



SDG 1: Progress, gaps and recommendations for the UK

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Irreversible setbacks to poverty reduction occurred during the pandemic, which affected individuals and households, irrespective of later improvements in well-being. For instance, millions of children around the world have lost up to two years of schooling. Many from the poorest households were unable to access online education and are likely to enter job markets with lower education outcomes as a result, limiting their lifelong earnings. Others have dropped out of school, either because of early marriage or to work to support their families. Food insecurity during the pandemic will have caused child stunting and wasting, with lifelong consequences (see more in Goal 2). Combined, these factors are likely to contribute to the intergenerational transmission of poverty. Certain groups of people are more vulnerable to rising levels of poverty and inequality caused by the pandemic, particularly women, children and young people, informal workers, people with

disabilities, ethnic, caste and religious minorities, indigenous people, older people, migrants and LGBTQ+ people. It is estimated that 60 million more children are now living in resource-poor households than before the pandemic.²⁷ The UN estimates that 47 million women and girls have been pushed into extreme poverty.²⁸

Covid has exacerbated the issue of the 'new poor', who have different levels of vulnerability to those who were living in poverty before the pandemic. Eight out of 10 of people who are newly in poverty live in middle-income countries²⁹, highlighting the fragility of progress towards poverty reduction and the critical importance of certain measures such as universal social protection to prevent poverty. Covid has also pushed households that were already in poverty before the pandemic into extreme poverty.

In many low-income countries, Covid-19 itself has not been the main driver of rising poverty rates – lockdowns and their economic consequences have been far more damaging.³⁰ This has had severe implications for things like food insecurity (see Goal 2). The World Bank reports that income inequality has risen as a result of the pandemic, partly wiping out the progress that had been made in the last two decades³¹, and there is early evidence that within-country inequality will hit people who are the most marginalised and economically disadvantaged the hardest³². The pandemic has diverted funding away from the poorest people, and this has had an impact on attaining SDG 1.

27. *Ibid*

28. UN News (15 March, 2021), '[COVID-19 has exposed endemic gender inequality, Guterres tells UN Women's commission](#)' [online article, accessed June 2022]

29. World Bank (7 October, 2020), '[COVID-19 to Add as Many as 150 Million Extreme Poor by 2021](#)' [online media release, accessed June 2022]

30. Chronic Poverty Advisory Network, '[Covid-19 Poverty Monitor](#)' [webpage, accessed June 2022]

31. World Bank (7 February, 2022), '[Global income inequality and the COVID-19 pandemic in three charts](#)' [online article, accessed June 2022]

32. International Development Select Committee, '[Written evidence by Results UK to the International Development Committee inquiry into extreme poverty and the Sustainable Development Goals](#)' [online, accessed June 2022]

26. International Development Select Committee, '[Extreme poverty and the Sustainable Development Goals: Written submission made on behalf of the Bond SDG Group, February 2022](#)' [online, accessed June 2022]



Other threats to SDG 1

Downward mobility into poverty has been exacerbated by multiple and overlapping drivers beyond Covid-19³³. As recognised within the UN Secretary-General's latest annual SDG report, 'the triple threat of COVID-19, conflict and climate change makes the global goal of ending poverty by 2030 beyond reach unless immediate and substantial policy actions are implemented'.³⁴

Just as the causes of poverty are complex, it is crucial to recognise that poverty is a multidimensional experience, with income being just one measure. Taking a holistic approach to extreme poverty must ensure that gender equality, food security, economic growth, education and inequality are all addressed in equal measure. Poverty is a result of systemic failures, and it is driven by inequalities and other forms of marginalisation, discrimination and power asymmetries operating at the level of individuals, households, communities, institutions and wider systems. To understand what drives poverty in a particular context it is important to look all these levels.

Adequate data availability is holding back progress on SDG 1. Data disaggregation is key, but it is also important to make sure it is used to support evidence-based policy-making and to identify entry points for action and budget allocation to support communities in poverty. Use of more inclusive data to guide responses, including data generated by human rights organisations, is also desirable.

The UK's role

The reduction in the UK's official development assistance (ODA) has damaged the UK's ability to play a positive role in delivering SDG 1 and its diplomatic standing in an increasingly complex and multipolar world. The Independent Commission for Aid Impact (ICAI) reviewed the management of the 0.7% ODA spending target in 2020 and found that cuts have disproportionately affected countries that are most vulnerable to Covid-19.³⁵ The cuts happened at a point when global extreme poverty was rising for the first time in 20 years.

In the past, the UK has shown leadership among large bilateral donors in its focus on poverty alleviation. It was also one of the largest donors to the World Bank's International Development Association fund for the world's poorest countries.³⁶ But the 20th replenishment saw the UK government cut its contribution by 55%, an estimated \$1.8

billion.³⁷ This reduces the UK's influence over multilateral resources.

The UK has made the political decision to include Covid-19 vaccine donations, debt relief and recycled SDRs (special drawing rights) within the 0.5% ODA budget. While donation of vaccines and debt relief are welcome, counting them within this budget squeezes available resources for critical interventions to fight poverty.

It is highly concerning that the *Integrated Review of Security, Defence, Development and Foreign Policy*³⁸ excluded extreme poverty as a strategic objective for ODA, and it is only mentioned once in the international development strategy³⁹.



Target 1.3:

Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Social security is a fundamental human right, which should be available, affordable, adequate and accessible.⁴⁰ Social protection systems have enabled low-income countries to withstand some of the worst effects of Covid-19. UNDP analysis shows that social protection measures prevented 15 million people from falling into extreme poverty in 2020.⁴¹

When adequate, appropriate and correctly targeted, social protection systems enable families to escape extreme poverty, and are critical to emergency response, recovery, and building long-term resilience to future shocks. Investments in social protection systems can also reduce gender and income inequality.⁴² According to the World Bank data, 36% of all people who escape extreme poverty are empowered to do so through social protection systems.⁴³ For women in particular, comprehensive and multidimensional social protection schemes can minimise income losses and barriers to earning a living that arise from unpaid care work and childbirth. This leads to better overall outcomes for children. Such schemes can also support people who are resource poor to invest and engage in entrepreneurialism, supporting 'growth from below'.⁴⁴

37. Devex (16 December, 2021), '[Devex Newswire: IDA replenishment stumbles over UK cuts](#)' [online article, accessed June 2022]

38. HM Government (2021), [Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy](#)

39. FCDO, UK Government (2022), [The UK Government's Strategy for International Development](#)

40. OHCHR, '[OHCHR and the right to social security](#)' [webpage, accessed June 2022]

41. UNDP (2021), [Mitigating Poverty: Global Estimates of the Impact of Income Support during the Pandemic](#)

42. UN Women / Elson, D., and A., Seth (eds.), (2019) [Gender Equality and Inclusive Growth: Economic Policies to Achieve Sustainable Development](#)

43. World Bank (2018), [The State of Social Safety Nets 2018](#)

44. Chronic Poverty Advisory Network (2019), [The Chronic Poverty Report on Growth](#)

33. International Development Select Committee, '[Written evidence by Results UK to the International Development Committee inquiry into extreme poverty and the Sustainable Development Goals](#)' [online, accessed June 2022]; Chronic Poverty Advisory Network, 'Covid-19 Poverty Monitor' [webpage, accessed June 2022]

34. International Development Select Committee, '[Extreme poverty and the Sustainable Development Goals: Written submission made on behalf of the Bond SDG Group, February 2022](#)' [online, accessed June 2022]

35. ICAI (2019), '[Management of the 0.7% ODA spending target in 2020: A rapid review](#)'

36. World Bank (2020), [Annex 14: IDA19 Partner Contributions in the US](#)



Often, social protection investments return more to the economy than they cost. Recent research found that 1% of GDP invested in social protection leads to 1.1% GDP growth and 1.8% growth in government tax revenues on average.⁴⁵ An increase of 1% of GDP invested in social protection systems reduces poverty rates by 7%, lowers the Gini index (representing national inequality) by 1%, and increases employment by 0.6%, with women's employment increasing more than men's.

Policy in this area should focus on increasing access and inclusion by investing in universal social protection floors and systems. These measures should include targeted support to ensure groups that have been disproportionately excluded or marginalised are included. Currently, the most vulnerable people, such as those living in extreme poverty, are the most likely to be missed by social protection programmes.

To increase the transformative impact of poverty reduction and social protection measures it is important to take a more holistic approach. There is evidence to suggest that using a spectrum of approaches, including cash transfers, economic inclusion, and graduation programmes can have beneficial longer-term impacts. It can also be more cost-effective to layer additional services on top on cash transfers, particularly for members of the poorest communities. With a more limited ODA budget, a premium should be given to the approaches that have the highest impact, are cost effective, and have transformative impact for people who have been marginalised.

To achieve SDG 1, the UK government should:

1. Restore ODA to 0.7% and cease increasing the overall level of ODA spending through other government departments until steps are taken to ensure all ODA is spent transparently and is primarily focused on poverty reduction and reducing inequality.
2. Ensure that social protection programmes are part of a comprehensive set of interventions that can nurture 'growth from below' to more effectively enable households to escape and remain out of poverty over time.
3. Review ODA spending to ensure resources are targeted towards the people and places that need them most, especially least developed countries, 'countries left behind' and countries where a large proportion of the population live in poverty, including the 'new poor' in middle-income countries.
4. Re-establish its place as a global leader in funding poverty reduction programming and convening knowledge and evidence, and use its diplomatic capabilities to advocate for the expansion of poverty reduction programmes.

45. Development Pathways (2021), [Investments in social protection and their impacts on economic growth](#)