consultation on Advancing HIV-Sensitive Social Protection with more than 70 representatives from the Royal Government of Cambodia (RGC), civil society, community groups and development partners. The consultation identified key areas for improving access to social protection services and developing services that meet the needs of households affected by HIV. Many of these recommendations have been adopted in Cambodia’s National Development Strategy.

- Facilitate international knowledge, expertise and experience sharing between countries. These efforts include UNDP’s work on south-south cooperation, communities of practice and international exchanges. For example, in 2015 UNDP in collaboration with the Brazilian Government and the African Union, hosted an International Seminar on Social Protection in Africa, bringing together experts from 12 African countries and Brazil to promote the debate on social protection. The seminar resulted in a set of recommendations for social protection in Africa that were then endorsed by some 70 ministers of African countries at a high-level meeting in Addis Ababa.

- Provide technical assistance on “greening” social protection programmes. For example, the RIO+ Centre, UNDP RSC Africa and the African Risk Capacity (ARC) are working on a Methodological Guide on channelling climate finance into Cash Transfer (CTs) systems to build resilience in the Sahel and the Greater Horn of Africa.

In Europe CIS countries, UNDP has found that minimum social protection often exist on paper (de jure), but in practice there are gaps in access, mainly due to the fact that they are linked to formal employment, while large shares of the working population are either not employed or informal employed. The lack of alignment of social protection schemes with the labour market contributes to inequalities and limits the role which social protection can play in lifting citizens out of poverty. It also presents a clear threat, for example, to the sustainability of national pension schemes.

The potential role of social protection floors in tackling vulnerability and exclusion is particularly relevant in the Europe CIS region, where reductions in the incidence of extreme poverty have been accompanied by growing evidence of entrenched inequalities and a heightened risk of marginalization for particular groups and individuals. In the case of Roma, for example, there is a significant lack of access to schooling, healthcare and other basic services. The visibility of such cases of social marginalization have led to an increasing focus on the need for social protection. Thinking in terms of a social protection floor can help incentivize countries to identify the key (locally specific) factors that heighten an individual’s risk of marginalization. Potential options for funding social protection systems in Europe and CIS countries, identified in the 2016 Regional Human Development Report, include: (i) higher taxes on environmentally unsustainable activities; (ii) reductions in budget subsidies that accrue to the wealthy, or which support environmentally unsustainable activities (such as fossil fuel subsidies); and (iii) more aggressive measures to reduce illicit financial flows, and the diversion of budget revenues to tax havens.

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45 Between 2002 and 2012, the number of people in the region subsisting on less than $3.10 per day declined by more than half, to around 30 million people. (UNICEF Social Monitor 2015)

The demand for integrated approaches to social protection is growing among UNDP programme countries. Countries look for effective ways to enable labour market entry through a continuum of support services, employment and social protection measures. A UNDP review of social protection programmes in Europe and CIS countries found that current policy measures often suffer from a lack of engagement with end-users and local governments in the design of interventions; and rarely promote innovation. The data needed to align social protection policies with the labour market is often lacking. To measure the effectiveness and efficiency of social protection systems and take steps to improve them, significantly greater investment is needed in disaggregated data collection, evaluation and analysis.

Social inclusion policies go beyond just social protection, and can be defined as “a set of interventions and processes ensuring that those living in poverty or at risk of poverty and exclusion gain access to opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living that is considered normal in the society in which they live”. Traditional social security instruments must be combined with policies and tools which play “promotional” and “transformative” roles, particularly in addressing the attitudes and values which often underlie the exclusion of particular groups. These roles take social protection beyond the “safety net” approach, and allow it to address some of the structural causes of poverty, and foster social inclusion. It also implies a clear focus on rights to living standards which are considered “normal” in a given society, rather than only basic needs.

**Environmental resources and resilience**

- **Ensuring access to land and natural resources**

Eradicating poverty, reducing inequalities, and advancing inclusive growth are directly linked to how we manage our planet’s terrestrial ecosystems and the goods and services they provide, including efforts to ensure more equitable access to land and natural resources. Sustainable Land Management (SLM) helps integrate land, water, biodiversity, and environmental management, including issues of land access, to meet rising food and fiber demands while sustaining ecosystem services and livelihoods.[i] The earth’s soil provides over US$16 trillion worth of ecosystem services each year.[ii] Land is a social, environmental and economic asset. Sustainable land management and improved access to land and tenure security can reduce vulnerabilities, particularly among the poorest communities and help improve the lives of people. The well-being and livelihoods of rural communities and indigenous peoples depend heavily on the health and productivity of the land. In many countries, land degradation and weak management practices are compounded by exposure to droughts, landslides, and floods.

Globally the world is losing up to 5 percent of agricultural GDP due to land degradation, costing some US$490 billion per year.[iii] Two thirds of land in Africa is already degraded to some degree affecting at least 485 million people – 65 percent of the entire African population.[iv] Moreover, to meet the food security needs of the growing population estimated to stabilize only at over 10 billion, efforts are

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needed to halt land degradation and to restore land already lost or degraded. Increasing grabs of highly fertile lands by foreign investors and competition for land are factors that intensify conflict between people and wildlife. Access to and use of arable land and rangelands is also challenged by environmental and social pressures including deforestation, biodiversity loss, pesticide and chemical use, climate change, loss of soil cover, changing tenure regimes and conversion of farmland for urban and sub-urban centers as populations expand. For example:

- 40% of the world’s degraded lands are found in areas with the highest incidence of poverty
- 74% of the 1.5 billion+ people dependent on degrading land are women and men in poverty
- Global annual losses of ecosystem services from land degradation are over USD 6 trillion annually
- Women’s equal access to and control over resources including land’s highly variable, despite being a prerequisite for gender equality, agricultural productivity and inclusive growth
- Though many indigenous peoples enjoy rights to ancestral lands, they often face competition and challenges to full enjoyment of these rights, e.g. in the face of extractive industries.

Given the scale of these challenges a shift is needed in how and for what objectives we manage and value land. All uses are not equal and some interests are predicated on basic survival. These challenges are largely recognized in the commitment, by 2030, to ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance (SDG 1.4). Sustainable Land Management is pivotal to the achievement of many Goals, including SDG 15 (terrestrial ecosystems), SDG 2 (food security), SDG 5 (gender equality), and SDG 11 (making settlements and cities inclusive).

The following policy recommendations help address these challenges:

**Champion legal empowerment for the land security of women and men in poverty.** Women and men living in poorer rural communities and indigenous groups often have limited access to land, credit and technology and related opportunities to make the land more productive. Urban bias in policy-making has also tended to undervalue small farming in favour of production of food for export. Enhancing the power of rural communities to better compete and negotiate with foreign investors and other interests, promoting equitable legal reforms, including gender-sensitive reforms, and promoting better land administration, are all critical for reversing land and inequality. At the same time, these efforts can contribute to durable economic growth.

**Strengthen capacity at the individual, institutional and systemic levels for SLM and rehabilitation.** Successful SLM requires proactive approaches that nurture home-grown food production and incorporate productive capacities that create employment and livelihoods for women and men living in poverty, and to reduce conflicting land uses in productive landscapes. Multi-focal initiatives that mobilize global benefits alongside national and local benefits deliver better, attract more resources, lead to new business and livelihoods opportunities, and make communities true partners in development. They also work more effectively when supported by context-specific governance arrangements. Poorly constructed and discriminatory institutional frameworks often do not serve the real needs for change. For example, frameworks that focus exclusively on private ownership of land exclude people living in legal regimes where communal “user” rights prevail, such as in many parts of Sub-Saharan Africa (customary tenure), Latin America (indigenous territories), and India (scheduled tribes). Recent literature in international development practice links this to a strong case for a focus on tenure security\(^v\) and not just ownership.
Promote a land-degradation neutral model of economic development. Large-scale structural shifts such as climate change, urbanization, population growth, large scale natural resource extraction, commercial agriculture, amongst others, intensify the pressures on existing land resources. To counteract these trends, land degradation neutrality is a positive aspirational goal which entails: a) adopting sustainable land management policies and practices to minimize current, and avoid future land degradation; and b) rehabilitating degraded and abandoned lands. This could effectively increase the pool of land resources available while reducing the detrimental impacts from environmental degradation on health, livelihoods, and well-being.

Leverage the catalytic potential of SDG 15 with multiplier effects on other goals. Evidence from countries as diverse as China and Ethiopia show that low-cost, community-based and labour-intensive activities can lift millions out of poverty while delivering environmental and economic benefits. Smart investments in SDG 15, including landscape and climate resilient approaches can deliver results across a number of 2030 goals, including for poverty, equality, health, and food security.

Facilitation of Access and Benefit Sharing by: - Assisting in designing harvesting, collection, and reproduction methods for genetic resources; Designing monetary and non-monetary benefit-sharing options, including benefit-sharing trust fund design; Implementing in-situ and ex-situ biodiversity conservation strategies; Providing support on Free and Prior Informed Consent Procedures; Supporting the design of checkpoints at all stages of the value-chain that include research, development, innovation and pre-commercialization; Assisting with the value chain of products; Facilitating negotiation processes between private companies and indigenous peoples and local communities.

UNDP supports government and stakeholders to develop plans and strategies, secure resources, and implement programmes that advance sustainable land management that ensure access to land and natural resources. Working with multiple public, private and civil society actors at all levels, UNDP has supported more than 30 countries to strengthen the policy framework for and management of over 43 million hectares. The UNDP Global Policy Centre on Resilient Ecosystems and Desertification(GC-RED) supports global initiatives to ensure better management of and access, i.e. the Global Land Outlook, Land Degradation Neutrality and Economics of Land Degradation, as highlighted in Sustainable Land Management and Restoration: An SDG Accelerator.

This work also includes support for Access and Benefit Sharing by working with governments and stakeholders to develop ABS frameworks in order to assist them in accessing financing and to facilitate ABS deals such as sustainable ethical bioprospecting programs or deals between corporations interested in accessing genetic resources and organizations representing the providers of these resources. In this context, UNDP is also supporting local and indigenous communities for the development of payment and benefit-sharing mechanisms and bio-cultural community protocols. UNDP has also ensured that appropriate safeguards are in place to avoid, manage and mitigate potential harm to people and ecosystems from development activities by applying UNDP’s Social and Environmental Standards and accountability mechanisms.

For more details and examples on how UNDP is working to ensure better access to land and natural resources, as well as secure livelihoods, food, water and health, enhance resilience, conserve threatened species and their habitats, and increase carbon storage and sequestration, please see:

UNDP GEF Global Environmental Finance Unit

UNDP-GEF Small Grants Programme

Sustainable Land Management and Restoration: An SDG Accelerator


GEF Commodities Integrated Approach Programme: Taking Deforestation Out of Commodity Supply Chains (UNEP, WB, IADB, WWF, CI) Commodities IAP Programme Brochure: Reduces the global impacts of agriculture commodities expansion on GHG emissions and biodiversity by meeting the growing demand of palm oil, soy and beef through supply that do not lead to deforestation.

Green Commodities Programme: working in eleven countries to help address the sustainability problems of vital commodities such as palm oil, cocoa, coffee, pineapple, fisheries, soy and beef.

NBSAP Forum: an interactive global web portal hosted by CBD Secretariat, UNDP and UNEP with resources for revising and implementing National Biodiversity Strategies and Action Plans (NBSAP), including a technical peer review facility and e-learning courses

BES-Net: a capacity building network of networks that promotes dialogue between science, policy and practice for more effective management of biodiversity and ecosystems, contributing to long-term human well-being and sustainable development.

Equator Initiative: brings together the United Nations, governments, civil society, businesses and grassroots organizations to recognize and advance local sustainable development solutions for people, nature and resilient communities.

Environmental Justice – Comparative Experiences in Legal Empowerment

“Local Action for SDGs”, “Climate Solutions from Community Forests”, “NBSAP Natural Catalyst report, Technical note and Policy Brief produced by UNDP, CBD Secretariat and partners for COP13, see: www.dropbox.com/sh/o28x1et281qnn83/AADRPTyaljkUw3o6dlD8BECa?dl=0

Reducing exposure and vulnerability to climate-related extreme events and other shocks and disasters

A changing climate and rapidly growing vulnerability and exposure to disasters presents the world with an unprecedented challenge. For developing countries, both less able to cope with the increasing impact and more likely to be affected, the challenge is particularly severe. These countries face mounting losses from a range of natural hazards, from earthquakes and tsunamis to severe flooding, storms and drought. We face the threat of decades of development progress being rolled back and poverty becoming entrenched. Meanwhile, climate change cuts across sectors, from agriculture to health, energy to water resources.

While linked to natural hazards, such as storms or earthquakes, the actual impact of disasters is directly linked to capacity shortfalls and poor development choices that increase vulnerabilities and expose people and communities to risk. Disasters are increasingly becoming a poverty trap in hazard-prone areas of the Western Balkans, for example, where persistent poverty and growing income disparities.
make communities less cohesive, resilient and able to cope with disasters. Distance, isolation and lack of access to markets limit farmers’ coping strategies. Rural populations rely on complex livelihood strategies, including seasonal migration or remittances, which will be only more tenuous with the growing impact of climate change. Risk-informed and resilient development is imperative to save lives, livelihoods, decades of hard work and costly development gains.

UNDP supports countries to identify and undertake Ecosystem-based Adaptation (ebA) and Eco-Disaster Risk Reduction in a way that is flexible, cost-effective and will deliver multiple benefits including, climate change mitigation and adaptation, disaster risk reduction, biodiversity conservation, improving and diversified livelihoods, enhancing food and water security and reducing poverty of vulnerable groups dependent on nature. It is crucial that EbA and Eco-DRR approaches are fully integrated into strategies on climate change adaptation, disaster risk reduction, and sustainable development. EbA and Eco-DRR strategies do not replace traditional DRR and climate change adaptation measures, but can complement them.

UNDP is helping to make the economic case for investment in EbA and Eco-DRR based on systematic analyses and evidence of their effectiveness. Economic valuation can illustrate the benefits and costs of EbA and Eco-DRR measures, while other approaches can assess non-monetary cultural and spiritual benefits. UNDP has found an urgent need for better integrating of EbA and Eco-DRR into Policy and Planning through effective mainstreaming into policy and practice at all levels and across sectors. Mainstreaming of EbA and Eco-DRR into national plans, strategies and targets is already occurring, as evidenced through submitted national NBSAPs, NAPAs, disaster management plans, development policies and drought relief policies. In addition to a more integrated approach, more effective coordination and engagement mechanisms are important. EbA and Eco-DRR interventions deliver multiple benefits only when well designed and effectively implemented. This requires greater engagement between the scientific, biodiversity management, adaptation, development and disaster reduction communities, as well as between engineers, practitioners, local and indigenous communities, civil society and the private sector. This should support effort to co-convene DRM and CCA coordination process at times and locations that maximize coordination and integration opportunities, while also delivering the greatest environmental benefits in terms of minimizing greenhouse gas emissions.

The participation of indigenous peoples and/or local communities should be consistently promoted as a guiding principle of EbA and DRR implementation: EbA and Eco-DRR initiatives should ensure prior and informed consent, as well as ensure that gender is mainstreamed in adaptation and DRR planning and implementation. Capacity building and awareness raising on Eco-DRR and EbA is needed for their implementation and national mainstreaming. Mechanisms for sharing knowledge should be scaled up and better linked to decision-makers.

UNDP promotes pro-poor and pro-growth adaptation and disaster risk reduction that encourages climate and disaster risk informed development and livelihoods. That means supporting countries to integrate climate-related risks and opportunities into national planning and poverty reduction, while addressing the needs of more vulnerable groups like women and indigenous people. It also means ensuring that those efforts are flexible and resilient enough to navigate the challenges that climate change may bring. Capacity development lies at the heart of UNDP’s approach to climate change adaptation. UNDP supports the creation of robust and responsive state institutions, capable public and private sector management, and skilled human resources able to innovate, adapt and deliver to the changing conditions. UNDP works to improve resilience among MSMEs and engage the private sector to
support emergency preparedness and resilience, and help bridge the transition from crisis response to recovery. For example, facilitating supporting disaster preparedness among MSMEs, through training in business continuity, novel insurance products, etc.

UNDP is one of the largest service providers in the UN system on climate change with a $2.8 billion climate change portfolio of mitigation and adaptation projects supporting over 140 countries to transition toward zero-carbon, resilient, and sustainable development. UNDP draws upon its decades of experience in delivering results under the Global Environment Facility (GEF) managed funds, Adaptation Fund (AF), Green Climate Fund (GCF), UN-REDD Programme and other global and bilateral programming. UNDP’s climate change portfolio focuses on integrated climate strategies, cross-sectoral climate resilient livelihoods, climate information and early warning systems, ecosystem-based adaptation, resilient water management, food security, promoting access to clean and affordable energy services, promoting low-emission and climate-resilient urban and transport infrastructure and access to new finance mechanisms.

In addition, UNDP is one of the largest service providers in the UN system on disaster risk reduction with investments of just under US$1.7 billion since the launch of the Hyogo Framework for Action in 2015. UNDP works in 163 countries to build capacity to prevent, prepare for and recover from disasters. Working with national and local governments, UNDP undertakes multi-layered capacity building to ensure that climate and disaster risk management is prioritized in good governance, and that the capacities, skills and resources are in place and ready to prevent, mitigate and prepare for climate and disaster risks. UNDP also supports policy, legal and institutional development that fosters greater accountability and integrated solutions for disaster risk reduction and climate adaptation.

UNDP advises public and private sector stakeholders to understand, access and act upon risk information when taking development and investment decisions. It works to reduce the loss of life and livelihoods through supporting and enabling effective early warning and preparedness systems. In recognizing the need of urban and rural communities to better benefit from disaster risk reduction efforts, UNDP supports the scaling-up of community based disaster and climate risk management efforts that foster the resilience of people, their livelihoods and assets. For more examples:

UNDP Prospectuses
Scaling up climate action to achieve the SDGs:
UNDP’s commitment towards climate-resilient, zero-carbon future:
Mainstreaming Climate Change Adaptation into Development Planning: A Guide for Practitioners
UNDP and the Hyogo UNDP and the Hyogo Framework for Action
Strengthening Disaster Risk Governance:
Effective law and regulation for disaster risk reduction: a multi-country report:
PEDDR: http://pedrr.org/
Attached joint statement of UNEP- Ramsar Convention Secretariat, and EC

C. Systemic challenges and opportunities

- Identifying the resources required for poverty eradication
- Sound policy frameworks and rights-based and gender-sensitive approaches
- National ownership and national policy space
- Strengthening the international enabling environment in key priority areas including through development cooperation and multi-stakeholder partnerships

Poverty eradication efforts by developing countries can be supported by an enabling international environment. Over the last 30 years, the overall pace and depth of economic integration has strengthened, despite losing steam after the global economic and financial crisis in 2008. Over the same period, developing countries—including but not limited to large emerging economies such as Brazil, China, India, South Africa and Turkey—have achieved remarkable human development progress.

The reasons vary across countries but three common features underlie their experience: a pro-active development state; strong commitment to social development including investments on health and education; and openness to trade, investment and innovations (UNDP 2013). The transparency and predictability provided by the multilateral trading system has been instrumental in facilitating the expansion of trade by developing countries including with other developing countries through Triangular or South-South Cooperation. Nevertheless, the international system is far from where it must be to enable and support sustainable development and the eradication of poverty. Some key challenges and opportunities are as follows:

Challenges

- The imbalance of trade disciplines which disadvantage developing countries. A case in point are export and domestic subsidies to agriculture which are still allowed under multilateral trade rules.
- The lack of international cooperation on macro-economic and monetary policy which leads to suboptimal outcomes in terms of global growth and increases uncertainty and volatility—e.g. large and sudden capital flows from emerging economies following interest rate movements in the US.
- The proliferation of plurilateral trade agreements (e.g. “mega-regional trade agreements”) risks excluding the poorest countries and undermining the multilateral trading system [given involvement is limited to countries with a large share of global production and trade].
- Rising protectionism, especially in developed countries, amid increasing inequality and the feeling among the poor that globalization works for the benefit of a few. Lack of full
understanding of the impact of structural issues, such as technological change, and domestic policy failures (e.g. poor quality of education, lack of retraining, support mechanisms and active labour market policies).

- Misalignment between the prevailing short-term horizon of financial flows and the long-term commitment of investments required for sustainable development and poverty eradication.

Opportunities

- The rise of regional and global value chains allows developing countries to specialize in specific tasks or functions within the chain to participate in international trade and its consequent benefits, instead of developing a fully integrated production chain.

- Increasing awareness that market access alone is not enough and the need instead to also support production capacity in developing countries to allow them benefit from trade opportunities. An example of this is the Aid for Trade initiative launched by WTO members in 2005 to mobilize additional resources and improve the effectiveness of ODA dedicated to trade. The Enhanced Integrated programme was revamped in 2005 to better address the needs of LDCs in this area.

- The rise of millennials and their interest on social and environmental impacts. They can influence policy changes through their decisions as consumers, employees, investors, etc. at a global scale.

To move forward towards greater solidarity, more inclusive global governance and effective international partnerships, it is important that more assertive global action be taken, including to stabilize the international financial system. International cooperation is needed to avoid dislocations in the financial markets from spreading across the world and affecting the real economy. To reduce the risk of setbacks among already very poor countries, global cooperation is important to establish a fair, reliable mechanism to help debtors and investors avoid debt crises, improve tax transparency, share live-saving and planet protecting technologies and stop illicit financial flows. The governance of international financial institutions should provide larger voice to developing countries where they are under-represented. Similar changes in governance structure of global institutions, such as the UN, is also needed. Reform of the multilateral trading system would also help address imbalances which disadvantage developing countries such as subsidies to agriculture production and exports. International cooperation could help bring an expedited and humane end to the fossil fuel subsidies exacerbating global warming.

UNDP’s policy and programme support to trade and the private sector builds on its long-standing experience and relationships with multiple sectors of government, domestic and international businesses and key civil society members, including labour representatives. One of the ways UNDP works to enable pro-poor trade and inclusive growth is through its support for the development of value chain in key economic sectors. It works to address sector-specific issues affecting competition and competitiveness; engaging large companies in dialogue to identify bottlenecks to the sector’s development and increasing employment and incomes among the poor; advocating and supporting innovative approaches such as challenge funds and impact investment bonds to support value chain development; promoting knowledge transfer and South-South peer-reviewing.
One example of UNDP effort particularly centered on multi-stakeholder partnerships is the Green Commodities Programme. The Green Commodities Programme helps to build and enable National Commodity Platforms that identify game-changing actions to advance sustainable development and reduce poverty via sector-specific value chains. The programme is active in Costa Rica (Pineapple), Dominican Republic (Cocoa), Ghana (Cocoa), Indonesia (Palm Oil) and Paraguay (soy and beef).

In Costa Rica, UNDP used its convening power and technical expertise to assist the establishment of the National Platform for the Responsible Production and Trade of Pineapple. The platform brought to the table all parties involved in the value chain from big international buyers such as Tesco and Walmart to the government, small-scale producers, traders, civil society, etc. A decree by President Luisa Guillermo Solis of Costa Rica in early 2016, enshrined in law the National Action Plan for the Responsible Production and Trade of Pineapple, as developed by the National Platform. The plan includes mechanisms to be devised by the financial sector and academia to create incentives for small farmers willing to adopt improved cultivation practices, which will ultimately improve their competitiveness and livelihoods.

In Indonesia, the National Palm Oil Platform launched in 2014 and led by the Ministry of Agriculture, has been instrumental in breaking barriers and encouraging collaboration across groups that have often not worked together to reconcile increasing sustainability concerns of the palm oil industry with Government’s ambitious growth plans. Multi-stakeholder working groups have been established to support small-scale farmers; environmental management and monitoring; governance and mediation; smallholder certification and market access. Efforts thus far have, among other things, helped align the national Palm Oil Standard and the international voluntary scheme used by international stakeholders. Coherence between the two is vital to facilitate the day to day activities of enterprises and define the industry’s contributions to long-term sustainability, employment and anti-poverty efforts.

In Cambodia, UNDP in cooperation with the Enhanced Integrated Framework, supports small farmers and local companies engaged in processing of cassava to improve overall competitiveness of the value chain, promoting local value addition and export diversification with emphasis in regional markets. UNDP’s support includes promoting farmers and producers organization to better articulate their priorities and engage in policy dialogue with the Government; awareness raising and training on international quality standards of processed products; increasing understanding of elements affecting competitiveness of the sector to define priority reforms and actions; providing market intelligence and facilitating business matching between local producers and international buyers, etc. Results so far include:

- Analytical study on the cassava value chain in Cambodia and key competitiveness bottlenecks;
- Training to produces on standards and other quality issues and production of a cassava quality control manual for farmers and processors of cassava products;
- Training to cassava operators on Cambodia’s export procedures;
- Facilitating business matching between a Cambodian producers association and a Thai dairy farm.

Through the Finish-financed Aid for Trade initiative UNDP is promoting a better business environment and exports in 11 countries in Central Asia, the South Caucasus and Western CIS. In Uzbekistan, results of the initiative include: beneficiaries increased income by 2.5 times; improved access to social benefits and pensions; production expansion and diversification; women empowerment and higher incomes through engagement in exports.
Impact Investment in Africa: UNDP is working with national partners to help lay the ground for impact investment sector in Africa. Based on identified challenges an Impact Investment in Africa Action Plan has been developed proposing actions for industry stakeholders. UNDP is now fully engaged with relevant stakeholders, to support initial capacity building and encourage industry leadership in implementation. UNDP is working with its national partners in a number of African countries to help strengthen policy coherence, cohesion and coordination between national, sectoral, subnational and local policies, plans and strategies, and cooperation between government, citizens and the private sector. To this end it is enhancing territorial mechanisms for participatory consultation and integrated planning systems including a broad set of local actors (central and regional governments, civil society, private sector, traditional leaders, religious organizations, academia and others).

48 “Impact Investment in Africa; Trends, Constraints and Opportunities” UNDP 2015
United Nations Environment Programme (UNEP)

Section II-A. Multi-dimensional poverty and the SDGs

We propose two possible blocks of text for this section:

1. The monetary means of measuring poverty are now being complemented by more holistic assessments that look at the multidimensional aspects of poverty, which applies a beyond income-based approach.49 The Multidimensional Poverty Index Oxford Poverty and Human Development Initiative (OPHI) captures deprivations faced by the poor with respect to education, health and living standards (OPHI 2016). The index indicates that 30% of the world’s population (1.6 billion people) are identified as being multi-dimensionally poor. The most recent figures from the OPHI combine data ranging from 100 countries from 2005 to 2015 to show the percent of the population living in multidimensional poverty in rural and urban settings. Averages for four major regions, based on available country data50, were estimated as follows: Sub Sahara Africa (70 and 31); East Asia and the Pacific (32 and 9); South Asia (48 and 17) and Latin America and Caribbean (15 and 4) respectively. (Alkire et al., 2016).

The combined share of the world’s poor living in natural resource-based and fragile and conflict-affected countries in 2011 was about 50 percent. The World Bank estimate about 37 percent of the global poor lived in natural resource-based countries while a further 17% live in fragile or conflict affected countries51. It should also be noted that about 70% of the populations in many Least Developed Countries are natural resource dependent rural dwellers. This highlights the ongoing importance of natural resources for sustaining livelihoods and keeping people out of poverty (Green Economy Coalition, 2012). Overall, ecosystem services and other non-market goods make up between 50 and 90 percent of the total source of livelihoods among poor rural and forest-dwelling households worldwide—the so-called “Gross Domestic Product of the poor.”52 This reliance on natural resources highlights the need for governments to ensure that investment projects and local communities use the environment sustainably.

2. The more we know about the multiple dimensions of poverty and its links to environmental sustainability, the better we will be able to tackle the connected SDGs. The joint Poverty-Environment Initiative of UN Environment and the United Nations Development Programme have worked with 28 countries around the world to produce country and sector specific evidence on the interconnectedness of the environmental, social and economic dimensions of environmental sustainability over the past ten years.

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49 See also Cruz, M. et al. 2015. World Bank Group, p. 18 ff.
50 Not all countries are part of the OPHI. Data used here does not truly represent each region since some countries are missing. Need to doublecheck...
51 Natural resource-based countries are defined by the World Bank as countries where the share of the natural resource-based exports such as coffee, wood, copper and petroleum products is 30 percent or higher in 2011.
52 Mainstreaming the Economics of Nature. A synthesis of the Approach, Conclusions and Recommendations of TEEB. TEEB (The Economics of Ecosystems and Biodiversity 2010).
The research has shown that unsustainable use of natural resources and climate change is costing African countries up to 22% of total annual GDP. Soils, forests, fisheries, water and biomass fuels are the principal sources of income, social protection, employment creation and human capital development for many men and women living in poverty. For example, in Malawi 18% of household incomes are derived from natural resources, which are now undermined by unsustainable natural resource use. For example, soil loss in the country is at 29 tons per hectare, if soil erosion in Malawi had been significantly reduced and lost agriculture yields recovered, approximately 1.88 million people would have been lifted out of poverty between 2005 and 2015. Inequalities are further undermining sustainability efforts. By closing gender gaps in agricultural productivity crop production could increase by 7.3%, 238,000 people could be lifted out of poverty every year and the gross gains to GDP are estimated to be USD 100 million.

When precise linkages and their causes are understood, there are improved chances to design policy and practice in more integrated and innovative ways, as well as to ensure policy coherence. In this regard, the Poverty-Environment Initiative have joined hands with the Oxford Poverty and Human Development Initiative and UN Environment’s World Conservation Monitoring Centre to adapt the Multi-Dimensional Poverty Index to also capture the deprivation of access to benefits from environment and natural resource use. The new greened multi-dimensional poverty methodology will be piloted in countries in Africa in 2017.

In Malawi the integrated evidence coupled with institutional capacity building support have already contributed to more sustainable policies across sectors. Poverty-environment related objectives have been included in the national five year development plan, in district profiles, in the agriculture, forestry, fisheries and climate sector policies as well as in annual budget guidelines issued by the Ministry of Finance and Economic Development Planning and in the Public Sector Investment Programme. These policy and budgetary changes are helping to ensure environmental sustainability in a way that reduces poverty on the ground and that contributes to inclusive growth.

Section III-B. Environmental resources and resilience in the context of policy actions

The 2030 Agenda for Sustainable Development states that “eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development”. To address this challenge, the 2030 Agenda adopted an

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54 UNDP-UN Environment Poverty-Environment Initiative, 2015, Mainstreaming environment and climate for poverty reduction and sustainable development: a handbook to strengthen planning and budgeting processes
55 UNDP-UN Environment Poverty-Environment Initiative Malawi, 2011, Economic Analysis of Unsustainable Natural Resource Use in Malawi
56 Food and Agriculture Organization and UNDP-UN Environment Poverty-Environment Initiative Malawi, 2016, Soil Loss Assessment in Malawi
57 UNDP-UN Environment Poverty-Environment Initiative Malawi, 2011, Economic Analysis of Unsustainable Natural Resource Use in Malawi
58 UN Women, World Bank, UNDP-UN Environment Poverty-Environment Initiative, 2015, Cost of gender gap in agricultural productivity: Malawi, Tanzania, Uganda
integrated social, economic and environmental approach that reflects these linkages as demonstrated through sustainable development indicators, goals and targets. The Paris Agreement on climate change has also raised significant challenges, which need to be addressed if 2030 Agenda goals are to be achieved.

Many developing countries need to address several key issues if they are to develop inclusive and sustainable growth within the specified time frame. One of the main problem areas involves the emphasis countries currently place on purely economic growth – i.e. growth with little or no regard for the negative impact on the environment and natural resources upon which so many of the world’s poor depend. It is essential that governments achieve the right balance between economic growth, inclusiveness and the sustainable use of the environment and its natural resources if poverty is to be eradicated over the long term. In many cases, progress on these critical issues is being hindered by lack of willingness to implement change and/or weak institutional capacity resulting from limited knowledge of the links between poverty and the environment and natural resources. These issues in turn have caused countries to fall short in the planning and provision of funding needed to create and enforce the legal and regulatory business environment needed to ensure sustainable and inclusive long-term development.

**Poverty and the environment are inextricably linked.** This is especially true in rural areas where many people are dependent on a continuing supply of natural resources to sustain life. For instance, large scale clearing of forests has deprived many of ready access to resources they depend on for a livelihood. In other areas, commercial fishing has depleted fish stocks to the point where the local people are unable to catch enough fish to sustain their diets. The situation has also been exacerbated by some so called ‘development’ projects diverting or polluting local water supplies thus depriving the poor of adequate clean water.

The Malawi Poverty Environment Initiative provides an insight into the linkage between poverty and the environment. Research showed that soil erosion was keeping 1.88 million people in poverty between 2005 and 2015 due to erosion causing losses in agricultural productivity. Furthermore, unsustainable fisheries practices in Malawi’s between 1987 and 2007 has reduced fish supply by 20%, increased fish prices by 3.5 times and reduced annual per capita fish consumption from 9.4 kg to 5.4 kg. These factors have significantly contributed to food insecurity and the grim prevalence of child stunting, as replacement sources of protein are too expensive for many poor people (Yaron et al, 2011).

On the other side of the coin, lack of access to basic resources has caused many poor to resort to shifting cultivation and other actions which in turn contribute to the degradation of natural resources. This inter-action between the two areas indicates that poverty cannot be fully alleviated without ensuring natural resources are used in a fully sustainable manner. This in turn will not occur if the poverty that forces local populations to resort to unsustainable practices is not alleviated. This direct linkage between poverty and the environment is referred to as the **Poverty Environment Nexus**.

Addressing this Nexus will require an iterative procedure of integrating poverty-environment objectives into policymaking, budgeting and implementation processes at national, sub-national and sector levels and is referred to as poverty-environment mainstreaming. It is a complex, long-term process of institutional change that requires a multi-stakeholder effort working with both state (e.g. planning, finance, environment and sector ministries; parliament; and local authorities) and non-state actors (e.g. civil society, academia, private sector, general public and the media) (UNDP-UNEP 2015). It is also
essential that those in local communities, especially smallholder farmers, be given access to training in sustainable practices. Access to funding to help improve local crop productivity, sanitation and local access, etc. will also be required if maximum benefits are to be derived from the Programme.

There are many other factors affecting global poverty, which affect some or all of the poor, especially those in rural areas at the nexus between poverty and environmental sustainability. These evolve mostly around the issue of good governance and generally include gender discrimination and social inequality in the context of:

- Appropriation of arable land for investment projects;
- Lack of land rights for female smallholders;
- A high prevalence of water and sanitation related diseases leading to increased child mortality;
- Vulnerability to natural disasters
- Lack of access to adequate education and health facilities and financial institutions;

Climate change is a factor that can affect both rural and urban populations. For instance, floods can cause significant damage to infrastructure while drought can lead to large scale shortages of drinking water and loss of agricultural production leading to food insecurity. Long term climate change can also have effects on land areas as a result of sea level changes, desertification, etc. As the impacts of climate change worsen, it will become harder to eliminate poverty, which leaves a narrower window for ending extreme poverty and putting in place safety nets that can keep poverty at bay. Experience from the Poverty Environment Initiative suggests that one way to address climate change impacts on the poor is by integrating adaptation responses into development planning (OECD, 2003).

The macroeconomic costs of the impacts of climate change are highly uncertain, but the cost of adapting to climate change in developing countries could rise to between $280 and $500 billion per year by 2050, a figure that is four to five times greater than previous estimates (UNEP, 2016). Adaptation costs are likely to increase sharply over time even if the world succeeds in limiting a global rise in temperatures to below two degrees Celsius by 2100. It is therefore vital that governments understand the costs involved in adapting to climate change and the gains of policy coherence given its impact on environment and poverty issues. The importance of climate change in the fight to eradicate poverty, and the 2030 Agenda in general is reflected by the inclusion of SDG 13.

Section IV. Recommendations

There is a need to create alliances between governments, the private sector, donors, non-government actors and communities to eradicate poverty in all its form by improving the sustainable use of natural resources, increasing climate resilience, and reducing vulnerabilities to advance inclusive and sustainable economic growth.

The inter-related nature of many of the SGDs indicates that overall progress is unlikely to be achieved unless a full integrated approach is used to address the many areas involved. The extensive experiences gained by the Poverty-Environment Initiative will help address the demand expressed in the UNDG's Results Report “Together Possible: Gearing Up For the 2030 Agenda” (2016) that highlights the fact that 100 UN Country Teams (UNCTs) have been approached by governments requesting assistance on implementation of the 2030 Agenda:
• Application of multi-sectoral approaches that transcend sectoral silos and facilitate integrated policies, plans, strategies, programmes and budgets (where ministries of planning/finance, environment, agriculture, fisheries etc. constructively coordinate their activities);

• Encourage central governments to fully consider SDGs at the local level in order to address local economic, cultural and environmental needs (Countries are now working out how to ‘localise’ SDGs and many are requesting support from the UN System to help achieve the SDGs. This includes addressing the linkages between poverty and the environment, the sustainable use of natural resources, climate change and development focused SDGs);

• Ensure coherence between national, sector and district level plans, strategies and their budgets (where effective coordination mechanisms ensure national, sector and district plans and budgets are consistent);

• Assist governments to strengthen financial management and budgeting practices to ensure public revenues are available to fund critical investments to benefit the poor while sustaining the environment and natural resources;

• Enhance regulatory processes to inspect and enforce investment compliance and social and environmental safeguards;

• Assist in the development of integrated institutions (practices, procedures and sometimes organisational change) within and across government, business and civil society. This demands that people, institutions, and common practices are brought more closely together to develop and maintain solid working relationships and build confidence that an integrated approach can work.
UN-HABITAT

Draft outline

I. Introduction (500 words)

The 2030 Agenda for Sustainable Development as the roadmap for poverty eradication

- The unfinished business of poverty reduction efforts after the MDGs
- Poverty as a universal phenomenon with national characteristics

UN-Habitat’s experience indicates three particular trends in this context:

1. At different levels most of the economies in the developing world have grown during the past two decades of relative prosperity without creating additional employment – a trend likely to continue up to 2030 and probably beyond, with likelihood that in lower growth rate economies the number of employment opportunities will actually decrease. This should be a particular alert in Sub Saharan Africa, though to a lesser extent also in Latin America and less in the Asia region.

2. Urbanization does not automatically provide growth in productivity. UN-Habitat has particularly found this in Latin America, the most urbanized region, where a high percentage of urbanization has not been translated into a high percentage of productivity. Instead, productivity in the region has been declining since the 1960s. UN-Habitat is therefore currently investigating how urbanization can be successfully utilized to ensure an increase in productivity and also has developed toolkits and methodologies to face these issues.

3. Urbanization creates slums and informal settlements (it is important to note that these are two different phenomena) that become permanent features of cities. This concerning trend is visible all over the developing world and UN-Habitat has observed that national governments and cities are often not sufficiently equipped to effectively address such developments. Slums and informal settlements are generally located close to Central Business Districts and, once established, are increasingly difficult to relocate as they have become part of the city. They represent pockets of poverty with a differing economic logic to the rest of the city economy.

II. Defining poverty in the context of the 2030 Agenda (2,500 words)

A. Multi-dimensional poverty and the SDGs

- Poverty reflects multiple deprivations and is not limited to income-based measurements

Secure tenure rights to land, and poverty

Inadequate and insecure tenure rights to land frequently result in extreme poverty and hunger. Despite considerable progress in recent decades made in fighting global hunger and poverty, approximately 795 million people continue to suffer from hunger. The eradication of hunger and poverty, and the

59 FAO, IFAD and WFP, 2015a. The State of Food Insecurity in the World 2015
sustainable use of the environment, depend in large measure on how people, communities and others gain access to land.

Land is recognized as a factor of production, and impacts on gender relations and economic rights; and is often tied to social and cultural identities. Poverty impacts on land uses just as land uses have a direct impact on poverty. UN-Habitat and the World Bank, facilitated by the Global Land Tool Network, have undertaken preliminary analysis on the measurement of tenure security, taking into account the continuum of land rights; legal and institutional indicators; and the perception of tenure security.

Globally, there is a large gap between land ownership across the wealth quintiles. Results from household surveys conducted in the last 20 years show that the proportion of households that either owns land or agricultural land or the dwelling unit varies considerably across wealth quintiles (a measure of poverty) and the gap between the richest and the poorest remains large. This observation extends to all other regions with even wider gaps in Sub-Saharan Africa or less developed countries in general. The observed gap on land ownership among rural and urban households is large and tends to go in the opposite direction. The extent to which rural populations including women and indigenous people have secure (documented or perceived), and equitable access to land enables them to produce food for their consumption and to increase income which is critical to end poverty, and gender income inequality. Nevertheless, often as a result of local traditions and sociocultural factors, women across all regions have less access than men to productive resources and opportunities related to land, property and decision-making platforms. Most land tenure regimes in both developed and developing countries are characterized by strong gender disparities in land distribution, high asymmetry of power, and weak land governance structures.

B. Poverty measurements and the SDGs

- The global poverty line and national definitions of poverty (e.g., absolute, relative)

UN-Habitat advocates for a new definition of poverty in the UN system to facilitate agreement on classification and policies. Such a new definition should go beyond the "less than one dollar per day" discourse that has been traditionally used. For example, in several European countries, poverty applies just to those whose income falls 60% below the median. While there are new trends to define poverty in qualitative ways, there must be an agreed quantitative definition, even if imprecise so agencies can establish baselines. UN-Habitat suggests that in coordination with the UN Department of Economic and Social Affairs (UNDESA) and regional economic commissions include such proposals in their discussions around the definition of poverty.

C. Understanding the social and geographical distribution of poverty

- Identifying the poor and vulnerable within countries

Poverty has been a phenomenon that has for long been associated with rural areas, but is now increasingly becoming urbanized. Urbanization can be considered a generally positive factor in overall poverty reduction because cities can offer better opportunities for individuals to improve their welfare. Indeed, cities have historically served poor people as platforms for upward mobility.60 Efficient urban

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development can play a major part in combating poverty since population urbanization and poverty reduction increase the shared economic growth. Data reveals lower overall (urban and rural) poverty rates in association with higher urban population shares.\textsuperscript{61}

However, urban poverty is not simply a monetary or material phenomenon. It is linked to various forms of discrimination and exclusion which stymy the development of an individual’s capacity. As part of a rights-based approach, the multidimensional form of poverty refers to the inability to exercise certain social and economic rights considered as fundamental in order to enjoy decent participation in society. It is necessary to clarify that urban poverty has to do with a lack of resources, multiple deficiencies, basic needs which are unfulfilled and various forms of deprivation and vulnerability.\textsuperscript{62}

Depending on the individual countries and cities, between 40 and 80 per cent of urban dwellers in the world are living in poverty, with very little or absolutely no access to shelter, basic urban services and social amenities.\textsuperscript{63}

Urban poverty can be characterized by, among others, the following features:

- the worsening state of access to adequate shelter with security of tenure, resulting in severe overcrowding, homelessness and environmental health problems;
- increased vulnerability to environmental health problems, environmental shocks and natural disasters;
- large and growing backlogs in delivery of basic services to urban residents;
- poor provision of green and public spaces, including streets networks;
- increasing intra-city inequality, manifested in stark residential segregation, multiplying violence impacting disproportionately on women and the poor themselves;
- slow growth of formal sector employment, with high levels of informality and unemployment, particularly among youth;
- lack of participation of communities in decision-making processes and implementing activities.

Slums are a physical and spatial manifestation of increasing urban poverty and intra-city inequalities. Improving the lives of slum dwellers has been recognized as one of the essential means to end poverty worldwide. However, it is worth mentioning that slums do not accommodate all the urban poor, nor all slum dwellers are poor. Slums are the products of failed policies, poor governance, corruption, inappropriate regulation, dysfunctional land markets, unresponsive financial systems, and a lack of political will. Better urban governance is therefore a necessary condition for empowering the urban poor and improving their opportunities and security.

III. Policy actions for eradicating poverty (4,500 words)


\textsuperscript{62} UN-Habitat and CAF (Development Bank of Latin America) (2014) *Construction of More Equitable Cities: Public Policies for Inclusion in Latin America*, UN-Habitat, Nairobi

A. Adjusting policies for effective poverty eradication (drawing on the work of the ECOSOC system and the preparations for the ECOSOC segments and forums)

- **Policy changes for poverty eradication**

As a result of the agency’s specific work on poverty eradication in the context of sustainable urban development, UN-Habitat advocates for three key policy changes:

1. A robust and increased mandate for local governments to fight poverty, in particular through a clear focus on creating employment opportunities. Such measures must be supported by establishing and maintaining the necessary infrastructure, especially in the context of urbanization, i.e., through urban planning and design, and urban economy and municipal finance. UN-Habitat recommends combining productive policies with urban planning.
2. Cities have advantages and possibilities for subsidiary on ensuring the support and protection of gender equality, youth and those in vulnerable situations. This mandate should strongly be shared with central governments.
3. Poverty is clearly linked to the lack of access to infrastructure, most prominently transport networks that provide and facilitate access to employment opportunities and connects cities with the regional and global economy. UN-Habitat’s research indicates that cities in developing countries have a diminished role in creating and maintaining such infrastructure, hence UN-Habitat urges the strengthening of the role of cities in this context.

Specifically, UN-Habitat is also promoting the design and effective implementation of National Urban Policies, which have been globally recognized as an important tool for governments.

A National Urban Policy that contributes to poverty reduction is one that seeks to understand the key challenges and opportunities of a country and that develops a pro-poor focus to ensure that the policy can deliver sustainability and equality impacts. Understanding and recognizing the urban poverty related challenges in a country is critical in terms of achieving a pro-poor focus - as is directing National Urban Policy initiatives towards quality of life improvements for all including the most vulnerable. The role of a coordinated and inclusive urban policy approach is widely acknowledged to be essential to supporting sustainable urban development. National Urban Policy acts as a national level umbrella document that articulates the goals and vision for urbanization in a specific country-context. This can assist with the development of sustainable improvements to quality of life and, if applicable, for developing a strategy to address informality and urban poverty. Furthermore, a National Urban Policy can begin to build consensus around and support for these urbanization goals. Such a policy, therefore, can help to promote a mind-set change and promote the opportunities of the most vulnerable, therefore setting a pro-poor tone for subsequent urban legislation, regulation and planning frameworks.

- **Early experiments and lessons learned**

B. Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts (to be illustrated using contributions from ECOSOC system, the wider UN system and UN partners)
Economic opportunities

- **Social protection systems, including social protection floors**
  - Ensuring essential health

- **Participation in political, economic and public life**

UN-Habitat set up an “Urban Innovation Marketplace” pilot project to take advantage of three parallel dynamics in Kenya: the youth bulge, advancements in Information and Communications Technology (ICTs) and the national devolution process affecting towns and cities. UN-Habitat partnered with @iLab Africa at Strathmore University, Ericsson and Samsung to develop, test and implement tech innovations together with youth and county governments in Kenya. The aim of this project was to bridge the gap between young, tech-savvy urban youth and county governments, so as to connect young voices, often marginalized and from informal settlements, with governance and meaningful participation through ICTs.

The first phase of the project has consisted of three components: stakeholder consultations, stocktaking exercise of existing ICT solutions for governance in Kenya and an urban challenge workshop which brought together youth and county governments to jointly establish urban challenges being faced in the counties. An “Innovation Hackday” brought together youth and the local governments on a supply and demand equation, collaboratively bringing ideas and concepts forward to tackle urban challenges. A jury consisting of private sector partners and government stakeholders chose MatQ, a digital queue management and revenue collection system as the most appropriate innovation for Kiambu County given the millions of residents that shuttle between it and Nairobi for work. Their solution is tackling ineffective analog terminal management and fee collection. The project also involved a two day hackathon that grouped 40 participants in pre-identified Kiambu county challenges in the thematic areas of local economy, city planning, local governance and urban basic services. UN-Habitat is now in working with Kiambu County to support institutionalization of MatQ.

As a pilot, this project has uncovered both willingness and enthusiasm among the counties consulted that can be translated into a larger project which encompasses more counties in a systematic manner, also with aim to close gaps between counties with urban profile and those with a more rural, the latter being in need of more tailored support to make this initiative grow at the local level.

**Kalobeyei New Settlement: Planning for Integrated Refugee and Host Communities**

UN-Habitat is additionally involved in the planning and development of an integrated refugee and host community settlement in Kalobeyei, Turkana County, Kenya. Funded by Government of Japan, UN-Habitat is partnering with the Government of Kenya, Turkana County Government, UNHCR other UN-agencies, and international and local organizations to implement the project.

UN-Habitat is specifically leading the formulation of the Kalobeyei settlement planning, owing to its acknowledged expertise in human settlements. While the settlement aims to resettle refugees, especially those fleeing conflict and civil strife in South Sudan, it also aims to address local development challenges for the host communities, integration of host and refugee communities (for peaceful co-existence and conflict management), and the long-term sustainability of the settlement. This makes the
project a unique one for the partners involved, as it’s among the first to attempts to tie emergency/relief work with long-term developmental work.

In order to effectively respond to the challenges related to planning in this context, UN-Habitat has formed an inter-branch team aimed at assembling a diverse expertise to work with UNHCR and Turkana County Government teams, and partners in identifying solutions to the complex issues presented by the project.

In the context of this project, to date, UN-Habitat has managed to directly influence more than 1000 households from the refugee-host community and indirectly more than 10,000 refugees through the integrated planning process. In the refugee-host community, woman and youth groups were created and trained on various skills with an emphasis on integration, peace and conflict management. The management of living conditions, including WASH, were also discussed to prevent infectious disease.

Some of the main accomplishments include:

- a comprehensive socio-economic survey and mapping revealing among other key findings, the refugee-host community development issues and implications for integrated development. This survey involved more than 1000 households from the refugee-host community and other humanitarian partners;
- at least 100 youths (selected from host and refugee communities) have been trained on photo-story telling that resulted in a publication, as well as business creation and artisan construction skills;
- 100 women have been trained on horticulture, marketing and waste management;
- An estimated 1000 household heads have been trained on various skills including business creation.

C. Systemic challenges and opportunities

- **Sound policy frameworks and rights-based and gender-sensitive approaches**

UN-Habitat’s Participatory Slum Upgrading Programme (PSUP) addresses inequitable and uneven urban development patterns and poverty such as those represented by slums and other informal settlements. Launched in 2008 as a joint initiative between UN-Habitat, the Africa, Caribbean and Pacific (ACP) Secretariat, and the European Commission (EC), the programme promotes in-situ, participatory upgrading, via an inclusive, city-wide approach. The project has:

- partnered with 190 cities in 39 ACP countries, providing an enabling framework for improving the lives of at least 2 million slum dwellers;
- changed mind-sets towards a more positive and inclusive view of slum dwellers and slums and promoted sustainable planning to end urban poverty;
- strengthened governance and institutional arrangements towards a more integrated and engaging model as reflected in the 8 National Urban Development and Slum Prevention Policies developed and the 35 National Urban Development and Prevention Policies which have been reviewed;
• developed improved living conditions for 28,000 people (such as improvements to water and sanitation and community space for example) via the requirement that 10% of PSUP funds are dedicated to community economic empowerment.

UN-Habitat engages affected communities and key urban stakeholders, placing them at the centre of efforts to improve the lives of slum dwellers. All stakeholders are brought together in a management team, knowledge is exchanged and learning promoted. The Programme thus equips urban managers and countries with tools to improve the living conditions of slum dwellers while at the same time, developing the skills and sustainable approaches to reduce the proliferation of new slums. The programme:

• generates evidence based knowledge on slums and enhancing the capacity of stakeholders to strengthen policies and develop inclusive city-wide plans;
• improves governance and slum upgrading institutions by strengthening collaborative linkages across sectors and stakeholder groups including slum dwellers, and horizontally incorporating all levels of government;
• promotes participatory urban planning and design strategies that guide safe, resilient and sustainable urban growth and renewal within a city-wide framework;
• facilitates strategic partnerships between national authorities, local authorities and slum dwellers on the one hand, and institutions on the other, that are able to tailor appropriate pro-poor financial mechanisms for sustainable slum upgrading;
• guides the implementation of community driven and incremental slum upgrading interventions.

For example, in Ghana, in the Ga Mashie locality, a poor urban slum which is faced with deprivations that slum communities are usually faced with, UN-Habitat established a community fund for the development and upgrading of the community. The Ga Mashie Development Committee (CDC) which comprises of elected committee members of various interest groups within the community was given the mandate to govern the community fund. With the existence of the CDC, the Ga Mashie community can solicit support from sources within the community, the sub-metro, private sector and NGOs for developmental projects identified.

The CDC facilitates the improvement of the community’s governance, poverty, and environment within the community. Creating enabling environment and institutional framework at these levels using participatory approaches develops the capacities of local democratic institutions, especially locally elected governments, as well as national agencies tasked with supporting them. It also strengthens citizen participation and community empowerment. This also facilitates partnerships among various actors, brokering knowledge, resources and ensures sustainability in projects to be implemented.

The CDC using the participatory approach have provided support to three community based organization (CBO) to undertake and implement community prioritized projects. The CDC has also provided soft loans to about 200 direct beneficiaries to improve upon their businesses and livelihoods. The indirect beneficiaries of the interventions number up to over 1000 residents of the Ga Mashie community.
United Nations Industrial Development Organization (UNIDO)

Section I: The unfinished business of the poverty reduction efforts after the MDGs

The clear consensus that emerged around the MDGs framework was one of its greatest strengths, and certainly helped to mobilize resources for development. However the particular characteristics surrounding the elaboration of the MDGs Agenda also led to some gaps that partly weakened the full scope of its implementation, and their targets and indicators, among them MDG-1 on Poverty eradication. The new paradigm provided by the 2030 Agenda for Sustainable Development intends to fill those gaps successfully and entirely.

Section I: Poverty eradication as a universal commitment requires actions in all countries at all stages of development

Poverty eradication remains the central imperative of the new Agenda. This massive challenge can only be achieved through the effective integration of the economic, social and environmental dimensions of sustainable development which requires strong, inclusive, sustainable and resilient economic growth. No country can eradicate poverty on its own, we live in a globalized world and globalization is here to stay. Sustaining poverty reduction efforts will require global cooperation now more than ever. Since most developing countries experience difficulties in attracting investment and in accessing the relevant knowledge and solutions to persistent challenges, it is essential to reinforce international cooperation at all levels in order for them to achieve their respective specific development goals. Diverse sources of expertise and resources facilitated by international partnerships will play a crucial role in supporting developing countries in eradicating poverty. This also requires a strong commitment of local and national governments, including the building of adequate institutional capacities to this end.

Section II-C: Assessing specific poverty eradication challenges across countries, including developing countries, countries in special situations, MICs and developed countries.

Empirical evidence (Loayza and Raddatz 2006) shows that, for economic growth to produce a strong impact in poverty alleviation, attention needs to be paid to its composition. The largest contributions in this regard come from labor-intensive sectors such as agriculture, construction, and manufacturing. Particularly manufacturing plays a key role by creating many productive, formal jobs at an early stage of development, also driving technological development and innovation to sustain productivity growth in manufacturing and other sectors. This is also true for high income countries as manufacturing employment’s share in total employment and the absolute number of manufacturing jobs in this group of countries are generally falling.

Section III-A: Policy changes for poverty eradication.

To achieve gains on all three dimensions of sustainable development for poverty eradication, integrative policy approaches are needed. There is no single, correct recipe, nor can all governments act in the
same ways. For example in some cases policy-makers, especially in developing countries, might gradually shift their attention from investigating and imitating international best practices to identifying and reproducing national success stories. This approach underlines the need for sound measuring, monitoring and evaluation, especially in a context of serious budget constraints. Recent experience provides another possibility for policy change in, for example, industrial development policies, by shifting the focus from the outcome strategy to the process itself. This concept can be particularly useful in the specific case of promoting inclusive and sustainable industrial policies by putting the focus on strengthening the institutional capacities of governments so that policymakers are adequately prepared to develop the best, and more realistic, strategic policies.

Section III-B: Economic Opportunities

➢ Pursuing inclusive, broad-based growth that delivers opportunities for all
One of the major sources of economic growth and catchup in developing economies is imitating and adapting technologies streaming in from the industrially advanced economies. But that requires technological capabilities, which are mainly related to the education of the population and the allocation of human capital. In some cases, specific skills can be provided by an improved basic education curriculum. In other cases, they have to be provided through specialized training at vocational centres. At middle ranges of development, the creation of new indigenous knowledge becomes very important. Only with domestic capabilities better suited to match the given conditions can socially inclusive development distribute the fruits of economic growth more evenly.

➢ Creating employment and decent work opportunities
Realizing inclusiveness and poverty eradication will depend on collective actions to get (children into schools and) adults into decent work. Women, youth, migrants and minorities face multiple challenges in accessing stable employment, decent work and education, up-skilling and training. The untapped potential of women and young people is essential for eradicating poverty, combatting inequalities, reducing social tensions, and contributing to wealth creation in society. Employment in the informal sector has significant downsides for individual workers and society. To ensure that the number of those facing poverty does not increase, there is an urgent need to support the creation of decent work opportunities for those currently unemployed, inactive or outside formal training or education, as well as those entering the labour market. The industrial sector is a key source of decent work (accounting for 500 million jobs worldwide, or a fifth of the global workforce), as has a strong multiplier effect on all economic sectors and is essential to expanding the formal economy and fiscal space needed for social investment, so the promotion of inclusive industrial policies should be a priority for policymakers and change agents.

➢ Ensuring access to financial services and technology
For developing countries, education, skill formation and fostering of innovative abilities (such as conducting R&D) are good complements to attract foreign technology and to generate the absorptive capacity for technology penetration. When technological progress is skill biased, a skill mismatch can offset the positive effect of technology-driven structural change and lead to a net increase in inequality.
So expanding education and training programs, especially in ICT and related areas, are critical aspects to be explored, together with the right education policies to match labour-market needs.

Section III-B: Environmental resources and resilience

Circular economy is a concept that creates value, and ultimately prosperity, through extending product lifespan and relocating waste from the end of the supply chain to the beginning, in summary, using resources more efficiently by using them more than once. Policymakers are already supporting this concept by, among others, building institutions for an integrated circular economy management involving all relevant stakeholders at national and local level, also including rural as well as urban areas, thus influencing decisively the efficiency and effectiveness of poverty alleviation programs.

Section III-C: Strengthening the international enabling environment in key priority areas (e.g., globalization and trade; infrastructure; post-conflict reconstruction; climate change), including through development cooperation and multi-stakeholder partnerships

Building up a strong position in export markets is not just a question of being able to offer a low-cost product, but also of the ability of enterprises to enter new market niches with innovative products that meet international standards. This requires new managerial and other skills, the acquisition and/or adaptation of new technologies, and the ability to form strategic partnerships. Enterprise or industry level efforts in these areas must be complemented by improvements in the business environment (policies, regulations, support institutions, physical infrastructure), as well as in corporate social responsibility (CSR understood as the responsiveness of businesses to stakeholders’ legal, ethical, social and environmental expectations).

Complementary policies are needed to address possible trade-offs and ensure an environmental and social equilibrium. For instance, in order to support a country’s competitiveness, technology policies need to be complemented by policies focusing on the macroeconomic environment, business-enabling trade and investment, and industry institutionalization as well as infrastructure.

IV. Key messages and recommendations

A. Consolidated messages from previous sections addressing different stakeholders (e.g., developing countries, MIC, industrial countries, UN development system, ECOSOC system)

- Reaching advanced levels of inclusive and sustainable economic development requires not only increasing incomes but also conscious efforts to sustain growth, promote social inclusiveness and move towards greener structural transformation, as well as managing the trade-offs between them.

- The recycling industry resulted from circular economy exhibits the win-win-win properties of sustaining growth, generating employment and equity and being environmentally friendly, on the other hand the trade-offs are considerable in combining these aims.
- For long-term structural change, manufacturing plays a key role. It creates many productive, formal jobs at an early stage of development. It also drives technological development and innovation to sustain productivity growth in manufacturing and other sectors.

B. Recommendations for eradicating poverty and advancing the 2030 Agenda for Sustainable Development

- Promote social inclusiveness in manufacturing by matching the choice of technologies to a country’s resource and skill endowment as new technologies can improve the living conditions of the poor, their health, consumption and access to information as well as the type and quality of their employment.

- Structural change and industrialization to achieve economy-wide rapid growth through linkages and spillovers, thus increasing job creation and the absorption of labour. Synergies between sustained growth and inclusive development are prominent in reducing poverty.

- Promote the implementation of export-led economic growth policies, diversifying from primary commodities to manufactured goods to achieve long-term growth by supporting a virtuous circle of investment, innovation and poverty reduction.
Disasters represent a substantial set back to poverty eradication and sustainable development. A number of drivers resulting from human activity and poorly risk-informed development investments continue to push disaster risk to unacceptable levels. These drivers include pervasive poverty and inequality, rapid and poorly managed urban growth, environmental degradation, climate change, and governance frameworks that underestimate disaster risk. As a result, disasters continue to damage and destroy critical assets and livelihoods, and undermine years of social and economic development.

Disaster risk has been etched into the contemporary economic and development landscape largely through investment decisions. Major investments in infrastructure, industry, jobs, urban development, health systems, education, transportation, communications, water, agriculture, energy, and other vital sectors continue to be made without considering disaster risk. Accumulating disaster risk presents a growing obstacle to making the capital investments and social expenditure necessary to achieve the Sustainable Development Goals and other internationally agreed agendas and frameworks.

Disaster risk, however, is not natural. It is produced through investment decisions and the range of factors that mediate those decisions. How investment decisions are made directly determines levels of disaster risk. They shape the direction of capital flows and the level of disaster risk that is internalised in the capital stock or assets produced. To date, these investments have largely increased disaster risk.

As a consequence, the wealth of countries has repeatedly been eroded by disasters through loss of and damage to its capital stock. When produced human and natural capital is affected by disasters, the competitiveness and sustainability of economies can be severely compromised with long-term negative impacts. The losses and impacts that characterise disasters usually have as much to do with the exposure and vulnerability of capital stock as with the severity of the hazard event. While several developing and middle-income countries have been successful in significantly reducing mortality risk, many struggle to address the underlying risk drivers and reduce economic risks—particularly those with limited capacities for managing development process and investments.

The mortality and economic loss associated with extensive disasters (minor but recurrent disasters) in low and middle income countries are trending up. In the last decade, losses due to extensive risk in 85 countries were equivalent to $94 billion. Extensive risks are responsible for the most disaster morbidity and displacement, and represent an ongoing erosion of development assets, such as houses, schools, health facilities, roads and local infrastructure.

Expressed as a proportion of social expenditure, expected annual losses in low-income countries are five times higher than in high income countries. For small island developing States, future disaster loss represent ad existential threat. The expected annual losses in SIDS are equivalent to almost 20 per cent of their total social expenditure compared to 1.9 per cent in North America. The countries with the greatest need to invest in social development are the most challenged by disaster risk. Put simply, the poorer the country, the higher the number of disaster deaths there are likely to be and the bigger the likely economic impact.

Low and middle-income countries, in particular, report that they are challenged to use tools such as land-use planning, environmental management and building codes to reduce these vulnerabilities. As a consequence, as mortality risk has decreased in successful economies, economic disaster risk has been
increasing in concert with the growth in exposure. In some regions, including in OECD countries, the risk of losing produced capital in disasters may now be growing faster than the capital being produced.

At the individual and community level, evidence from microeconomic studies also shows that disasters have a disproportional impact on the poorest households, which tend to lose a higher proportion of their productive assets. Similarly, these same households often have less capacity to mobilize assets to buffer losses and recover. As such, disasters can lead to a broadening and deepening of poverty and inequality as well as longer-run impacts on health, education, nutrition, productivity, and resilience.

Moreover, disaster risk is shaped not only by income poverty but by a range of social and economic factors that determine entitlements and capabilities. Access to services, political voice, and social and economic status directly affect disaster risk and resilience. In short, sustainable development and poverty eradication cannot be achieved without reducing disaster risk, while reducing disaster risks is contingent on eradicating poverty.

Too often, disasters are still described as exogenous shocks. In reality, disaster risk is endogenous to investment assets. The Sendai Framework for Disaster Risk Reduction promotes an approach to sustainable development that reduces existing exposure and vulnerability to disasters while also preventing the creation of new disaster risks through investments in social and economic development that don’t consider the impact of natural hazards and climate change. This includes improving the use of post-disaster recovery and reconstruction to “Build Back Better”, supported by strengthened modalities of international cooperation. More dedicated action is also needed to tackle the underlying disaster risk drivers, such as the consequences of poverty and inequality and unplanned and rapid urbanization, among others.

Global average annual loss is estimated to increase up to $415 billion by 2030 due to investment requirements in urban infrastructure alone. However, this growth in expected losses is not inevitable, as annual investments of $6 billion in appropriate disaster risk management strategies could generate benefits in terms of risk reduction of $360 billion. This is equivalent to an annual reduction of new and additional expected losses by more than 20 per cent. Such an annual investment in disaster risk reduction represents only 0.1 per cent of the $6 trillion per year that will have to be invested in infrastructure over the next 15 years. But for many countries, that small additional investment could make a crucial difference in achieving the national and international goals of ending poverty, improving health and education, and ensuring sustainable and equitable growth.

To this end, the Sendai Framework calls for the incorporation of disaster risk reduction measures into multilateral and bilateral development assistance programmes within and across all sectors, as appropriate, related to poverty reduction, sustainable development, natural resource management, the environment, urban development and adaptation to climate change. The intergovernmental negotiations on the “post-2015 development agenda”, such as the Addis Ababa Action Agenda on Financing For Development, the Paris Agreement on climate change and the Sustainable Development Goals, provide the international community and national governments with a unique opportunity to enhance coherence across policies and build links between these processes will contribute to building resilience to disasters and achieving the global goal of eradicating poverty.

The full scale of disaster losses is still not fully understood. Reliable data exists for insured losses, and many major intensive, large-scale, disasters are comprehensively assessed. However, this does not
Policies and practices for disaster risk management should be based on an improved understanding of disaster risk and disaster losses. To be able to develop national plans with measurable targets and indicators, and to monitor progress against these, countries will need to prepare baselines on key indicators such as current losses, national and local risk profiles, and available capacities. National loss and damage databases are instrumental in generating accurate country risk profiles and enhancing knowledge and understanding of risk towards designing multi-hazard disaster risk policies based on a localized understanding of disaster risk in all its dimensions. While a growing number of disaster databases now provided access to detailed data on these losses, currently, around 45 per cent of Member States have national disaster loss databases. This gap will need to be closed in order to generate a global baseline.

Further support to countries is required for the formulation of targets for national strategies and plans; the selection of appropriate indicators to measure progress; the identification and analysis of challenges and lessons; the review of data availability to establish baselines; the active engagement of all relevant sectors and the establishment of feedback mechanisms; the alignment of indicators with sustainable development and climate change adaptation; and the review of national plans and implementation. Coordinated action across the United Nations system, the science and technology community, the private sector, and civil society will be crucial.
United Nations Office on Drugs and Crime (UNODC)

III. Policy actions for eradicating poverty

A. Adjusting policies for effective poverty eradication (drawing on the work of the ECOSOC system and the preparations for the ECOSOC segments and forums)

- Policy changes for poverty eradication

“In the outcome document of the United Nations Special Session (UNGASS) on the world drug problem (A/RES/S-30/1), Member States welcomed the 2030 Agenda for Sustainable Development and noted that efforts to achieve the Sustainable Development Goals and to effectively address the world drug problem were complementary and mutually reinforcing. By recognizing this relationship, the UNGASS process firmly linked drugs control to the broader development agenda. The Commission on Narcotic Drugs is operationalizing this policy directive by implementing the recommendations made on alternative development, regional, interregional and international cooperation on development-oriented balanced drug control policy and on addressing socioeconomic issues”

B. Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts (to be illustrated using contributions form ECOSOC system, the wider UN system and UN partners)

- Social protection systems, including social protection floors
  - Ensuring essential health

“Member States have expressed their concern about the health and welfare of humankind as well as the individual and public health-related, social and safety problems resulting from the abuse of narcotic drugs and psychotropic substances in their ‘Joint commitment to effectively addressing and countering the world drug problem’ (A/RES/S-30/1). With regard to addressing the world drug problem, operational recommendations were made on health-related issues, including prevention and treatment of drug abuse, as well as on ensuring the availability of and access to controlled substances exclusively for medical and scientific purposes, while preventing their diversion. The Commission on Narcotic Drugs is implementing the recommendations to improve public health.”

C. Systemic challenges and opportunities

- Sound policy frameworks and rights-based and gender sensitive approaches

“The commitment to respecting, protecting and promoting all human rights, fundamental freedoms and the inherent dignity of all individuals and the rule of law in the development and implementation of drug policies has been reiterated in the outcome document of the United Nations Special Session (UNGASS) on the world drug problem (A/RES/S-30/1) in 2016. Cross-cutting issues such as drugs and
human rights, youth, children, women and communities have been considered in depth and the resulting recommendations are being implemented by the Commission on Narcotic Drugs, bearing in mind the linkages to the goals of the 2030 Agenda for Sustainable Development.

- Strengthening the international enabling environment in key priority areas (e.g., globalization and trade; infrastructure; post-conflict reconstruction; climate change), including

As part of the UN’s coordinated response in building the resilience of the poor and those in vulnerable economic situations, the United Nations Office on Drugs and Crime (UNODC) is working with countries to limit economic loss resulting from corruption which deprives citizens of much needed social protection and infrastructure. It is largely achieving this objective in two ways: Through its work as the Secretariat of the Conference of States Parties to the UN Convention Against Corruption, UNODC has undertaken a range of activities to support States parties efforts to increase accountability and transparency in public spending. UNODC works with States to prevent corruption that has a negative impact on the business environment and society as a whole and promotes the active participation of individuals and groups outside the public sector in the fight against corruption, such as the private sector and civil society. Through its implementation Review Mechanism, UNODC assists States parties to benchmark their current anti-corruption framework, identify strengths and challenges and facilitate the delivery of technical assistance to meet needs.

Secondly, illicit financial flows of money out of developing countries contribute to poverty. UNODC, along with the World Bank, through the Stolen Asset Recovery (StAR) initiative are working with countries to recover assets stolen through corruption. The activities of the StAR initiative include facilitating the return of looted assets by building capacity, lowering barriers to international cooperation and developing of knowledge and expertise. Currently, UNODC is working with countries to determine good practices based on States’ experiences in cases involving asset returns, with the objective of generating a directory of such good practices which will help states in their efforts to expedite returns, and thus contribute to sustainable development.

The lack of development, including unemployment and poverty, leads to instability and insecurity, and the other way around. Extreme poverty and hunger, unequal distribution of resources, limited access to health and education, social and political marginalization are conditions that can be effectively exploited by terrorist and violent extremist groups in order to attract more supporters and recruit. Violence and political and economic instability create a fertile ground for the spread of violent extremist ideas and terrorist messages, particularly among the youth who see no opportunities for self-realization and self-expression. In unstable and insecure societies, often with a high terrorist intensity, the rule of law and governance are often weak. The UN Global Counter-Terrorism Strategy recognizes the lack of the rule of law and good governance, violations of human rights and lack of development, including poverty and unemployment, as some of the conditions conducive to terrorism. To combat the terrorism threat, Member States need effectively functioning criminal justice systems and legal regimes which properly implement international counter-terrorism legal standards with respect for human rights and in compliance with the rule of law. UNODC works to support Member States, including developing countries, and their criminal justice and law enforcement institutions to prevent and counter terrorism, including its emerging trends, in this way contributing to the operationalization of the 2030 Development Agenda.
IV. Key messages and recommendations

A. Consolidated messages from previous sections addressing different stakeholders

“Efforts to achieve the Sustainable Development Goals and to effectively address the world drug problem are complementary and mutually reinforcing”

Inclusive and sustainable development, including effective poverty eradication, is critical for enhancing security and preventing terrorism. Increased efforts are required to further strengthen the important role that the rule of law-based and human rights-compliant criminal justice system plays in development, peace and security, especially in terrorism prevention.

B. Recommendations for eradicating poverty and advancing the 2030 Agenda for Sustainable Development

“Addressing drug challenges in a comprehensive manner can support eradicating poverty and advance the 2030 Agenda.”

Strengthening legal regimes and building capacity of criminal justice systems to prevent and counter terrorism are integral elements of the effective implementation of the 2030 Development Agenda.
Section II: Defining poverty in the context of the 2030 agenda

B. Poverty measurements and the SDGs
   - SDGs reflect a multi-dimensional understanding of poverty, but a principal target remains the eradication of extreme poverty
   - The global poverty line and national definitions of poverty (e.g., absolute, relative)

The global poverty line and national definitions of poverty: Concepts and definitions of poverty line

Target 1.1 of the 2030 Agenda for Sustainable Development states “By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day.” In October 2015, the World Bank revised the international poverty line to US $1.90 a day using 2011 prices, which incorporates new information on differences in the cost of living across countries (the PPP exchange rates). The new line preserves the real purchasing power of the previous line (of $1.25 a day in 2005 prices) in the world’s poorest countries. As differences in the cost of living across the world evolve, the global poverty line has to be periodically updated to reflect these changes. The new global poverty line uses updated price data to paint a more accurate picture of the costs of basic food, clothing, and shelter needs around the world. In other words, the real value of $1.90 in today’s prices is the same as $1.25 was in 2005.

The global SDG indicator agreed upon by the United Nations Statistical Commission in March 2016 to measure Target 1.1 is “Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural).”

Countries also determine their own national poverty lines mostly by means of a basic needs standard that is linked to a predefined consumption basket of essential goods and services, or relative to an agreed position along the distribution of income or consumption (for example, 60 per cent of the median national household income).

Progress towards eliminating poverty and achieving SDG 1

The world has made remarkable progress in reducing extreme poverty. In the eleven years from 2002 to 2013, the share of the world’s population living below the international poverty line ($1.90 PPP per day) fell by almost 58 per cent, from 25.3 per cent of the global population to 10.7 per cent. There were an estimated 767 million people living under the global extreme poverty line in 2013. This confirms the continuation of the rapid downward trend in the poverty headcount ratio since 1990 (an average of 1.1 percentage points per year). The reduction in 2013 is even greater than the average, with a decline in the headcount ratio of 1.7 percentage points. In absolute net terms, this represents 114 million fewer poor people in a single year.

Many countries have made dramatic progress in reducing extreme poverty, even though the global totals tend to be dominated by reductions in the two largest countries, China and India. In Eastern Asia, the extreme poverty rate fell from 29 per cent in 2002 to 3.5 per cent in 2013, and in Southern Asia it
fell from 38 per cent to 15 per cent. In Sub-Saharan Africa, where the extreme poverty rate is still the highest (and now accounts for over 50 per cent of the total number of people in extreme poverty globally), it fell from 56 per cent in 2002 to 41 per cent in 2013, and in Latin America and the Caribbean, extreme poverty rates have declined from 13 per cent in 2002 to 5.4 per cent in 2013. Based on national growth rates over the past 10 years, the global extreme poverty rate is projected to be at 9.1 per cent in 2016.

The global poor are predominantly rural, young, poorly educated, mostly employed in the agricultural sector, and live in larger households with more children. The share of the poor who live in rural areas (80 per cent of the poor worldwide), work in agriculture (64 per cent), are 14 years of age or younger (44 per cent), and have no formal education (39 per cent). The data also confirm wide regional variations in the distribution of the poor across these characteristics.

The Sustainable Development Goal target of eliminating extreme poverty in all its forms everywhere by 2030 is very ambitious. If growth rates for the past 10 years prevail for the next 15 years, the global extreme poverty rate will likely fall to 4 per cent by 2030. If growth rates for the past 20 years prevail, it will likely be around 6 per cent.65 Eliminating extreme poverty will require a step change from historical growth rates.

The SDGs also recognize that the concept of poverty is defined differently by national authorities. SDG 1 aims to halve poverty rates based on these national definitions (target 1.2). Most countries measure their poverty using an absolute threshold, a fixed standard of what households should be able to count on in order to meet their basic needs. A few countries, however, have chosen to measure their poverty using a relative threshold, that is, a cutoff point in relation to the overall distribution of income or consumption in a country. In the last 15 years many countries halved their nationally defined poverty rates. For example, Brazil has seen its poverty rate fall from 25 per cent in 2001 to 7 per cent in 2014, while both Indonesia and Sri Lanka have halved their income based poverty rate. More recently, some countries—such as Colombia and Mexico—have chosen to adopt measures which aim to capture the multi-dimensional nature of poverty, by assessing the extent to which households are deprived in different ways (such as health, education, housing and labor markets opportunities). While most data are currently limited to developing countries, it is important to monitor progress on this indicator for developed countries as well, in order to ensure that national poverty rates are halved in all countries and reach all people, everywhere.

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While the economic growth renaissance in sub-Saharan Africa is widely recognized as contributing to the achievement of SDG1 and 8, much less has been known about progress in living conditions, and the status of SDGs 3, 4, 5 & 6. The importance of recognizing that poverty reflects multiple deprivations, and is dynamic by nature, cannot be overstated. Equally, while incorporating a multi-dimensional understanding of poverty is key, a principal target remains the eradication of extreme poverty. This requires assessing specific challenges within and across countries, and the careful collection and employment of data. The data revolution to identify and assess the policy needs of those left behind is a critical initiative.

UNU-WIDER’s open access book, “Growth and Poverty in Sub-Saharan Africa”, published in 2016 by Oxford University Press (OUP), comprehensively evaluates trends in living conditions in 16 major sub-Saharan African countries, corresponding to nearly 75% of the total population. A striking diversity of experience emerges. While monetary indicators improved in many countries, some are yet to succeed more fully in channeling the benefits of economic growth into the pockets of the poor. Moreover, some countries have experienced little economic growth, and saw little material progress for the poor. At the same time, the large majority of countries have made impressive progress in key non-monetary indicators of wellbeing. Overall, the African growth renaissance earns two cheers, but not three. While gains in macroeconomic and political stability are real, they are also fragile. Growth on a per capita basis is much better in Africa than in the 1980s and 1990s, yet not rapid compared with other developing regions. Importantly from a pan-African perspective, key economies-particularly Kenya, Nigeria, and South Africa—are not among the better performers. A series of policy implications emerge on a continent-wide basis. The need to bring about structural transformation is central, and agricultural advance will be crucial in the years to come. Furthermore, research and information are vital inputs into an informed polity in general, into policy formation, and into investment decisions by both public and private actors. Doing better on information systems and underlying knowledge generation processes is crucial to achieving broad-based development goals.

Work by UNU-MERIT has shown that specific policies in the form of social protection will pay off not only in the short term by contributing directly to the reduction of poverty, but also in the long run by indirect effects in terms of enabling households to invest in human capital and productive assets. Moreover, vertical and horizontal inequalities can be reduced as people are moving up the income ladder over time. In summary, the rate of return to social protection policies is clearly positive.

Recognizing the crucial role of data and innovations in the process of poverty eradication is fundamental. The United Nations University has provided technical capacity in a variety of developing countries in this regard. The 4th National Poverty Assessment in Mozambique (a critically needed analytical report) and the Viet Nam Access to Resources Household Survey (VARHS) – an open-access OUP volume forthcoming in February 2017 – are two examples of efforts to provide robust data for analysis. In concert with these efforts, it is becoming increasingly possible not just to identify and assess the policy needs of those in extreme poverty, but to assess specific poverty eradication challenges across all countries.
Appropriate measurement of poverty remains complex and controversial. This is particularly true in developing countries where (i) the stakes with respect to poverty reduction are high; (ii) the determinants of living standards are often volatile; and (iii) related information bases, while much improved, are often characterized by significant non-sample error. UNU-WIDER’s open access book, “Measuring Poverty and Wellbeing in Developing Countries”, published in early 2017 at OUP, seeks to enhance the transparency, replicability, and comparability of existing practice. In so doing, it also aims to significantly lower the barriers to entry to the conduct of rigorous poverty measurement and increase the participation of analysts from developing countries in their own poverty assessments. The book focuses on the measurement of absolute consumption poverty as well as a specific approach to multi-dimensional analysis of binary poverty indications, known as the first order dominance approach (FOD).

The book reveals that absolute poverty lines are appealing in the context of developing countries where the focus remains on attaining minimum standards of living for large portions of the population. Consistent with the SDGs and the approach in the UNU-WIDER volume, it is essential however to conceive of and monitor poverty in its different dimensions. It has long been recognized that poverty and wellbeing are multi-dimensional phenomena, which cannot be adequately represented by a single income variable. Several methods of measuring and comparing welfare have been proposed where application of a weighting or counting scheme to different dimensions is used. The Human Development Index (HDI) formulated by Nobel laureate Amartya Sen is one such example. The more recent Alkire-Foster Multi-dimensional Poverty Index (MPI) is another.

It is difficult to determine associated weights in any objective manner. Some differences in the ranking of countries are therefore bound to occur between different ranking systems, as illustrated in work in the PhD program at UNU-MERIT or in comparing rankings of countries by the GDP/capita measure and HDI. At the same time the systematic Africa-wide application of the FOD approach, which does not depend on any subjective weights, reveals an often remarkable consistency with the Alkire-Foster MPI. This means that robust policy recommendations are available, see “15 ReCom findings for post-2015” in the pursuit of SDG1 on poverty eradication, and associated goals. Moving forward, policy action is a critical need, as specified in the 15 concrete UNU-WIDER proposed actions.

2016-2017 poverty outputs


World Food Programme (WFP)

The report will address the theme drawing on relevant and timely analytical and policy work being generated by the ECOSOC system and UN system entities. Recent innovations in poverty eradication efforts will be highlighted based on substantive contributions from across the UN system and arising from the Council’s work on the theme in its 2017 session. The report will also be prepared in conjunction with the report on the theme for the ECOSOC thematic discussion.

II. Defining poverty in the context of the 2030 Agenda (2,500 words)

A. Multi-dimensional poverty and the SDGs (OSZ)

• Poverty and hunger continue to exist even when there is peace, stability and the ability to invest and even in countries with good overall macro-economic indicators. The “structural” nature of this poverty is often related to inadequate social protection policies and systems to reach all the people in need and ensure access to food. In many cases, this inability perpetuates mother-and-child malnutrition, causing an intergenerational cycle of hunger that is not alleviated by widespread economic growth and development. Geographical factors, lack of infrastructure and low population density can make it difficult for governments to provide services in rural areas, particularly to the smallholders who constitute the majority of people living in poverty. However, as urbanization expands in developing countries, where the scale of poverty and the rate of migration into urban areas often overwhelm existing services, leaving the poorest people without access to safety nets. The effects of climate change, ecosystem degradation and population growth amplify the challenges faced for populations in this context. Strengthening resilience of vulnerable households and communities will be crucial to counter the effects of these stressors.

• Despite progress made to achieve zero hunger, large socio-economic disparities between and within regions persist. Some 2 billion people endure micronutrient deficiencies and 793 million people are classed as calorie deficient, hungry and unable to access sufficient food for a healthy and productive life.

• Malnutrition has a huge impact on human development, contributing to the persistence of poverty and inequality through the intergenerational cycle of hunger. Therefore, helping to eliminate malnutrition, particularly in contexts of high burden or high risk and emphasize a preventive approach to malnutrition, focusing on facilitating access to nutritious diets required by vulnerable groups is crucial in helping to provide the foundation for sustainable development.

B. Poverty measurements and the SDGs

C. Understanding the social and geographical distribution of poverty (OSZAF)
• Almost two-thirds of countries in fragility failed to meet the goal of halving poverty by 2015.66 By 2030, around 62 per cent of the world’s poor are expected to be living in fragile situations, up from 43 per cent today.67

• Climate change will likely increase the risk of hunger and malnutrition by up to 20 percent by 205068 and could reduce maize production by up to 40 percent in Africa.69

• El Niño induced climatic events and conflicts were the two main drivers of intensified food insecurity in 2016. The persistent nature of these drivers, and their associated impacts, weakened households’ capacity to cope and undermined their resilience. The food crises in 2016 were both widespread and severe, affecting entire national populations, such as in Yemen, or causing acute damage in localized but large areas, such as in northeast Nigeria.

• By 2030, an estimated 7 out of 10 people will reside in urban areas. The majority of this growth will occur in developing countries, often with limited capacity to effectively manage the scale and pace of urban expansion. Asia and sub-Saharan Africa will account for over 90 per cent of urban population growth over the next 30 years. In fifteen years, more than half of Africa’s population will live in cities.

• The State of Food Insecurity in the World report from 201570 states: “Over the past 30 years, the typology of crises has gradually evolved from catastrophic, short-term, acute and highly visible events to more structural, longer-term and protracted situations [...]. In other words, protracted crises have become the new norm, while acute short-term crises are now the exception.”

• Record staple food prices also severely constrained food access for vulnerable populations, acutely aggravating food insecurity, notably in some southern African countries as a result of the drought, and in Nigeria due to the removal of fuel subsidies.

• Conflicts and limited humanitarian access to the most vulnerable people in conflict zones continue as the main drivers of food insecurity. People in conflict affected states are up to three times more likely to be undernourished than those who are living in more stable developing countries. The most recent projections suggest that approximately half of the global poor now live in states characterized by conflict and violence.71

III. Policy actions for eradicating poverty (4,500 words)

A. Adjusting policies for effective poverty eradication (drawing on the work of the ECOSOC system and the preparations for the ECOSOC segments and forums)

67 Ibid.
68 WFP https://www.wfp.org/climate-change
69 CGIAR https://cgspace.cgiar.org/bitstream/handle/10568/66560/WP119_FINAL.pdf
B. Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts (to be illustrated using contributions from ECOSOC system, the wider UN system and UN partners) \(\text{(OSZ)}\)

- Pursuing inclusive, broad-based growth that delivers opportunities for all
- Creating employment and decent work opportunities
  - Smallholder farmers account for nearly half of the world’s undernourished population. Supporting smallholders through improved market access, as well as the means to improve their yields, can have a profound positive impact on global food security and achieving the UN Global Goal of reaching Zero Hunger by 2030.
  
  \(\text{(POTENTIALLY MENTION): Purchase for Progress (P4P) was launched in 2008 to help WFP explore ways in which its programme design and food procurement could better support the lives and livelihoods of smallholder farmers. P4P provides farmers with an entry point into formal markets. Stable demand from WFP and other institutional buyers encourages smallholder farmers to invest in their agricultural activities and catalyses broad capacity development and policy-level support. A wide variety of partners – especially national governments – work together to support smallholders across the value chain – from production to post-harvest, business skills and access to finance. Since 2008, WFP has been able to purchase US$230 million-worth of food from smallholder farmers. P4P has generated broad improvements in areas such as gender relations, farmers’ organizations, local economies and market systems, thus, enabling farmers to grow more, sell more, earn more and become more competitive players in their local markets.}\)
  
  \(\text{(POTENTIALLY) Food Assistance for Assets (FFA) programmes offer food or cash to people in exchange for their involvement in activities like building roads, dams or irrigation systems. These assets strengthen people’s livelihoods, create healthier natural environments and reduce the risks from climate disasters by building resilience. Since 2013, between 10 and 15 million people have benefited each year from FFA programmes in over 50 countries. These initiatives have helped communities to restore hundreds of thousands of hectares of degraded land, build thousands of ponds and wells, build scores of feeder roads, and plant thousands of hectares of forests. Thanks to FFA, people are learning skills like natural resources management, and income-generating activities such as beekeeping and marketing fruits and other products.}\)

- Ensuring access to financial services and technology
  - At the World Humanitarian Summit, global commitments were made to scale up the use of cash based transfers (CBT) in conjunction with national social protection schemes, including through greater cash transfer programming in fragile contexts. Via CBT as transfer modality, WFP helped millions of households to connect to private sector financial services, as well as thousands of retail shops in many remote places to link up to existing payment gateways (POS/ATM/Bank Account).

- Social protection systems, including social protection floors
As a component of a comprehensive government-led frameworks for predictable response to shocks and protracted crises, social protection can build capacity at individual, household, community and national levels to effectively withstand the negative impact of shocks while contributing to sustainable development outcomes.

Social protection systems and nutrition-sensitive safety nets directly contribute to the reduction of poverty, hunger and malnutrition by promoting income security and access to health care and education. By improving human capacities and mitigating the impact of shocks, social protection fosters the ability of the poor to participate in growth through better access to employment. Social Protection can encompass a range of services, such as social assistance for the poor, social insurance for the vulnerable, labour market regulations and social justice for the marginalised.

Nutrition-sensitive social protection targets the most vulnerable, and can be an important strategy to addressing the underlying causes of malnutrition.

Ensuring essential health

Increasing incomes by 60 percent (the gains needed to raise average incomes of the poor in low-income countries to the $1.25 per day poverty line) could reduce average child stunting prevalence by an estimated 34 percent and underweight prevalence by 45 percent; and (iii) reducing gender inequality to help raise incomes and strengthen the link between higher household income and nutritional outcomes, as women are responsible for most of food production, purchasing, processing, and meal preparation.72

Malnutrition and diet are by far the biggest risk factors for the global burden of disease: every country is facing a serious public health challenge from malnutrition. The economic consequences represent losses of 11 percent of gross domestic product (GDP) every year in Africa and Asia, whereas preventing malnutrition delivers $16 in returns on investment for every $1 spent.73

Promoting income security over the life-cycle

Overall, growth originating from agriculture has been two to four times more effective at reducing poverty than growth originating from other sectors.74 And there is some evidence that income gains from agricultural activities have been no more costly to achieve than income gains in other sectors. Smallholder productivity has recently increased even in the poorest regions such as SubSaharan Africa, where higher cereal yields have been closely correlated with a higher share of the population above the poverty line.75

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74 Ibid.
75 Ibid.
1. Globally, 30 percent of all workers are employed in primary agriculture. The share is 60 percent in SubSaharan Africa. \(^{76}\)

2. WFP continues its successful scale-up of work to reduce post-harvest losses in sub-Saharan Africa through training in handling techniques and improved storage: during the initial trial in 2013, for example, 400 Ugandan smallholder farmers reduced post-harvest losses by 98 percent. The Uganda country office scaled up work to minimize post-harvest losses to 16,600 farmers in 2014 and 40,300 in 2015; in 2016 an additional 60,000 farmers will took part and a similar model was piloted in Rwanda, the Sudan and the United Republic of Tanzania. Zambia has adapted the approach to focus on improved food storage in schools linked to school meal programmes.

- **Supporting opportunities and access to education and learning**
  - When a school meals programme is part of a package of investments in education, it can help maximize the return of these investments, because school meals facilitate access to school, increase enrolment and attendance rates, and improve the nutritional status, health and cognitive development of children.

  - A systematic review of 216 education programmes in 52 low- and middle-income countries found that school meals programmes are one of the few education interventions that shows positive impacts in both school participation (enrolment, attendance, completion) and learning (scores on cognitive, language and mathematics tests) \(^{77}\).

- **Advancing opportunities for women and girls**
  - Reducing the gender gap in access to agricultural inputs will be essential to increase agricultural productivity and household resilience towards more prosperity for future generations. Closing the gap between men and women in access to inputs could raise yields on women’s farms by 20 to 30 percent, which in turn could increase production in developing countries by 2.5 to 4 percent and reduce the prevalence of undernourishment by between 12 and 17 percent. \(^{78}\)

- **Environmental resources and resilience**
  - Ending hunger by 2030 relies on halting land degradation, deforestation and desertification, and conserving and restoring terrestrial ecosystems such as forests, wetlands, drylands and mountains by 2020. There is need for sustainable, resilient farming practices that increase smallholder farmers’ productivity, increased off-farm employment and planned migration

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\(^{76}\) Ibid.


activities supporting food access that take pressure off the land, while addressing the challenges potentially affecting food security.

- Environmental degradation often leads to declining agricultural productivity and high risk of crop and livestock failure,\(^79\) with impacts on food and nutrition security, particularly for indigenous communities.

- For food-insecure populations, the impacts of human-induced environmental degradation compound the challenges of climate change, natural disasters, conflict, price volatility and water scarcity. Climate change is accelerating natural resource degradation, while natural disasters contribute to ecosystem deterioration and loss.\(^80\) Both have significant consequences for livelihoods.

- Ensuring access to land and natural resources

  - Reducing exposure and vulnerability to climate-related extreme events and other shocks and disasters

- Over the last decade, natural disasters have affected 1.7 billion people and killed 700,000 people.\(^81\) Since 2008, an average of 26.4 million people a year have been displaced by natural disasters. Approximately 80 percent of these disasters were climate-related.\(^82\) Climate disasters regularly cause more than USD 100 billion of economic losses a year, a figure that is projected to double by 2030.\(^83\)

- More investment is needed in innovative approaches that integrate climate science, resilience building, social protection and mitigation.

- Government capacity building should be a key component of any programme design to encourage country ownership and policies. There is a need continue to build national capacities to prepare for and respond to climate and other disasters, including through enhanced climate risk assessments for emergency systems that can respond in ways that can reduce vulnerability in food procurement, transport, storage and distribution.

- Continuing to support food security analysis and the capacity to analyse, translate and use climate information to support early warning and early action in food crises.

- Mechanisms such as asset creation, public works, employment guarantees and nutrition programmes are essential elements in protecting the most vulnerable people from increasing climate extremes, and providing platforms for support to large-scale adaptation.

- Continuing to introduce and scale-up innovative risk financing tools that help food-insecure countries and communities manage increasing climate risk Tools such as weather index insurance, forecast-based finance and contingency financing can reduce uncertainty and

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improve livelihoods. When deployed as part of an overall risk management strategy, these instruments allow the poorest and most vulnerable farmers to make and protect investments that increase, improve and diversify their productivity, livelihoods and well-being.

- A range of underlying causes that must be addressed to reduce the risk for humanitarian crises. Effectively dealing with this complex set of underlying factors will require concerted efforts by both humanitarian and development actors working together under government-led strategies to mitigate the impact of natural disasters.

- Humanitarian action must be placed in a more long-term perspective that allows for short-term, lifesaving assistance to be more effectively embedded within efforts to reduce need and vulnerability over time.

- Effective emergency response can help protect hard-won development gains by meeting immediate needs during a crisis. Development planning must also be sensitive to the risk of humanitarian crises and be responsive to sudden shocks and changes in the needs of vulnerable populations. Investments in both humanitarian preparedness and response and long-term development must be multi-dimensional and focused on enhancing the resilience of the most vulnerable populations.

R4 - Innovative Finance:

- WFP continues to work with national governments and other partners to support the establishment of national programmes and services, including adaptive and shock-responsive safety nets through the development and scaling up of approaches such as the R4 Rural Resilience Initiative
- The 2015-16 El Niño phenomena was one of the strongest on record and is affected the food security of a vast number of people around the world. The World Food Programme and Oxfam America’s R4 Rural Resilience Initiative (R4) is helping farmers build their resilience to increasing risks by enabling them to access crop insurance in exchange for their labour. In total R4 is helping almost 200,000 people to manage the effects of El Niño.
- R4 is a comprehensive risk-management approach, launched by WFP and Oxfam America in 2011 to enable vulnerable rural households to increase their food and income security in the face of increasing climate risks. R4 combines improved resource management through asset creation (risk reduction); insurance (risk transfer); livelihoods diversification and microcredit (prudent risk taking); and savings (risk reserves).
- As a result of El Niño-related droughts in 2015 and 2016, R4 weather insurance payouts were triggered in Ethiopia, Senegal and Malawi. Almost 30,000 farmers and their families – 180,000 people – received insurance payouts.

FFA:

- WFP’s food assistance-for-assets programmes help food-insecure households to meet their basic food needs while supporting their efforts to build resilience, improve livelihoods and reduce current and future disaster risks.
FoodSECuRE:

- WFP has developed the Food Security Climate Resilience Facility (FoodSECuRE) as a new and innovative institutional mechanism to financially and programmatically support community-centred action to reinforce anticipatory response and build climate resilience. FoodSECuRE addresses the challenges of increasing losses and damages from extreme weather events, supporting the most food-insecure people to build climate resilience. FoodSECuRE will support community-based action in three ways by triggering: (i) early action based on climate forecasts to provide funding to support community-level resilience building before climatic shocks occur; (ii) early response by providing funding to support early action in response to large scale climate shocks (e.g. complementing existing government led mechanisms); (iii) post-disaster resilience building by providing predictable multi-year funding for resilience interventions following a climate disaster.

ARC:

- WFP has been working with African Risk Capacity (ARC) – an insurance pool that diversifies weather risk across member countries to lower the cost of government response to disasters, before they become humanitarian crises.

World Health Organization (WHO)

Health and Poverty: breaking the cycle

I. Introduction

The 2030 Agenda for Sustainable Development as the roadmap for poverty eradication

The Sustainable Development Goals is an important framework that builds on the overall significant progress made to eradicate poverty and improve health – progress which can be linked to the era of the Millennium Development Goals. Over the last two decades, the percentage of the world’s population living in extreme poverty has been reduced from 36.4 percent in 1990 to 14.5 percent in 2015. The global average child mortality rate and maternal mortality ratio have both been reduced by
approximately half, although short of the targeted decrease of two-thirds. However, progress has been uneven and inequalities still persist. While there are some common drivers of poverty and ill health across countries, the relative importance of specific causes and factors are different across countries and policies must be developed based on a deeper understanding of a country’s unique context. Moreover, given the complexity of poverty and health and the intricate links with other dimensions of development, such the design and implementation of such policies should seek to recognize the inter-linkages with other social sectors.

**Poverty eradication and improving health are universal commitments**

Eradicating poverty and improving health requires action from the international community. With globalization, countries at all stages of development are increasingly interconnected through political, economic and social policies and practices that carry implications across borders. The wealth of a richer nation is interlinked with the poverty of a poorer nation, for example, through trade and debt terms. In addition, poverty is no longer a phenomenon of low-income countries as a shift in the global distribution of poverty from low-income countries to middle-income countries has been well noted. The majority of the poor population now actually live in largely non-poor countries. Today, principles of shared prosperity and mutual accountability are commonplace principles in the health and overall development agenda. Efforts to reduce poverty and improve health within a country will require national commitment and leadership and country-led efforts should also be complemented through collaboration with all stakeholders.

**II. Defining poverty in the context of the 2030 Agenda**

**A. Multi-dimensional poverty and the SDGs**

**Poverty reflects multiple deprivations and is not limited to income-based measurements**

What is the relationship between poverty and health?

Health is a fundamental constituent of human well-being; a certain level of health is essential to any conception of a good life. In the absence of good health we live less well, regardless of any other dimension of wellbeing. However, health is also important because it is an enabling capability for all forms of human activity, not only including the enjoyment of the good things that life offers but also the achievement of all the things that people want to do with their lives, such as to form families, friendships and other social relations as well as to engage in productive work. Income, or wealth, is like health but only in this latter respect: income is not a fundamental constituent of well-being but as an enabling factor it does allow people to do more of the things they want to do.

Poverty, on the other hand, cannot be conceived of merely as the absence of (monetary) income, or as the absence of health for that matter; understood holistically, poverty is the absence of any of the capabilities necessary to enjoy life and to achieve the things that people want to do with their lives. Poverty includes, therefore, an income dimension, but it also includes a health dimension and an education dimension, among others. The Human Development Index, and other poverty measurements that capture some of the various dimensions (and determinants) of human well-being (that is, human
development) express a holistic concept of poverty, a concept that is also embedded in the Sustainable Development Goals.

Education and health are perhaps the only human resources that are direct constituents of human well-being as well as being fundamental enabling capabilities that are required for the realization of nearly all other forms of well-being. For this reason, that is because of their double role as both constituents and enablers, improvements in either health or education have an impact on human well-being that is — in general — far greater than that of improvements in other merely enabling factors such as income. This twofold feature justifies the particular importance given to health (and education) in all discussions of poverty.

The relationship between poverty and health is complex. Health is both a dimension of poverty, understood holistically, but health is also a determinant of poverty, in the sense that health is necessary not only for engaging in productive (e.g. remunerated) work but it is also essential for doing any of the other things people want to do. For this reason, the relationship between ill health and poverty is self-reinforcing, forming a vicious cycle that with appropriate policies can be made into a virtuous one. Breaking the vicious cycle, however, is not easy. There are multiple factors relating to both politics and to the economy that adversely affect the allocation of resources in the health sector, and which result in health outcomes that are worse than those that could be achieved with a more socially beneficial distribution of resources.

**Poor health and nutrition outcomes are a key aspect of poverty; Ill-health is inherent to the concept of poverty**

As noted, a comprehensive and inclusive view of poverty takes account of a range of deprivations detrimental to well-being: not only income (or wealth), but also broader dimensions of human development such as health, education, financial and physical security, opportunities, and participation in key aspects of social life. Poverty reflects a lack of basic human development. Gender is in particular an important factor affecting both health and other dimensions of poverty. For example, iron deficiency anemia affects double the number of women compared to men and protein-energy malnutrition is significantly higher in women in South Asia, where almost half the world's undernourished reside. Also 70% of the 1.2 billion people living in poverty are female and there are twice as many women as men among the world's 900 million illiterates. And in developing countries, only a tiny fraction of women hold real economic or political power.

The importance of health as a dimension of poverty in its own right is reflected not only in theories of human well-being as developed by philosophers and economists, but is also embedded in the so-called “rights based approach”, that is, in which a “right to health” is considered a fundamental legal entitlement that is guaranteed by instruments such as the Universal Declaration of Human Rights. Although both these strands of thought (that is, the well-being-based strand and the rights-based strand) have been extant for decades (indeed, centuries), the transition from the period of the Millennium Development Goals to that of the Sustainable Development Goals (SDGs) has been marked
by a much more explicit recognition on the part of both governments and broader civil society (not only by philosophers, economists and jurists) of the inter-linkages between the economic, social, and environmental dimensions of development. Indeed, central to achieving the SDGs focusing on the eradication of poverty and the improvement of population health is a recognition that sector-specific approaches to development are less effective than cross-sectoral and whole-of-society approaches.

**Dynamic nature of poverty (both substantive and temporal) and need for holistic framework for poverty eradication**

**Ill health and broader forms of poverty form a vicious cycle**

**Adverse health outcomes contribute to poverty.** Ill health, malnutrition and high fertility are three of the main reasons why households become or remain poor in terms of income (and wealth). These factors cause low incomes and magnify thereby other forms of poverty through diminishing productivity (that is, through reducing activity both in the labour market and otherwise), reducing household income and increasing household expenditure on health. In Asia, the proportion of household income spent on health services is typically higher in low-income groups than in higher-income groups. The cost of accessing care for needed health services — for example, for physician fees, lab tests, or medications — often precipitates near poor household into major financial and economic difficulties. For example, studies in East Asia showed that 50 percent of financial crisis in poor families are triggered by the cost of accessing care for TB, HIV, and severe malaria. Spending on health can also push people into or further into poverty. In the US, a study showed that 62% of bankruptcies in 2007 are, in fact, due to medical care costs.

There are also long term effects associated with paying for health. A study conducted in Tanzania showed that costs for AIDS treatment in a household caused a decline in household’s income for about two years. Moreover, accounting for mechanisms that households employ to cope with paying for health through the selling of assets, drawing on savings and/or borrowing also highlight the longer-term burden on households and how it can lead to what is known as a ‘poverty trap’. A study in Cambodia showed that 62% of individuals who borrowed to pay for dengue treatment were still paying off their debt and its interest after one year.

Coping strategies also reveal higher levels of poverty (because total household expenditure is inflated by coping), and a study in India showed that accounting for such coping mechanisms increased poverty by 7-8% points among households who incurred hospital spending.

**Poverty leads to poor health outcomes.** Two of the factors noted above as associated with low income are also determinants of ill health, namely malnutrition and high fertility. Other factors associated with poverty that are also determinants of ill health are high levels of female illiteracy, lack of access to clean water, unsanitary conditions, food insecurity, poor household caring practices, heavy work demand, lack of fertility control, as well as low access to preventive and basic curative care. Typically, around 70% of differences in infant mortality can be attributed to differences in income. Communicable diseases represent a large share of the burden of disease suffered by the poor. Unfortunately, early onset non-communicable diseases are also increasingly negatively impacting the poor.

Figure 1: The vicious cycle between poverty and ill-health
As the figure above shows, the relationship between health and income poverty can be seen beyond these two directions of influence (the vicious cycle) as visualized by the line that circles both ill health and income poverty. The visualization presented with the arrows, however, offers several clear targets for policy as countries work on reversing the vicious cycle.

B. Poverty measurements and the SDGs

C. Understanding the social and geographical distribution of poverty

Identifying the poor and vulnerable within countries

_Mortality and coverage and the inverse care law_

The availability of health services and the need for health services tend to have an inverse relationship, meaning that those who need medical care the most are actually less likely to receive such care. This observation is the basis of the so-called ‘inverse care law’, a term first coined by Hart in 1971.<ref>5</ref> This inverse care law arises from the multiple dimensions of deprivation, and thus is a reflection of basic poverty. Indeed, people have vastly different stories to tell about their health depending on their economic status, level of education, place of residence, sex, age, and other socio-economic inequalities. While national averages can be compared to show inequalities across countries, presenting data according to different population subgroups can also reveal important within-country inequalities.

Figure 2 illustrates under-five mortality rates in 49 low- and-middle income countries, by different equity stratifiers including economic status, mother’s education, place of residence and sex. The rate of mortality in children under five years of age was higher among the poorest than the richest subgroup, and the no education subgroup than the secondary school or higher subgroup. Inequality existed
between rural and urban subgroups (higher mortality in rural subgroups), and to a lesser extent, between males and females (higher mortality in males).

Figure 2: Under-five mortality by socio-economic stratifiers


A composite coverage index introduced by the Countdown to 2015 group is composed of key reproductive, maternal, newborn and child health (RMNCH) coverage indicators and thus serves as a good indicator of a country’s overall progress towards achieving universal coverage. Figure 3 reveals that across three dimensions of inequality a common pattern of higher coverage is observed among the more advantaged subgroups. The coverage of RMNCH interventions tended to be greatest in the wealthier subgroups, the secondary school or higher subgroup and in urban areas. Figure 3 below illustrates the scale of within-country inequalities and the cross-country variation within subgroups.

While half of 48 study countries had composite coverage index values of over 80% for the richest quintile, only one country achieved this level of coverage in the poorest quintile. By eliminating economic-related inequality in eight RMNCH interventions and increasing coverage to the level of the richest quintile, around half of study countries could potentially achieve an increase in their composite coverage index of about 10 percentage points from current levels.

Figure 3: RMNCH composite coverage index by multiple dimensions of inequality in 48 low- and middle-income countries (DHS and MICS 2005-2013).
Falling into poverty because of ill health

As described above, ill health is also a key determinant of poverty. The unpredictable nature of a sudden bout of illness can be a shock to a household’s living standards as can the expected and periodic expenses related to chronic health conditions. Household expenditures on health or out-of-pocket payments for health can tip people into poverty especially the near-poor or those near the lower part of the socio-economic ladder.

The measurement of poverty due to health spending builds on traditional methods to measure general poverty but adapts these measures by identifying those whose expenditures net of out-of-pocket payments are below a poverty line and whose expenditure gross of out-of-pocket payments are above such a poverty line. In other words, the poverty headcount ratio measures the percentage of the population pushed below a poverty line as a result of making payments on health. It is important to keep in mind two characteristics of this measure. The first is that it is only concerned with the share of the population actually spending on health but does not account for those who do not spend anything.

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84 Out-of-pocket payments are defined as direct payments made to health-care providers by individuals at the time of service use, i.e. excluding prepayment for health services – for example, prepayments made in the form of taxes or insurance premiums or contributions – and, where possible, net of any reimbursements to the individual who made the prepayments.
whether because they found the costs unaffordable or because their health financing arrangements do not require any payment to be made. The second is that it ignores those who are already poor and below the poverty line; in other words it does not identify the already poor who pay for health. For many households in many low-income countries, the extreme poverty line is actually higher than their gross per capita expenditure. Similarly, it will not be as useful for measuring poverty in high-income countries.

In a sample of 37 nationally representative surveys conducted between 2002 and 2012, out-of-pocket payments on health pushed 0.6% of people below the international poverty line of US$ 1.25 a day (in 2005 PPP) and 0.9% of people below US$ 2 per day (country median) (Figure 4).

Figure 4: Percentage of the population pushed into poverty because of out-of-pocket health payments (median, 27 countries)


Of these 37 countries, a subset of 13 countries had at least two datapoints over the 2000–2011 period and an with headcount ratios greater than or equal to 0.5%. Examining trends by comparing the first and last datapoints, the median headcount ratio of poverty due to out-of-pocket health payments using the poverty line of US$ 1.25 per day decreased for 8 of 13 countries.

Figure 5: Trends in impoverishing health expenditures 2000-2011

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85 Sample composed of household survey datasets from 37 countries publically accessible to the WHO. Surveys are nationally representative, publicly available and contain comparable survey data with information on total consumption and on health OOP. There is an ongoing effort to extend this sample to include other countries and a process for ensuring consistent and robust comparisons across countries and over time is currently being undertaken. Available datasets for future estimates will represent over 120 countries representing approximately 90% of the world’s population and are summarized here: [http://apps.who.int/gho/cabinet/uhc.jsp](http://apps.who.int/gho/cabinet/uhc.jsp)
III. Policy actions for breaking the cycle of poverty and ill health

The persistence of the vicious cycle between poverty and health and of inequalities in the health sector, both in terms of health outcomes and access to services, is well documented. There is growing recognition that the poor (in income or wealth terms) are at a disadvantage when it comes both to health status and to access to health care. With this recognition comes a large and growing body of evidence on why inequality in health (and not just income) persists globally. Developing policies to reverse inequalities in all forms of benefit and to turn the vicious cycle of ill health and poverty into a virtuous cycle of improving health outcomes for the poor and their well-being has to begin with understanding the main causes of inequality. In this section, we first summarize some of the documented causes of inequality in health outcomes and access to health care, then present an accountability framework taking into account the political economy drivers of inequality, and finally offer a menu of policies based on successful country experiences.

Adjusting Policies to Address Causes of Inequality and Challenges Faced by the Poor

There are multiple causes of inequality and to help inform the development of policies to address these, one might distinguish the causes of inequality and the constraints and challenges faced by the poor by supply- and demand-side drivers. Under potential supply-side causes, are factors related to service delivery and financing. Under demand-side causes, are factors related to financial barriers faced by poor households, behavioral and risk issues, and cultural issues. It is important to note that while inequality is persistent in the health sector, the specific causes are context specific. In other words, the summary below describes a set of the most common causes of inequality, but the important causes for a country differ from place to place requiring country-specific analysis.

Possible Supply-Side Causes

Supply-side causes refer mainly to factors that are due to public policy and other national decisions related to the financing and delivery of care. For ease of presentation they can be clustered under headings covering service delivery and financing. Service-delivery factors are threefold and related to the availability, accessibility and acceptability of services. First, the potential bias in the location of
health facilities which usually includes an urban bias. However, even within urban settings, there is usually a bias for more-affluent localities. Location of facilities may lead to longer travel times and higher travel costs, which in turn decrease the likelihood of health care use by the poor. Second, possible long waiting times and inconvenient time schedules at facilities placed in areas where the poor live and work. The income-poor can least afford to forgo wages to seek care. A related factor is the facilities’ hours of operation, which typically coincide with peak working hours and thus make the decision to seek care more difficult. Third, perceived and actual low quality of care in facilities serving the poor, including lack of drugs, absenteeism of providers, lack of functional equipment, and the inferior overall conditions of the facilities. A related issue is the extent to which the poor feel that they are not well treated, or even that they are discriminated against, by providers who may come from a different segment of society (the problem of “social distance”).

Under **financing** factors, we can cluster: (i) Resource allocation decisions that channel significant funding to curative care in tertiary hospitals rather than to basic care at primary health facilities, the latter of which are more likely to serve the poor. (ii) Resource allocation decisions that move resources away from programs that address the diseases of the poor. The issue here relates to both allocations to preventive and curative care for disease as well as to research efforts for different disease. (iii) Cost recovery systems that do not have mechanisms to protect the poor. (iv) Unofficial (“under the table”) payments demanded by gatekeepers and providers.

**Box: Who benefits from government health expenditures?**

In addition to the evidence that shows that the poor have fared worse vis-a-vis health outcomes and access to services, studies also show that public financing for health is also not pro-poor⁸. Examining benefit incidence analyses across 69 countries, Wagstaff et al (2014) estimated the pro-poorness of government health expenditure (GHE) and found that, on average, government health financing benefitted the rich. There was, however, a large degree of variation across countries with GHE pro-rich in 20 countries and significantly pro-poor in six countries. For a majority of countries, results showed GHE were neither pro-rich nor pro-poor. Who benefitted the most also depended on which sector government spending was allocated to and for what type of health services. The authors found that government spending in public facilities on outpatient care was the most pro-poor whereas spending in private facilities benefited the rich, although the relative share going to the private sector is noted as smaller.

Wagstaff et al (2014) also conducted correlations between the degree to which spending was pro-poor and other contextual variables. They found that a pro-poor distribution was positively associated with GDP per capita, government health spending per capita and governance indicators, but negatively correlated with the share of government facility revenues coming from user fees. Their findings suggest that there is tradeoff between efficiency and equity in policy decisions to contract with the private sector as, while it may increase efficiency in government spending, such spending has been found to benefit the rich. In addition, the correlation with higher government health expenditure support suggest greater levels of public monies allow for a wider and thus more equitable distribution.

**Possible Demand-Side Causes**
Demand-side causes refer to factors that are usually related to household or individual drivers, even if they are indirectly influenced by factors covered above under the supply-side. They can be clustered under three sub-headings. **Financial barrier** to care factors include: (i) the out-of-pocket costs of health services in the first place, not to mention associated costs of traveling to health facilities, particularly for the poor living in dispersed rural settings; (ii) the opportunity cost of time taken to travel to a facility and wait for treatment—that is, the income lost by not working during that time; and (iii) limited knowledge about health services. Getting care, especially preventive care, is not likely if household heads are not aware of available services or are not convinced of the benefits of such services. The poor historically have less access to such information than the better-off.

The second sub-heading under demand-side causes relate to **behavioral or risk** factors and includes: (i) Preference by the poor for traditional (or nonqualified) healers over more qualified providers. This preference decreases the demand for preventive services and significantly affects the quality of care being provided to the poor. (ii) More value given to curative care than to preventive care. This preference is not unique to the poor but tends to be stronger in poor families and may be influenced by a lack of resources or knowledge. (iii) Preference for home-based births over delivery in facilities.

The third sub-heading under demand-side relates to **cultural** factors and can include: (i) cultural norms or religious beliefs which may discourage the seeking of health care. This factor disproportionately affects the poor and has especially strong implications for women. Also, such influences have sometimes undermined participation, especially of the poor, in immunization campaigns. (ii) Cultural norms or religious beliefs may discourage the use of contraceptives, even in families that desire a relatively small number of children.

As noted earlier, but important to re-emphasize, while there is considerable evidence that the causes and factors listed above are important, the relative importance of specific causes and factors are different in different countries. This means that before policy is developed in a country to counteract inequality, a deeper understanding for the main country-causes is essential. Another important point to repeat is that while the causes and factors were artificially separated under different headings and sub-headings, this was done for simplifying presentation. In reality, these factors interact. For example, underfunding, a supply-side factor, contributed to financial barriers for the poor, a demand-side factor.

**An Accountability Framework**

Central to public policy in counteracting inequality and tackling the vicious cycle of ill-health and income-poverty is strengthening the accountability in the health system in order to address the political economy factors that influence decision making at the government level as well as decisions within households. A useful basic accountability framework for making services work for the poor was introduced in 2004 for services like education and health. The framework can help guide policy development for making health services pro-poor.

The accountability framework portrays the basic relationships between the three essential groups in the service system—the public, policymakers, and service providers (figure 6). In doing so, it encourages thinking of services as embedded in those relationships and thus encourages thinking about which relationship holds the most promise for attacking any given service problem. The framework portrays
two layers of relationships: (i) the bilateral accountability relationships between the three entities and (ii) routes by which the public exercises influence over providers—the long route via the state and the short route via the public's bilateral relationship with providers.

Figure 6: Accountability framework

World Development Report 2004

The three entities and their bilateral relationships are described in the following:

**The Public.** (Citizens/Clients) Members of the public have dual roles—as citizens and as clients of the service providers. As citizens, they participate individually in the political process or as part of a coalition (community, political parties, trade unions, business associations, and so on) to engage with health sector decision-making processes. As clients (in the case of the health sector), they voice concerns and preferences to protect their health and the health of their families by demanding and receiving health services.

**Policymakers.** State policymakers exercise its powers to regulate, legislate, and tax. Political circumstances vary greatly by country, from democratic governance to one-party control, from executive politicians in dominance to legislative rule. Policy makers also exercise the power of the state. In some countries, politicians and policy makers are one. In some, they are separate.

**Service providers** can be public organizations, such as ministries or departments of health, or private nonprofit or for-profit organizations. In a given area, the same service may be offered simultaneously by all these types of organizations and by several providers of one type. When the provider is in the public sector, one needs to be clear about the distinction between the policy maker and the head of the provider organization. The former sets and enforces rules of the game for all providers; the latter makes
internal “policy” specific to the organization. Frontline providers are the service providers in direct contact with clients.

Ideally, the actors are linked through three relationships:

- As citizens, the public exercises voice over the state.
- The state has a compact with organizational providers.
- As clients, the public exercises client power over providers through interactions with frontline providers.

The two routes of accountability follow:

**The short route** is the basic market interaction; a consumer demands and the producer supplies the good or service. The markets for shoes, vegetables, or other competitive market transactions entail a clear system of accountability between the customer and the provider. Customers pay for the product or service. If customers are not satisfied, they can go elsewhere or seek legal recourse. For the most part, the short route has the customer—or client—exerting client power over the provider (holding the provider accountable) through payment.

In the health sector, the short route of accountability can fail the poor in two ways. First, the poor, by definition, have limited resources and hence less power over providers. Second, the health sector has considerable asymmetries of information and conflicts of interest. A variety of market failures—such as disease-related externalities and fragmented insurance markets—and concerns for equity often justify public intervention in financing health and nutrition services and a role for government.

**The long route** of public accountability, from poor clients to policy makers, then from policy makers to providers, is sometimes attempted when the short route fails to work. The client influences the policy maker (politician or bureaucrat) through voice, and the policy maker in turn exerts power, through the compact relationship, over the provider. The long route for services often breaks down in the health sector (and in other service sectors); in those cases, the two accountability relationships, voice and compact, need to be strengthened.

**A Menu of Policy Options based on current evidence and best practices**

As noted earlier, there is considerable global evidence of the different causes of inequality and when that is combined with a detailed understanding of the most important factors for specific country and an understanding of the basic accountability framework, policy decisions can be made. Based on documented country experience, we have developed a menu of policy actions that have been proven to be effective in decreasing inequality in the use of health services. The policy menu is organized around six health sector reform policy areas. The six policy areas represent policy focus areas that are typically used by policymakers to shift, change, and improve the performance of the health sector. Specifically, this refers to (i) how resources are mobilized for health; (ii) how funding for health care services are allocated by the public sector; (iii) how health care providers are paid; (iv) how health care services are organized to deliver care; (v) how the health sector is regulated; and (vi) how to influence behavior change for both providers and the population.

**Finance Reforms—Resource Mobilization**

A critical cause for low use of health care by the poor and for increased poverty is the financial barriers imposed when patients have to pay for care at the point of contact, typically through user fees.
that delink payment by the poor for health care can eliminate this barrier, increase access to care, and
decrease the deepening of income-poverty. Two specific instruments have been proven successful,
expansion for pre-payment schemes for the poor (e.g. insurance), and targeted exemption mechanisms
for cost recovery. Examples of the expansion of pre-payment mechanisms are the public financing of
insurance premiums in systems that previously only covered formal sector workers. Examples include
Colombia and Mexico. A different example of prepayment is community based insurance in Rwanda.
All three examples of expansion of pre-payment have led to increased access and use of health care
services by the poor. Examples for the second instrument, targeted exemption from user fees, include
the introduction of a targeted health card in Indonesia and the development of an equity fund for
hospital care in Cambodia. It is important to note that both examples of user fee exemptions targeted
the poor and added resources from other sources to replace the lost revenue to health facilities.

**Finance Reforms—Resource Allocation**

Another critical cause of inequality discussed earlier is that facilities that soak up the bulk of health care
spending, especially hospitals, tend to be located in areas that are more likely to serve the wealthy.
Changing resource allocation mechanisms to counteract this challenge has been successful in a number
of ways. One successful example, in the Kyrgyz Republic, was to use a population-based budget
allocation mechanism (per capita allocation) regardless of the location of facilities. A different example,
the Brazil expansion of a family medicine program, started in the poorest municipalities ensuring a pro-
poor expansion. A very different approach to allocation is to directly target the poor through cash
transfers or conditional cash transfers (CCTs), with excellent examples of CCTs in Chile and Mexico.

**Provider Payment Reforms**

How health care providers, both facilities and individuals, are paid can be a powerful tool for changing
behavior in a number of ways including becoming more pro-poor. Successful reform efforts of provider
payment systems have been able to link payment to providers to their ability to attract and serve poor
families. Facility managers and service providers respond to incentives, particularly financial incentives.
There is overwhelming evidence that different provider payment mechanisms influence the types of
services that are provided and the population served. The growing literature on the impact of reforms
shows that creating explicit links between provider compensation and service use by the poor decreases
inequality. Examples include incentives to municipalities increasing use by the poor (Brazil), incentives to
contracted nongovernmental organizations (NGOs) that reach the poor (Cambodia contracting), and
payment to hospitals serving the poor (Cambodia health equity fund).

**Organizational Reforms**

Organizational reforms cover a wide variety of actions, such as decentralization, service delivery
mechanisms, and service prioritization. There is increasing evidence that confirms that reforms that
brought services geographically closer to the poor had a positive impact on inequality. One way to
define the distance between services and the poor is the types of services offered. A number of
programs defined a benefits package to serve the needs of the poor (Brazil family medicine, Cambodia
contracting with NGOs, Colombia, Mexico, Nepal participatory planning for reproductive health
services). Social distance between providers and the poor is also an important factor. Effective methods
to close the social distance in health services include use of familiar and trusted community members to
provide health services (India Self-Employed Women’s Association), engagement of the community in service management (Rwanda), and collaboration with the community in program design (Nepal).

**Regulatory Reforms**

The poor and socially vulnerable suffer from a number of deficits when compared with the better-off. Two deficits that play critical roles in health service inequality are political voice and market power. Limited political voice weakens the *long route* of accountability while limited market power weakens the *short route*. A number of the evaluated policies successfully reduced inequality by engaging the poor in the design and implementation of health sector reforms. Examples include participatory planning (Nepal), community oversight (Rwanda), community identification of the poor (Cambodia health equity fund), research on the needs and preferences of the poor (Tanzania), household-level planning (Chile), and community mobilization (Kenya).

**Persuasion Reforms—Behavior Change**

An important premise to keep in mind is that households are the main producers of health. A critical element of this household production process is the consumption (use) of effective health services. The fact that health services are necessary does not automatically translate to demand. The poor may demand the services but there are barriers to use (financial, geographic, and so on). Research findings increasingly point to a second “gap” between the needs of the poor and their demand for health services. Closing the need-to-demand gap may require information, persuasion, and incentives. Examples include conditional cash transfers (Chile and Mexico), social marketing (Tanzania), and outreach health education (Brazil, Cambodia, Chile, and Kenya).

**IV. Key messages and recommendations**

**A. Consolidated messages from previous sections addressing different stakeholders (e.g., developing countries, MIC, industrial countries, UN development system, ECOSOC system)**

Breaking the vicious cycle of poverty and ill health is essential for sustainable development. Eradicating poverty plays a critical role in improving health as the poor face substantial financial barriers to access to needed health services and often face other cultural and social barriers when they do receive needed services. In turn, health plays a critical role in reducing poverty as good health increases an individual’s labor productivity, level of educational attainment and income.

Turning this vicious cycle into a virtuous one will require national commitment and especially political leadership from countries. Efforts should be country-led, not least because the causes of poverty and inequalities in health are domestically driven. For developing countries, important national instruments for ensuring a health system is pro-poor are Poverty Reduction Strategy Papers, which should ideally include an analysis of the determinants of ill health and also delineate pro-poor health strategies. For middle-income countries, where the majority of the poor now live, efforts to reduce poverty based on traditional poverty alleviation policies or externally financed development assistance are outdated. This shift in the global poverty distribution has already led to discussions around and recognition of the need to examine public policies and strengthen institutional structures. Rich industrial countries will still have
pockets of poverty and may also be relatively more concerned with reducing inequalities across their population groups. Finally, international agencies play a key role – supporting countries to strengthen their national systems to address the underlying causes of poverty and ill-health, gathering country experience and developing and disseminating evidence-based best practices and guidance.

**B. Recommendations for eradicating poverty and advancing the 2030 Agenda for Sustainable Development**

Strengthen national health systems to institutionalize/mainstream considerations of equity in the design and implementation of health policies – thus better responding to health needs of the poor...

Support countries to move towards more equitable health financing arrangements – predominant reliance on compulsory and prepaid financing, increased risk pooling, purchasing with e.g. pro-poor benchmarks in contracts....


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A. Pursuing inclusive broad-based growth that delivers opportunities for all

Trade is recognized as an engine for inclusive economic growth and poverty reduction that contributes to the promotion of sustainable development both by the 2030 Agenda and its accompanying Sustainable Development Goals, as well as, the Addis Agenda of Action on Financing for Development. Accounting for more than 50% of low-income countries’ GDP, international trade can be an important source of finance to both the private sector and the public sector in developing countries. Trade growth enhances a country’s income generating capacity, which is one of the essential prerequisites for achieving sustainable development.

Trade has played an enormous role in eradicating poverty and promoting prosperity in the developing world. In 1990, more than half the citizens of developing countries lived on less than US$ 1.25 a day. By 2015, that rate had dropped to 14%. Without trade, these remarkable improvements would never have been achieved. Since 2000 alone, the developing country share of world trade has increased from 33% to 48%. In commercial services trade, the share has risen from around 25% to roughly 35% over the same period. And South-South trade has also grown in importance, accounting for 52% of developing countries’ exports in goods in 2013.

Among the various benefits of trade is that it improves both the consumer surplus and the prospective competitiveness of domestic firms. This is because a household’s welfare depends on the diversity, quality and price of the products it can purchase; similarly, in today’s global production networks, a firms capacity to export increasingly depends on access to competitive inputs. An increase in exports enhances the country’s income growth at least at the aggregate level. Market access conditions, both foreign market access for a country’s exports and domestic market access for imports, are thus an important determinant of the effectiveness of trade as a means of implementation. A predictable trading environment can also help to promote long term investments that could further enhance the productive capacity of a country.

Trade and investment are important ingredients for global economic integration, growth and prosperity. Trade accounts for a significant share of low-income countries' GDP and as such is a significant source of finance to both the public and private sectors to implement the Sustainable Development Agenda.

Another substantial source of finance is Foreign Direct Investment, and naturally the two are very closely interrelated. For example, services trade now accounts for almost two thirds of global inward FDI stock. And FDI is fundamental because it is the main vehicle for the supply of services in foreign markets; and it is critical in enabling global supply chains to function properly. Therefore, more open trade policies can boost FDI and strengthen a positive relationship between the two.

Thanks to the gains made in the past years the developing world has seen an unprecedented increase of the population belonging to a new more connected and better educated middle class. It is important to ensure that this trend continues and that past gains are not undone in the current downward cycle of the global economy or that these gains go primarily to the richest segments of society.
In contrast to what has been happening in the developing world, in the recent years advanced economies have witnessed a situation of stagnating incomes for the middle class. This has fueled feelings of being left behind by globalization and economic growth in certain sectors of societies. This situation cannot be repeated in the developing countries which have gained so much overall from open economies and a globalized and connected world. Domestic policies will therefore have to play a key role in creating a better, more inclusive model of globalization, by ensuring that the gains of trade are better shared across society.

When making the argument in favor of trade and a globalized world it is important to recognize that, despite the overall gains it brings to the economy; it can cause disruption in some parts of society and have a big impact on individual lives. Therefore, it is crucial to ensure that trade is inclusive and that it benefits the big and the small; that it creates wealth and jobs; and that when trade has adverse effects assistance is provided to those which have been affected to readjust to this new environment.

It is also imperative to acknowledge the limitations that trade may have in fixing some widespread shortcomings in terms of economic, social and educational disparities that lead to low productivity and asymmetries in wealth distribution. These problems will require a much more encompassing set of policies.

In the current political environment where the rise in anti-globalization and protectionist discourse in many countries and communities has found an echo in in an increasingly large portion of the population, the multilateral institutions have the responsibility to make sure that trade not only remains a positive driver for development and economic growth but that it is also perceived as such by all segments of the population.

Over the past 20 years, international trade has also undergone major changes. One main leading factor of change has been the unprecedented pace of technological innovation, which is transforming the traditional way of conducting trade. Supported by increasingly fast and efficient technology, e-commerce has been growing at significant rates. While global trade growth continues to be slow, e-commerce was valued at $22.1 trillion in 2015, a 38 per cent increase from 2013.

The adoption of e-commerce has helped businesses overcome some of the traditional obstacles to international trade. By reducing the trade costs associated with physical distance, e-commerce allows a larger number of businesses – including those located in remote areas – access the global marketplace, reach a broader network of buyers and participate in global value chains. For micro, small and medium-sized enterprises (MSMEs), this means the ability to overcome issues related to economies of scale. At the same time, consumers also benefit by gaining access to a broader selection of products, from a wider range of suppliers, and at more competitive prices. Beyond trade benefits, e-commerce has also improved access in other important areas of the development dimension such as education, health, information and culture.

Information and communications technologies (ICT) also allows access to timely and up-to-date market information. Thanks to advances in mobile technologies, farmers can use their phones to access information on foreign markets and prices for their agricultural produce, or make and receive payments
without the necessity of a bank account. This can translate in improved incomes for those living in rural areas. Since in many developing countries and LDCs, women are over represented in the countryside, it has offered them access to markets they could not reach before, thus creating jobs.

B. Creating employment and decent work opportunities

One of the first arguments against trade that needs to be addressed is that it destroys jobs, particularly in manufacturing. Although, as acknowledged earlier, trade can sometimes be a source of displacement, these effects should not be exaggerated.

The reality is that technology and innovation are having a much bigger impact on the structure of labor. Studies suggest that around 80 per cent of job losses in advanced economies are due to technology and innovation. Almost 50 per cent of existing jobs in some developed countries are at high risk of automation today. And the number is higher in many developing countries.

But just like trade, technological progress is necessary for sustained growth and development. So these forces cannot be rejected or stymied. However, they need to be properly managed and guided in order to unleash more of its dividends and that these dividends reach broadest possible share of the population.

Unemployment and other dislocations are not strictly or mainly a trade issue, so trade measures alone will not address some of these problems. A more far-reaching response is necessary which also deals with the wider changes in the economy that are being driven by technology and innovation.

This will require action in a number of areas, for example, to ensure that people can have the right skills to participate and to have access to the jobs being created in today’s markets. More active and cross-cutting labor market policies will be essential, also touching on aspects of education and skills, help for smaller companies, and improved adjustment support to the unemployed.

As noted previously, E-commerce also offers new opportunities for employment. Developments in ICT have facilitated cross-border trade in services and allowed businesses to engage in commercial activities which were previously not considered technically or financially feasible. As most IT-enabled businesses have the advantages of low capital and skills requirements, these new income-earning opportunities are available to a broader section of the population and can help promote inclusive economic growth. Moreover, with the increase of online education services, the internet also provides additional opportunities for training and skill improvement, thus favouring the development of a more skilled labour force.

C. Ensuring access to financial services and technology

A broader uptake of e-commerce, supported by ICT adoption, offers significant opportunities for growth, development and job creation. However, as these opportunities are not accessible to everyone, the benefits of digital trade continue to be unevenly distributed. While some developing countries have been making significant headway in recent years, others are struggling to keep up. Unequal levels of digital development are generating a divide that risks broadening the development gap and limiting
some countries’ successful participation in e-commerce. Gaps exist also within countries, where those living in rural areas often lack the same access to ICT services and infrastructure that is available to those living in urban centres. For the equitable and sustainable development of e-commerce, it is important that the international community strives to ensure that the opportunities that digital trade can offer are made available to all.

Some of the major challenges to the development of e-commerce include access and affordability of ICT, as well as connectivity issues. The SDGs themselves recognize the important role that ICT can play for economic development. Goal 9 urges the international community to work to "significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least-developed countries by 2020".

In this regard, the WTO Information Technology Agreement (ITA), which commits its participants to eliminate tariffs on a number of IT products, makes an important contribution to reaching this target. Its recent expansion in 2015 provides for the elimination of import tariffs and other duties and charges on an additional 201 new-generation ICT products, including multi-component integrated circuits, touch screens, GPS navigation equipment, telecommunications satellites, portable interactive electronic education devices, and medical equipment. By 2019, it is estimated that 95.4 per cent of participants’ import duties on these products will be fully eliminated. This will contribute to the affordability and broader dissemination of IT products globally.

Ensuring affordable and high-quality access to information technologies and the internet requires efforts to promote competition and encourage investment, especially in rural areas and in those countries that need it the most. Trade policy can play an important role here. Reducing barriers to services and enhancing openness to foreign direct investment, when coupled with the appropriate regulatory regime, can help create an enabling environment that allows for competitive services markets. This is especially important for telecommunications and the provision of affordable, reliable and fast internet access. Services openness will also have broader benefit to the economy by promoting the competitiveness of other services that underlie the success of e-commerce, such as logistics, financial services, transport, business and computer services, postal and distribution services, wholesale and retail, and other professional services. As e-commerce-related services are becoming important enablers, attention to them, both at the national level and in the WTO discussions, can help develop an environment conducive to the sustainable growth of e-commerce.

While connectivity and ICT access are necessary conditions, they are not sufficient for people to automatically benefit from the greater opportunities offered by online trade. A range of other economic and regulatory barriers can still hinder the broader uptake of e-commerce. Underdeveloped financial and online payment systems are an obvious obstacle to online transactions. At the same time, poor IT skills mean that businesses might not always be able to effectively use e-commerce to improve and expand their activities. Other complex and sensitive issues include consumer protection, privacy, internet neutrality, competition and data flows. In addition, the lack of clear legal and regulatory frameworks undermines confidence in online trade and erodes consumers trust. While bigger companies are often in a position to overcome these obstacles, smaller companies might not have sufficient resources or skills to do so, especially when trading across borders.
To assist in bridging some of the technological and regulatory gaps international organizations need to pool together their resources and experiences. A lot of work is already being done in this regard and opportunities for information exchange and coordination are being set up. One of these opportunities is the Sixth Global Review of Aid for Trade to be held in July 2017, under the theme Promoting Connectivity. Its underlying monitoring and evaluation exercise will aim at identifying the different circumstances in which countries find themselves with respect to e-commerce and the specific challenges that they face. The Review will allow meaningful interaction between donors, recipients and providers of technical assistance on the need and availability of resources to address different aspects of e-commerce, including development of ICT infrastructure and connectivity.

At the same time, UNCTAD’s eTrade for All initiative, of which the WTO is a partner, brings together international organisations, regional development banks and national agencies, to support developing countries’ participation in e-commerce. The WTO is also working closely with the World Bank, the International Trade Centre (ITC), the OECD and, more recently, with ITU to explore complementarities and further areas for cooperation. In consultations with national governments and the private sector, these initiatives and many others will contribute concretely to foster a coherent approach to the various aspects of e-commerce.

D. Strengthening the international enabling environment for trade through a global partnership

To support the sustainable development agenda, it will be important to create an enabling, open environment for trade, including e-commerce, that generates equal opportunities for economic growth and development, while guaranteeing a safe environment for consumers and businesses operating offline and online. Striking this balance will require a global approach that promotes dialogue and the open exchange of information between different actors, so as to fully understand the issues surrounding e-commerce, address its challenges and bridge the remaining gaps.

Market access conditions, for both a country’s exports and imports, are an important determinant of the effectiveness of trade as a means of implementation of the SDA. The WTO and previously the GATT have been working for a long time towards improving these market access conditions worldwide, enjoying a significant level of success. The focus of work has now broadened towards ensuring that markets remain open, free of distortions and easy for traders to do business.

Here the WTO has also some success with the adoption of the Trade Facilitation Agreement (TFA) and a Decision on Export Competition in Agriculture. The TFA, adopted at WTO’s 9th Ministerial Conference in Bali in 2013, which is expect to enter into force very soon, has as its main objectives to reduce the bureaucracy to trade and decrease trade costs. It does this by setting out a series of measures that members may adopt to expedite the passage of goods across borders which are inspired by global best practices.

At the WTO’s 10th Ministerial Conference held in Nairobi last December, WTO Members made a substantial contribution towards achieving the goal of zero hunger in SDG2 through the adoption the WTO Ministerial Decision on Export Competition. This decision eliminates export subsidies and sets out new rules for export credits, international food aid and exporting state trading enterprises. By prohibiting the use of trade-distorting export subsidies and measures of equivalent effect, this decision
will help to level the playing field in agriculture, aiding farmers in many developing and least developed countries. This is the most significant reform of global agricultural trade in the history of the WTO – and one which will help to improve the quality of life of future generations, particularly in low-income countries that depend on trade in agricultural products.

E. Recommendations for eradicating poverty and advancing the 2030 Agenda for Sustainable Development from the trade perspective

To ensure that international trade contributes to eradicating poverty in all its forms and through sustainable development, expanding opportunities and addressing related challenges the WTO would like to offer the following policy recommendations:

1. **Continue reducing trade costs:** Developing Country and LDC competitiveness is very sensitive to high transaction and transport costs. The use of trade facilitation measures, including full implementation of the WTO Trade Facilitation Agreement, will make it possible for even the smaller enterprises in developing countries and LDCs to sell in international markets. By some estimates, the full implementation of the TFA has the potential to reduce trade costs of Members 14.3% on average and create 18 million developing country jobs.

2. **Build Supply side capacity and trade related infrastructure:** One priority for the WTO is to continue to mobilize resources for developing countries and LDCs to build supply capacity, strengthen trade-related infrastructure, and add value to their exports through the Aid for Trade initiative. In order to maximize its benefits Aid for Trade needs to be targeted, focused and predictable, going to where it is needed the most.

3. **Focus on export diversification and value addition:** With the current downward cycle in commodity prices it has been evidenced that developing country and LDC economies are still very vulnerable to price volatility in their raw material exports. Therefore, diversification should be high on the list of priorities for commodity export dependent countries. And to assist with their diversification efforts these countries will need to continue benefiting from predictable market access conditions and productive capacity building.

4. **Enhance the services sector:** In many developing countries the services sector has a large share in GDP and employment. Services are also particularly important for the insertion of developing countries in value chains especially if they suffer from infrastructure gaps that hamper trade in goods. This gives the services sector enormous potential for inclusive development that must be capitalized on.

5. **Apply flexible rules of origin to increase utilization of preference schemes:** Experience has shown that very specific and strict rules of origin can impede exporters' access to preferences. Therefore, it is important that the rules of origin that are set in regional integration agreements of developing countries and preferential schemes in the importing markets work together. This will go a long way in enabling producers to handle the difficulties of setting up their production and to benefit from market access opportunities created by both RTAs and preferential schemes.

6. **Reduce the distortionary effects of non-tariff measures:** The WTO's legal framework always tried to strike a very delicate balance between the interests of protecting legitimate values such as human
animal and plant health and the environment, and maintaining markets open. To preserve this balance WTO members when adopting non-tariff measures need to ensure that these are non-discriminatory, no more trade restrictive than necessary to achieve their objective, based in scientific studies or international standards, and administered through efficient administrative procedures. Additionally, something that is really important is to provide developing country exporters affected by the measure with the technical and financial assistance to be able to comply with its requirements, including conformity assessment and development of international standards. To provide this assistance the WTO together with other international agencies has established the Standards and Trade Development Facility (STDF).

7. **Make e-commerce a force for inclusion:** E-commerce is a transformative force in global trade, supporting growth, development and job creation. By reducing the trade costs associated with physical distance, e-commerce allows businesses to access the global marketplace, reach a broader network of buyers and participate in international trade. In this way, e-commerce can also be a force for inclusion. It is therefore important to ensure that e-commerce works as a platform for smaller companies in developing countries and LDCs to compete and reach new markets. Any multilateral actions on e-commerce would need to be accompanied by significant support to improve connectivity, capacity and infrastructure in those countries that need it the most, in line with infrastructure related targets under SDG 9.

8. **Address the shortfalls of micro small and medium enterprises (MSMEs):** Trade is sometimes perceived as an economic activity that mostly benefits big companies. And while this perception may not be entirely correct, it is undeniable that trading internationally often is more costly and difficult for MSMEs. To help MSMEs better participate in international trade it is important to take the following steps. First, reduce trade costs. Second, gain consumer confidence by ensuring that MSMEs can market their products — goods or services — in a timely fashion, with competitive prices and reliable customer support. Third, work towards closing the gaps in the provision of trade finance for MSMEs.

9. **Deepen the Multilateral Trading System:** Despite recent successes WTO needs to keep on delivering results in order to correct existing imbalances and adapt to the changing nature of international trade. There remains work to do to eliminate all restrictions and distortions in agricultural markets, continue improving market access in goods and services and tackle some emerging issues. WTO has have already started this work and members are exploring possible measures to support MSMEs, e-commerce, investment facilitation, product regulations and standards, and trade finance. The multilateral institutions need to continue to advocate for trade and open markets. The worrying rise in populist anti-trade rhetoric needs to be addressed and disproved by evidence and data. If this rhetoric results in the spread of protectionist and inward looking policies great harm will be caused to the global and local economist and it will hurt the poorest the most. We cannot afford to let that happen.

WTO will continue to work closely with UNCTAD and ITC, the Geneva trade hub, to provide support to members in their implementation of the 2030 Agenda for Sustainable Development and in monitoring progress towards its achievement.
World Intellectual Property Organization (WIPO)

III. Policy actions for eradicating poverty

B. Expanding opportunities based on current evidence, best practices and recent innovations in poverty eradication efforts (to be illustrated using contributions from ECOSOC system, the wider UN system and UN partners)

- Ensuring access to financial services and technology

Access to technology

Access to scientific and technical journals and to commercial patent databases is provided by WIPO through two public-private programs: the Access to Research for Development and Innovation (ARDI)\(^1\) program, which facilitates access to scientific and technical journals, and the Access to Specialized Patent Information (ASPI)\(^2\) program, which allows access to commercial patent databases comprising more sophisticated search and analysis tools for retrieving and assessing relevant technology. ARDI is also part of the Research4Life\(^3\) partnership together with specialized programs from the World Health Organization, the Hinari Access to Research for Health Programme (HINARI), the Food and Agriculture Organization, Access to Online Research in Agriculture (AGORAs) and the United Nations Environment Programme, Research in the Environment (OARE) which provide online access to nearly 70,000 peer-reviewed international scientific journals, books, and databases from over 450 publishers to over 8,300 institutions in developing and least developed countries. The ARDI program offers access to nearly 28,000 publications to over 800 registered institutions. The ASPI program is provided in partnership with seven of the world’s leading commercial patent database providers from around the world. The number of institutions registered to access the ASPI program is growing steadily and has increased to over 80 institutions.

WIPO’s Technology and Innovation Support Centers (TISCs)\(^4\) are intended to provide the local research and business community with expert assistance in accessing and effectively retrieving technological information from the many online resources such as patent, scientific and technical journal databases. The TISCs are supported by WIPO through training and awareness raising events. In 2016, a total of 24 national and 2 regional training workshops were carried out in developing countries where the TISC project is being implemented. An interactive e-tutorial on using and exploiting patent information is available both online and on CD-ROM in English, French and Spanish. Moreover, an eTISC knowledge management platform which

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\(^1\) For further information see at [http://www.wipo.int/ardi/en/](http://www.wipo.int/ardi/en/)

\(^2\) For further information see at [http://www.wipo.int/aspi](http://www.wipo.int/aspi)

\(^3\) For further information see [http://www.research4life.org](http://www.research4life.org)

\(^4\) For further information see at [http://www.wipo.int/tisc](http://www.wipo.int/tisc)
encourages the exchange of information, experiences, and best practices among TISCs nationally and internationally has grown to over 1600 members since its launch at the end of 2012. The eTISC also includes a growing number of specially targeted e-learning modules and webinars.

A new project within the framework of WIPO’s Development Agenda commenced in 2016, which aims to provide practical support to inventors, researchers and entrepreneurs in identifying and using inventions in the public domain so as to generate new research outputs and products. This support is provided in the form of written guides, training materials and local experts.

➢ Social protection systems, including social protection floors

Supporting opportunities and access to education and learning

The WIPO e-Learning platform for IP courses at basic and advanced levels offers distance-learning education in up to seven languages, through a state-of-the-art online environment. The WIPO’s rich portfolio of courses on IP caters to different target audiences: inventors and creators, business managers and IP professionals, policy makers and government officials of IP institutions, diplomats, students and teachers of IP and the civil society. Courses combine traditional face-to-face and distance learning methodologies, explaining how to stimulate innovation, creativity and development.

The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled (“Marrakesh VIP Treaty” adopted in June 2013) entered into force on September 30, 2013, and the Marrakesh Assembly met for the first time on October 6, 2016. WIPO has continued to work to promote the Treaty and to raise awareness of its provisions targeted at allowing access to information by persons with print disabilities.

WIPO is committed to helping Member States take the fullest possible advantage of the Marrakesh Treaty. It created the Accessible Books Consortium (ABC), a multi-stakeholder alliance including organizations that represent people with print disabilities, such as the World Blind Union; libraries for the blind; publishers, authors, and collective management organizations. ABC was created to help implement the objectives of the Marrakesh Treaty in three areas:

A. **Capacity building**, i.e., training and technical assistance in developing countries in the production and distribution of books in accessible formats;

B. **Inclusive publishing**, i.e., promotion of accessible book production techniques with commercial publishers so that published e-books and other digital publications are usable from the outset by both sighted people and those with print disabilities; and

C. **The ABC Book Service** (i.e., TIGAR) a database of accessible titles that can be exchanged across national borders by libraries for the blind. The database is located at WIPO’s headquarters in Geneva.

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