The Sustainable Development Goals Extended Report 2025

Inputs and information provided as of 30 April 2025

1 NO POVERTY

Note: This unedited 'Extended Report' includes all indicator storyline contents as provided by the SDG indicator custodian agencies as of 30 April 2025. For instances where the custodian agency has not submitted a storyline for an indicator, please see the custodian agency focal point information for further information. The 'Extended Report' aims to provide the public with additional information regarding the SDG indicators and is compiled by the Statistics Division (UNSD) of the United Nations Department of Economic and Social Affairs. Storylines presented in this document may slightly differ from figures cited in the SDG Report 2025 text due to the timing of the submission and the subsequent updates received upon finalizing the Report.

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Target 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day

Indicator 1.1.1 Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)

Poverty reduction has slowed to a near standstill, with 2020-2030 set to mark a lost decade

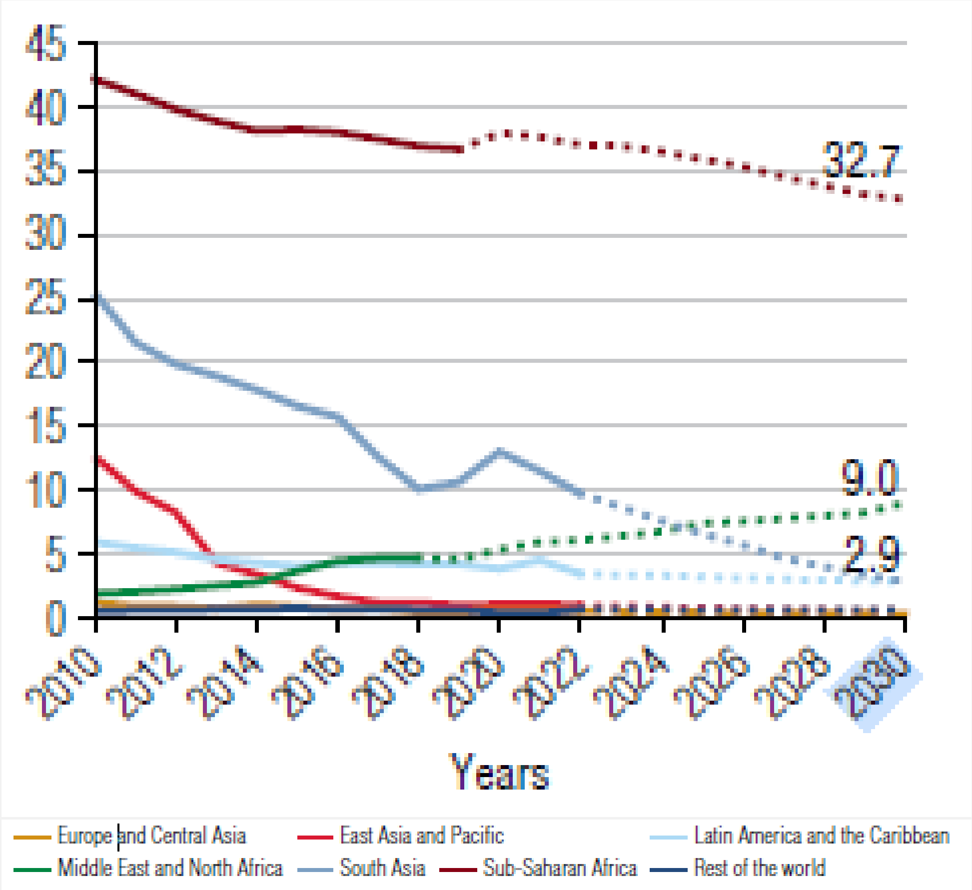
The world has failed to make significant progress in the fight against extreme poverty since the adoption of the SDGs in 2015. According to the latest data from 2022, 9.0 percent of the global population lived in extreme poverty. This means that 713 million people had less than $2.15 a day to live on. In 2015, 10.5. percent of the global population lived in extreme poverty, corresponding to 778 million people. Extreme poverty today is only slightly below the rate observed before the pandemic in 2019 and in may poor settings, poverty rates remain higher than they were five years ago.

When the SDGs were adopted, the world had experienced decades of unprecedented success in the fight against extreme poverty. 38 percent of the global population lived below the international poverty line in 1990 – equivalent to 2 billion people. In subsequent decades, extreme poverty was reduced significantly and the millenium development goal of halving extreme poverty was achieved five years ahead of time. This led to a bold target of eradicating extreme poverty by 2030 as adopted through the SDGs. In recent years, however, lower economic growth – particularly in low-income countries – and multiple shocks such as the COVID-19 pandemic, high inflation, and increased conflict and fragility has resulted in a stagnation of the number of people living in extreme poverty.

Globally, the multiple and overlapping crises resulted in a significant increase in extreme poverty pushing an additional 73 million people into poverty in 2020 alone. At a global scale, these numbers have been reversed, but poverty rates remain higher in the group of low-income countries compared to pre-COVID levels. In addition to a slower recovery in these countries in terms of income, poor people experienced setbacks in human capital acquisition and employment impacting their income potentials for years to come. Estimates suggest students in low-income and lower-middle income countries could face future earning losses of up to 10 percent because of the pandemic (Schady et al. 2023) and that the loss in schooling is likely to have a larger effect on poverty in the fugure than the immediate effect of the pandemic (Decerf et al. 2024).

Even more serious, it is projected that by the end of this decade 7.3 percent of the global population will still be living in extreme poverty. In fact, based on current growth trajectories, only 69 million people are projected to escape extreme poverty by the end of the decade and reaching the SDG 1.1.1. target of eradicating extreme poverty would remain decades away. This is particularly so for the group of countries in Sub-Saharan Africa as well as countries in fragile and conflict-affected situations (FCS). In 2000 one of every four people living in extreme poverty were living in a country in Sub-Saharan Africa or in FCS. By 2024 this had increased to three out of four.

Poverty rate at $2.15 (%)



Additional resources, press releases, data blog/stories, etc. with links:

- World Bank (2024): Poverty, Prosperity, and Planet Report 2024: Pathways out of the Polycrisis, Washington, D.C., World Bank
- Press release: www.worldbank.org/en/news/press-release/2024/10/15/ending-poverty-for-half-the-world-could-take-more-than-a-century
- Aron et al. (2024): September 2024 Update to the Poverty and Inequality Platform (PIP): What's New. Global Poverty Monitoring Technical Note 39, Washington, D.C. World Bank Group.
- Schady, Norbert, Alaka Holla, Shwetlena Sabarwal, Joana Silva, and Andres Yi Chang. 2023. *Collapse and Recovery: How the COVID-19 Pandemic Eroded Human Capital and What to Do About It.* Washington, DC: World Bank Group.
- Decerf, Benoit Marie A., Jed Friedman, Arthur Galego Mendes, Steven Michael Pennings, and Nishant Yonzan. 2024. "Lives, Livelihoods, and Learning: A Global Perspective on the Well-Being Impacts of the COVID-19 Pandemic." Policy Research Working Paper WPS 10728, World Bank, Washington, DC.

Storyline author(s)/contributor(s): Development Data Group, World Bank

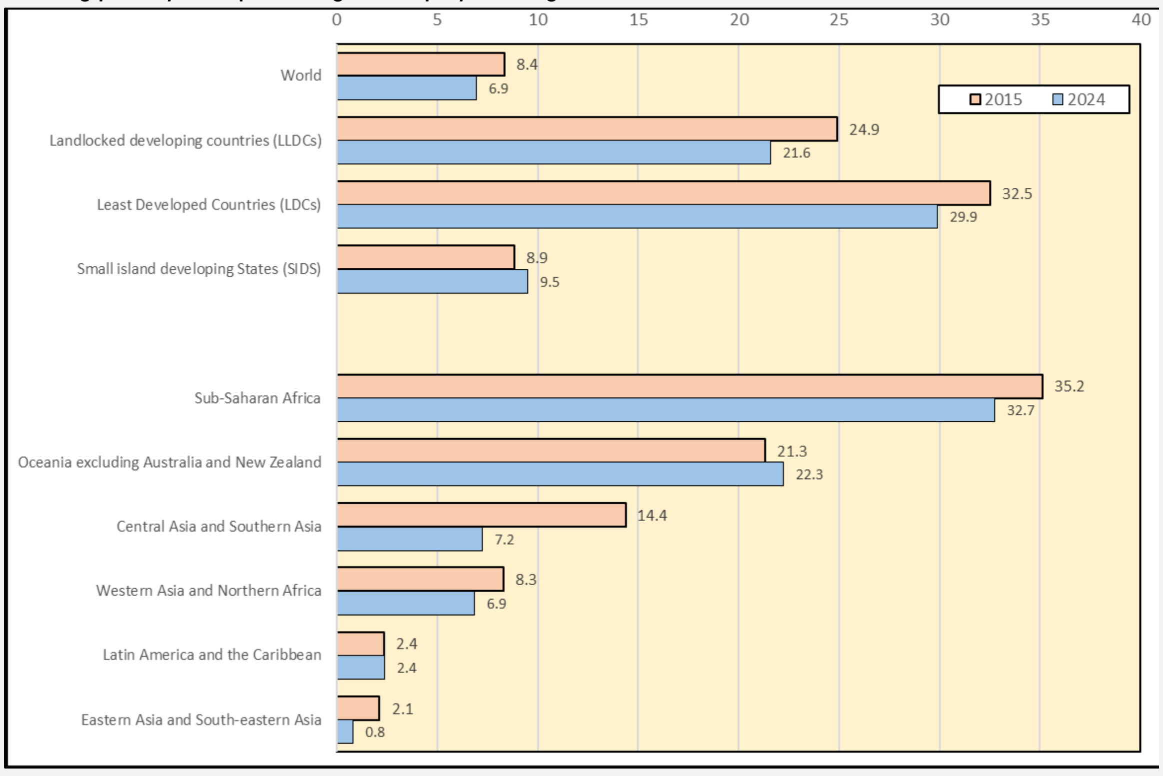
More than 240 million workers were living in extreme poverty in 2024

While global job recovery has improved post-pandemic, progress in reducing the share of workers living in extreme poverty has slowed in recent years. In 2024, 6.9 per cent of the employed population—more than 240 million workers--lived below the poverty line of US$2.15 PPP per day.

Although the global share of working poverty has declined since 2015, its prevalence varies across regions. Eastern and South-eastern Asia has greatly reduced its working poverty rates, from 37.4 per cent in 2000 to 2.1 per cent in 2015 and further to 0.8 per cent in 2024. Central and Southern Asia has also made significant progress by halving its share of working poor from 14.4 per cent in 2015 to 7.2 per cent in 2024. By contrast, nearly one-third of workers in Least Developed Countries and Sub-Saharan Africa live in poverty, despite modest improvements. Meanwhile, Western Asia and Northern Africa and Oceania (excluding Australia and New Zealand) experienced increases in working poverty rates since 2015, rising by 2.8 and 0.9 percentage points, respectively.

Worldwide, working poverty has significantly declined over the past 25 years. However, recent trends in most regions suggest slowdown in progress, delaying the goal of eradicating poverty everywhere by 2030.

Working poverty rate (percentage of employed living below US$2.15 PPP), 2015 & 2024



Additional resources, press releases, data blog/stories, etc. with links:

- World Employment and Social Outlook: Trends 2025, https://www.ilo.org/publications/flagship-reports/world-employment-and-social-outlook-trends-2025

Storyline author(s)/contributor(s): ILO

Custodian agency(ies): World Bank, ILO

Target 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Indicator 1.2.1 Proportion of population living below the national poverty line, by sex and age

Limited evidence suggests less than 1 in 5 countries are on track to halve national poverty by 2030

There is still limited data available to assess progress on national poverty rates. The available evidence suggests only 1 in 5 countries for which there is data will achieve the SDG 1.2.1. target of halving national poverty by 2030 given trajectories since 2015. Limited data is available to assess the implications of COVID on national poverty headcounts with the majority of post-COVID information coming from Europe, North America, and Latin America and the Caribbean. Of the 65 countries for which there is any information on national poverty rates after 2020, 45 are either in North America and Europe or Latin America and the Caribbean.

It is possible to assess progress on SDG 1.2.1. since 2015 for 93 countries. These are countries for which there is at least two observations and at least one of these observations is more recent than 2015. Amongst these 93 countries 57 (61 percent) have managed to reduce the proportion of the population living below the national poverty line – while in 35 countries national poverty has actually increased since 2015. East and South-East Asia is the only region where all countries with data available have been able to reduce poverty during the period.

In all regions current trajectories indicate average national poverty will decrease by 2030. But even though 61 percent of countries have made progress towards the SDG, only 1 in 5 of the countries have reduced national poverty sufficiently to be on track to reach the target by 2030. Developments in East and South-East Asia seem most promising with 5 of 7 countries on track, while only 1 in 23 countries in Sub-Saharan Africa is on track to reach the target. East and South-East Asia was also the region with the lowest level of national poverty at the time the SDGs were adopted, while Sub-Saharan Africa on average had the highest level of national poverty.

Additional resources, press releases, data blog/stories, etc. with links:

- World Bank (2024): Poverty, Prosperity, and Planet Report 2024: Pathways out of the Polycrisis, Washington, D.C., World Bank

Storyline author(s)/contributor(s): Development Data Group, World Bank

Custodian agency(ies): World Bank

Indicator 1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Custodian agency(ies): National Gov.

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

Indicator 1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable

Progress, yes, but billions are left languishing and unprepared

For the first time, more than half of the world's population (52.4 per cent) are covered by at least one social protection benefit, a significant increase from 42.8% in 2015 (see figure 1). While this progress is encouraging, the stark reality is that 3.8 billion people remain unprotected.

Moreover, the world is currently on two very different and divergent social protection trajectories: high-income countries (85.9 per cent) are edging closer to enjoying universal coverage; and upper-middle-income countries (71.2 per cent) and lower-middle-income countries (32.4 per cent) are making large strides in closing protection gaps. At the same time, low-income countries' coverage rates (9.7 per cent) have hardly increased since 2015, and are unacceptably low.

Gender gaps in global legal and effective coverage remain substantial. Women's effective coverage, for at least one social protection benefit, lags behind men's (50.1 and 54.6 per cent, respectively).

Global and regional coverage trends for specific population groups between 2015 and 2023 show some, yet still insufficient, progress, leaving billions unprotected or inadequately protected:

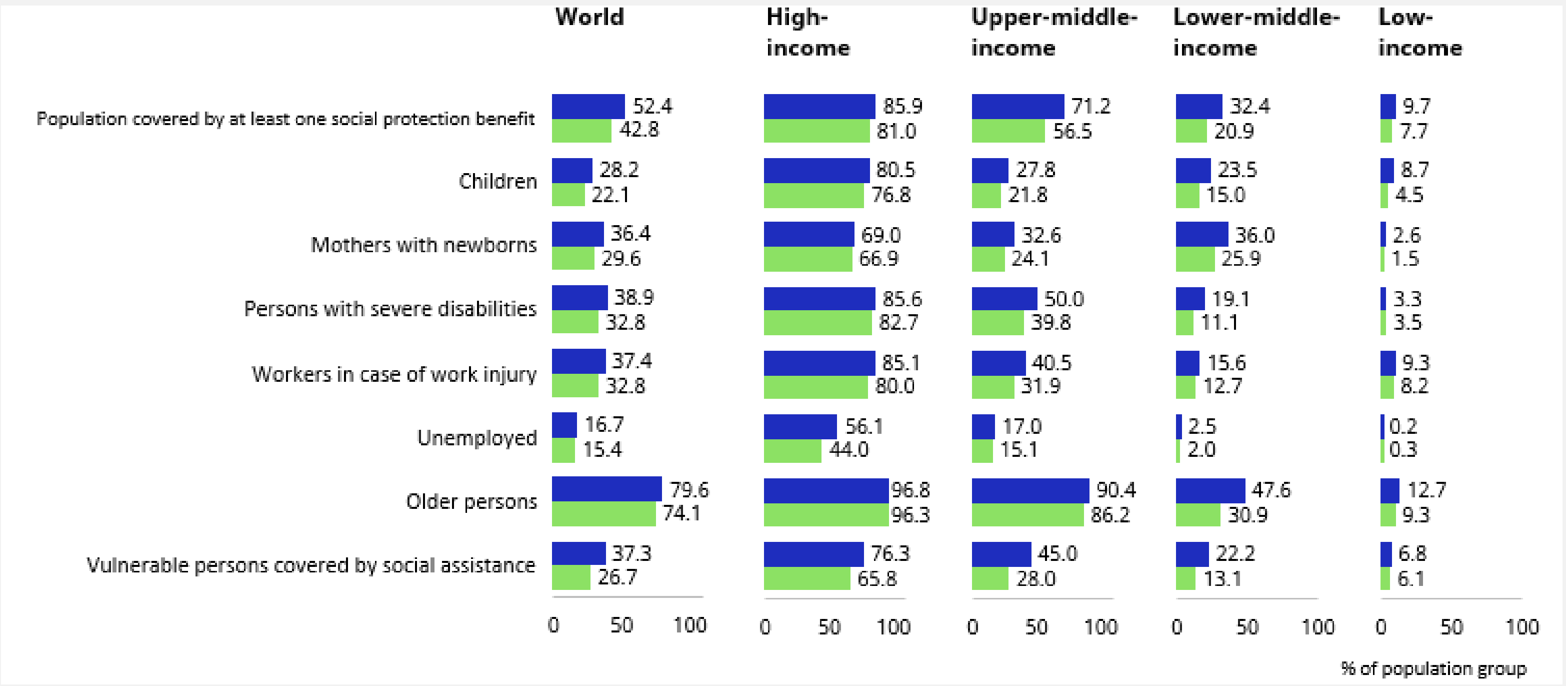
- 28.2 per cent of children globally receive a family or child benefit, up by 6.1 percentage points since 2015.
- 36.4 per cent of women with newborns worldwide receive a cash maternity benefit, up by 6.8 percentage points.
- 38.9 per cent of people with severe disabilities receive a disability benefit, up by 6.1 percentage points.
- 37.4 per cent of people enjoy employment injury protection for work-related injuries and occupational disease, up by 4.6 percentage points.
- 16.7 per cent of unemployed people receive unemployment cash benefits in the event of job loss, up by 1.3 percentage points.
- 79.6 per cent of people above retirement age receive a pension, up by 5.5 percentage points.
- 37.3 per cent of vulnerable persons are covered by social assistance, up by 10.6 percentage points.

Insufficient investments into social protection systems can account for the lower coverage rates in certain regions. Countries spend on average 19.3 per cent of their GDP on social protection (including health), but this figure masks staggering variations. High-income countries spend on average 24.9 per cent, upper-middle-income countries 11.8 per cent, lower-middle-income countries only 5.8 per cent, and low-income countries a mere 2.0 per cent of their GDP.

To guarantee at least a basic level of social security through a social protection floor, low- and middle-income countries require an additional investment of US$1.4 trillion or 3.3 per cent of the aggregate GDP (2024) of these countries per annum, composed by 2.0 per cent of GDP or US$833.4 billion for essential health care and 1.3 per cent of GDP or US$552.3 billion for five social protection cash benefits.

Between 2015 and 2023, 42 countries and territories, representing 51 per cent of the global population, achieved an average growth rate in aggregate social protection coverage at or above 2 percentage points per year. Based on this evidence, increasing social protection coverage by at least 2 percentage points per annum is both feasible and achievable. Achieving the target in low- and middle-income countries would require an investment of US$17.4 billion or 0.04 per cent of their GDP per year.

Effective social protection coverage, global and income-level estimates, by population group, 2015 and 2023 (percentage)



Note: Global and income-level aggregates are weighted by population groups.

Source: ILO modelled estimates, 2024; World Social Protection Database, based on the Social Security Inquiry; ISSA Social Security Programs Throughout the World; ILOSTAT; national sources.

Additional resources, press releases, data blog/stories, etc. with links:

- World Social Protection Report 2024–26: Universal social protection for climate action and a just transition
- World Social Protection Data Dashboards
- Financing gap for universal social protection
- A global call to action to accelerate the achievement of universal social protection (SDG target 1.3) to reduce poverty and inequality
- World Social Protection Database
- Social Security Inquiry
- Social Security Programs Throughout the World
- ILOSTAT

Storyline author(s)/contributor(s): Valeria Nesterenko, ILO

Custodian agency(ies): ILO

Target 1.4 By 2030, 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

Indicator 1.4.1 Proportion of population living in households with access to basic services

Custodian agency(ies): UN-Habitat

Indicator 1.4.2 Proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure

Lack of official land tenure documentation leaves over a quarter of world's adults without legal protection.

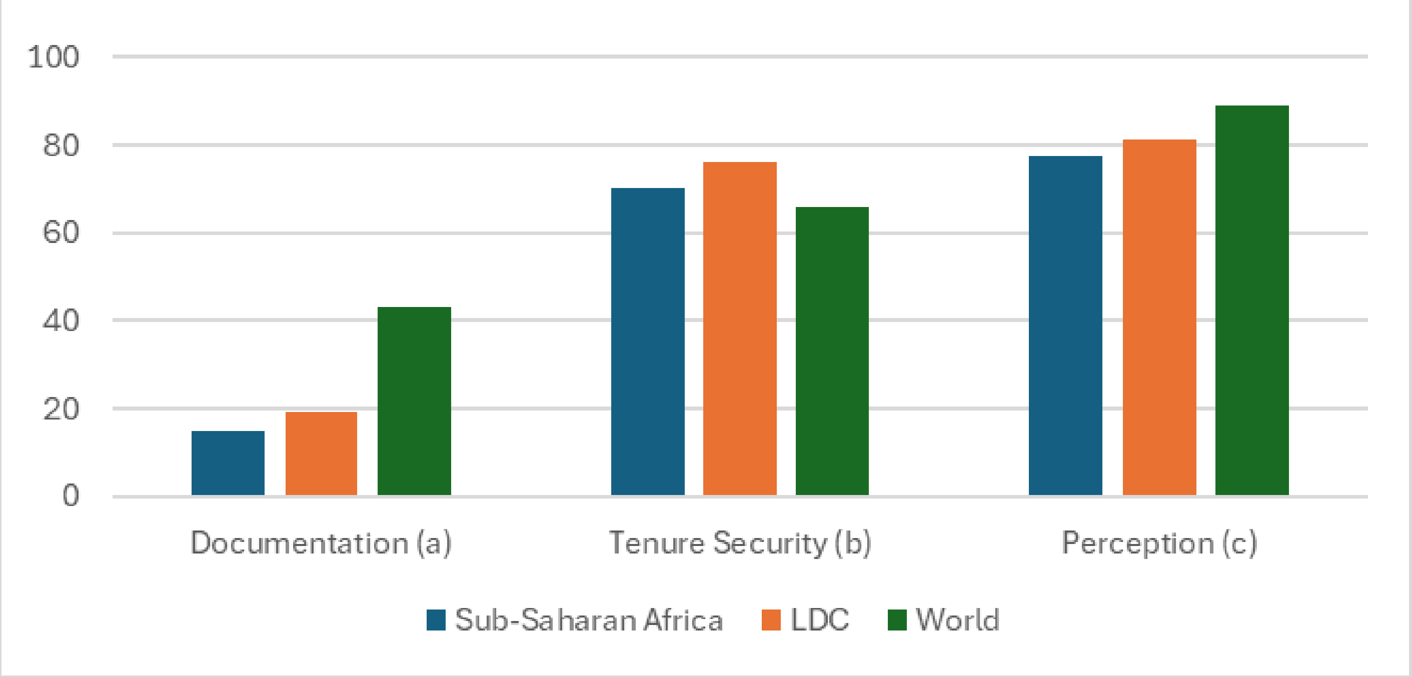
Tenure security is fundamental to economic stability, social equity, and sustainable development. It not only protects land rights legally but also underpins communities' confidence in their property ownership. Evaluating tenure security requires an integrated approach that considers tenure type, legal protection, perceived security, and the capacity of governments to document and enforce rights effectively.

Latest data indicate that two-thirds (66%) of the global population believe they enjoy secure tenure. However, despite global efforts in expanding legal recognition of customary rights and investments in expanding capacity to document land rights, just 43 percent of adults possess official land tenure documents- a figure that drops to 15 percent in Sub-Saharan Africa. In one in five reporting countries, fewer than 10 percent of adults hold official land documentation, disproportionately affecting those experiencing poverty and vulnerability and living in rural areas.

Despite these challenges, customary and other informal tenure arrangements continue to provide a sense of tenure security, particularly in rural areas. In 27 countries where both perception and legal documentation are measured, 82 percent of the population feel secure in their land rights, even when access to formal legal documentation remain beyond reach. In sub-Saharan Africa, data from 15 countries indicate that 77 percent of adults perceive their land tenure as secure. However, the gap between perception and documented land rights is stark, as over half (52%) of the population in these countries feel secure despite lacking legal proof of ownership, which could make them vulnerable in situations of urbanization, economic or social transformation.

Gender disparities highlight significant inequalities in land tenure security. While women represent nearly half of those who believe they are secure in their land rights (49%) and those who feel protected from eviction (51%), legal documentation tell a different story. Globally, only 24% of women hold legal land documents, accounting for just 31% of all documented land holders. In the 10 countries with the largest gender gaps, there are nine men for every woman with legally documented land rights, severely limiting women's access to land and economic resources.

Proportion of population with secure tenure rights to land (%)



Storyline author(s)/contributor(s): Regina Orvananos, UN-Habitat; Robert Ndugwa, UN-Habitat; Thea Hillhorst, World Bank

Custodian agency(ies): World Bank, UN-Habitat

Target 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

Indicator 1.5.1 Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population

Rising disaster impacts despite decreasing mortality.

Member States report on Sustainable Development Goal (SDG) targets 1.5, 11.5, and 13.1 through the Sendai Framework Monitor Targets A and B. Recent data indicates encouraging progress in reducing disaster-related deaths worldwide despite the increasing total number of people impacted by disasters. The global disaster mortality rate per 100,000 population fell from 1.61 in the period of 2005–2014 to 0.79 in 2014–2023 (excluding COVID-19-related cases). This represents a significant improvement of more than 50 per cent in reducing mortality notwithstanding global population growth. In absolute terms, this translates to an average of 41,647 disaster-related deaths per year between 2014 and 2023, a 36% decrease from the 65,597 annual deaths reported in 2005–2014.

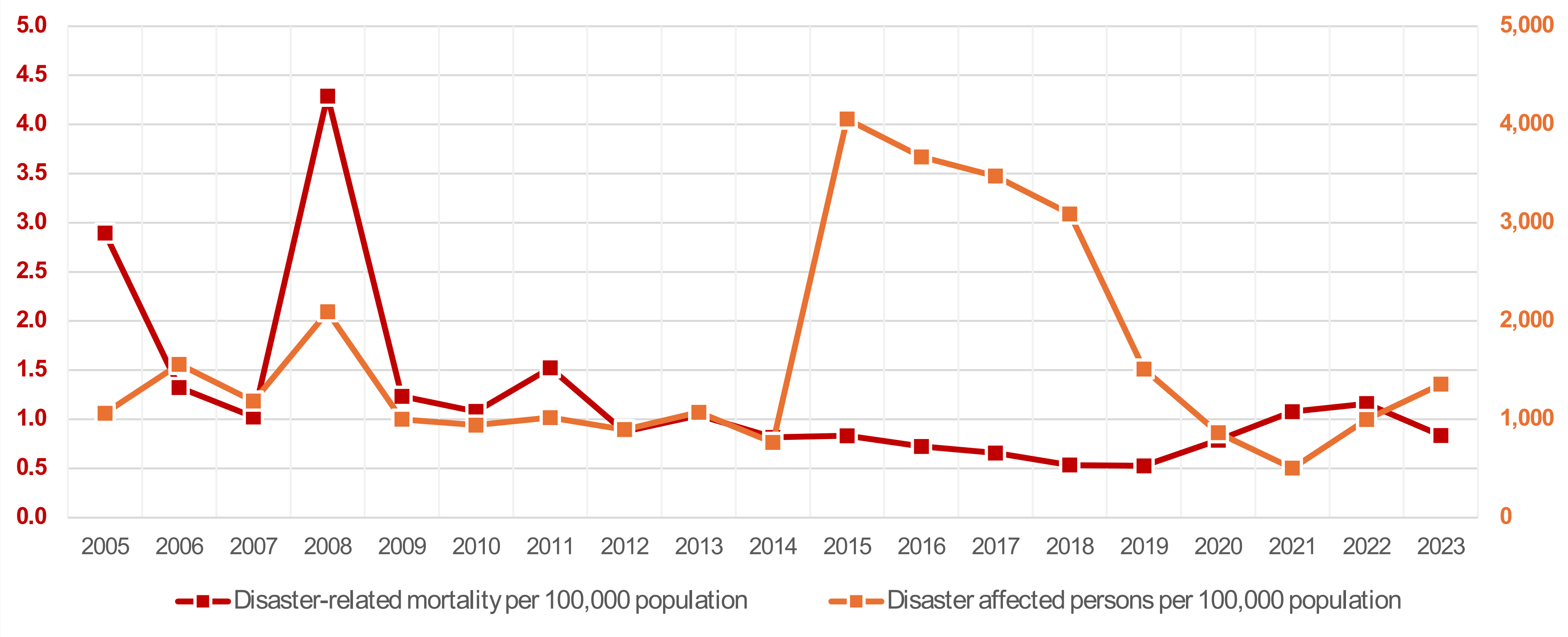
However, while disaster-related deaths have declined, the number of people affected by disasters has surged. The rate of persons affected per 100,000 population increased by 75 per cent, from 1,158 in 2005–2014 to 2,028 in 2014–2023. In absolute numbers, 124 million people were affected by disasters annually between 2015 and 2023. This mixed picture of declining mortality but rising affected populations underscores both progress and persistent challenges. Investments in early warning systems and evacuation measures have saved lives, but long-term resilience-building efforts are essential to reduce the overall human cost of disasters.

Countries in special situations, such as Least developed countries (LDCs), small island developing States (SIDS), and landlocked developing countries (LLDCs) continue to bear the brunt of disasters, suffering impacts more than twice the global average. Between 2014 and 2023:

- LDCs accounted for 25.9 per cent of global disaster-related mortality, despite representing only 11.9 per cent of the reporting countries' populations.
- LLDCs reported 13.0 per cent of global disaster mortality, while comprising just 4.9 per cent of the total population.
- SIDS recorded 0.5 per cent of global mortality, despite making up only 0.3 per cent of the global population.

These figures highlight the urgent need for enhanced international cooperation, targeted investments, and strengthened resilience efforts to ensure that the most vulnerable nations are not left behind in disaster risk reduction efforts.

Disaster mortality and affected persons, 2005-2023



Storyline author(s)/contributor(s): Animesh Kumar, Raidan Alsaqqaf, Xuan Che. UNDRR

Custodian agency(ies): UNDRR

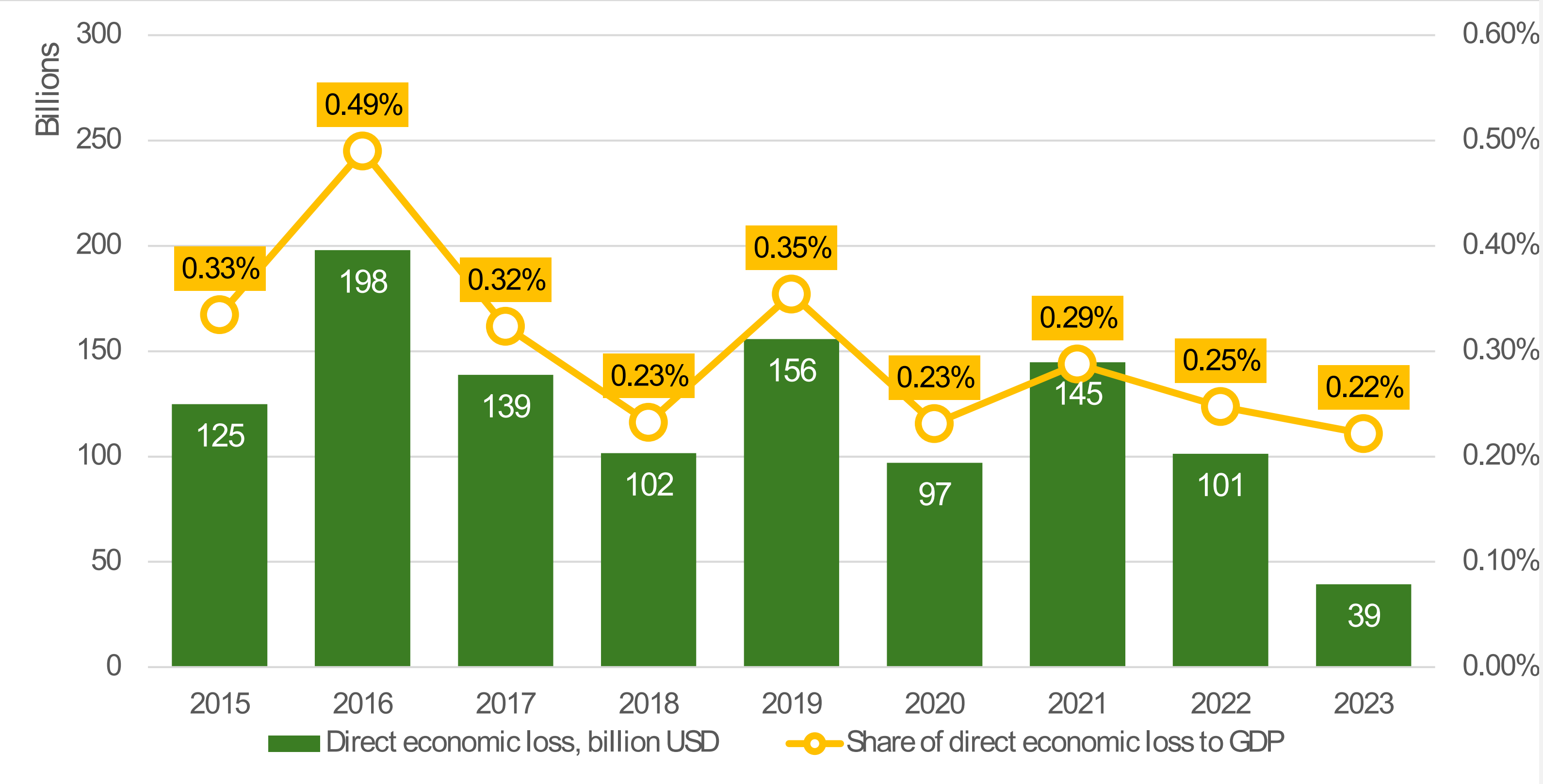
Indicator 1.5.2 Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)

Economic losses due to disasters remained stubbornly high, and disproportionately affecting LDCs and LLDCs

Despite significant efforts undertaken to reduce disaster impacts, economic loss associated with disaster remains stubbornly and consistently high. As reported against Sendai Framework global target C, aligned with SDG targets 1.5 and 11.5, between 2015 and 2023, direct economic loss exceeds 122 billion USD annually worldwide, amounting to 0.30 per cent of the GDP of the reporting countries.

LDCs and LLDCs bear a disproportionately high burden of disaster-related economic losses. LDCs suffer over ten times higher disaster-related economic loss compared to global average: they accounted for 10.36 per cent of globally reported economic losses during 2015-2023, despite having only 1.06 per cent of total GDP of reporting countries. Similarly, LLDCs reported 5.61 per cent of economic loss while having only 1 per cent of GDP, a five-fold higher burden.

Direct disaster economic loss (billions USD) and share of direct economic loss to GDP (per cent)

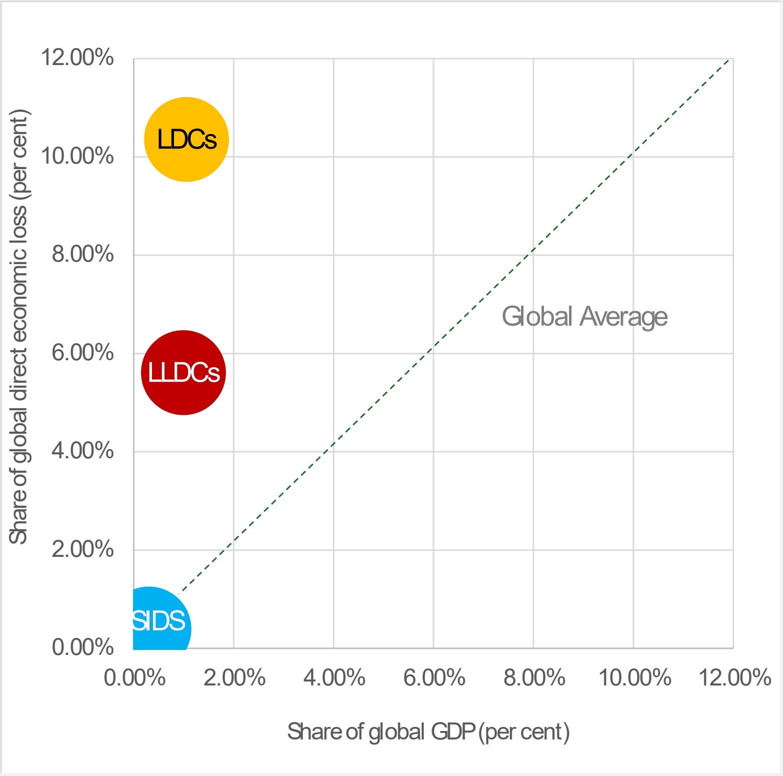


Given the complex nature of measuring economic loss, a considerable number of countries face difficulties in compiling and reporting to this indicator. Therefore, the true magnitude of losses is expected to be significantly higher than reported. UNDRR hopes to remedy some of the associated issues through an enhanced Disaster Tracking System (DTS) [Link 1] that builds on the success of the current disaster loss database system used in 112 countries (DesInventar Sendai [Link 2]). In addition to DTS, UNDRR is working on a technical assistance and capacity development package for countries to accompany the launch of DTS and improve disaster impact statistics.

[Link 1] https://www.undrr.org/disaster-losses-and-damages-tracking-system

[Link 2] https://desinventar.net

Share of direct disaster economic loss vs. share of GDP for LDCs, LLDCs and SIDS



Storyline author(s)/contributor(s): Animesh Kumar, Raidan Alsaqqaf, Xuan Che. UNDRR

Custodian agency(ies): UNDRR

Indicator 1.5.3 Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015–2030

More than two-thirds of the world's countries now have national disaster risk reduction strategies

More governments have focused on establishing national disaster risk reduction strategies as the main governance framework aimed at preventing the creation of disaster risk, reduction of existing risk and strengthening resilience. Concrete progress was made in the establishment of national DRR strategies worldwide, as 131 countries, or 67 per cent of the world, have reported in Sendai Framework Monitor global target E the adoption and implementation of national DRR strategies by 2024, doubled the 57 countries in 2015.

While reporting the existence of such strategies, countries also assess its implantation against ten-point scoring criteria. 126 countries have reported that "promoting policy coherence and compliance with the SDGs and the Paris Agreement" is a key element in their national DRR strategies that requires further attention. This underlines the importance of integrating climate resilience and sustainable development. Furthermore, given the ongoing efforts relating to the Global Goal on Adaptation, efforts are being made to leverage the presence of DRR strategies to build the basis for national adaptation plans through a comprehensive risk management approach [Link 3].

The quality of national DRR strategies also positively enhances multi-hazard early warning systems (MHEWS). Published as part of the Secretary-General's Early Warnings for All initiative [Link 4], the latest 2024 Global Status of Multi-Hazard Early Warning Systems Report [Link 5] showed that countries with more comprehensive disaster risk reduction strategies tend to also have more comprehensive Multi-Hazard Early Warning Systems. A holistic approach to DRR strategies and preparedness and action plans for early warning systems enhances countries' resilience to disasters, helping them to build empowering, resilient and sustainable communities, and enabling better preparedness and responses.

[Link 3] www.undrr.org/crm

[Link 4] https://www.un.org/en/climatechange/early-warnings-for-all

[Link 5] https://www.undrr.org/reports/global-status-MHEWS-2024

Storyline author(s)/contributor(s): Animesh Kumar, Raidan Alsaqqaf, Xuan Che. UNDRR

Custodian agency(ies): UNDRR

Indicator 1.5.4 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies

110 countries have local disaster risk reduction strategies in line with the national strategies.

Localizing disaster risk knowledge and strategies is critical for managing and reducing disasters losses and damages. This approach serves as a safety net to ensure that no one is left behind in disasters' harmful ways, especially for women, young girls and the marginalized populations. Local-level DRR strategies can also promote inclusive, and gender-responsive risk governance, and strengthen the integration of indigenous and local knowledge (ILK) into the national strategies.

Furthermore, local-level risk governance manifested by the 110 countries which have reported the existence of local DRR strategies in place, guided by their national strategies as of 2024. On average, 73 per cent of the local governments in the reporting countries have specified having local DRR strategies.

UNDRR's Making Cities Resilient 2030 (MCR2030) Initiative [Link 6] is a cross-stakeholder approach to strengthen the local-level risk knowledge management and to improve local disaster resilience through advocacy, knowledge sharing and experiences. The initiative is establishing mutually reinforcing city-to-city learning networks, injecting technical expertise, connecting multiple layers of government and building partnerships, in an effort to reduce disaster risk and build resilience.

[Link 6] https://mcr2030.undrr.org/

Storyline author(s)/contributor(s): Animesh Kumar, Raidan Alsaqqaf, Xuan Che. UNDRR

Custodian agency(ies): UNDRR

Target 1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

Indicator 1.a.1 Total official development assistance grants from all donors that focus on poverty reduction as a share of the recipient country's gross national income

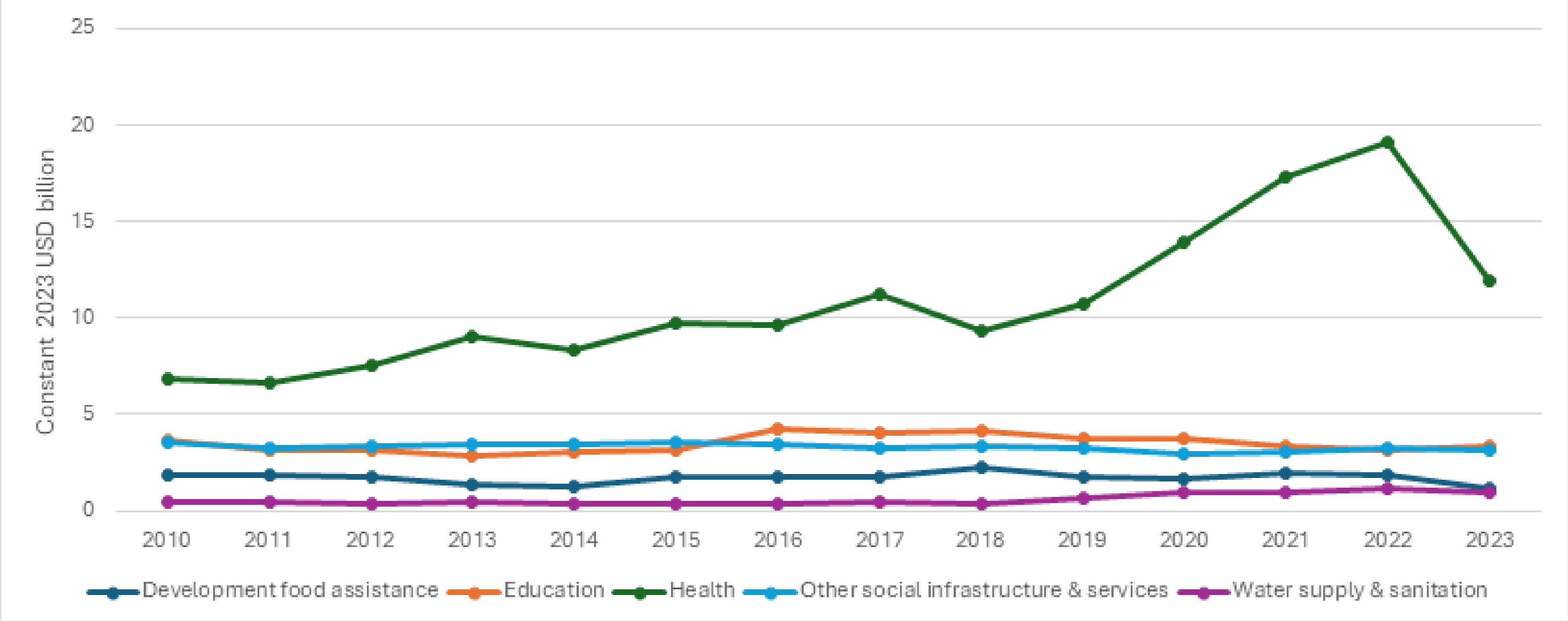
Grants for basic health services drop in 2023

The total volume of grants for basic social services and development food aid, including what is not allocated by recipient country, decreased from USD 28.5 billion (in constant 2023 prices) to USD 20.5 billion in 2023 mainly driven by the fall of USD 7.2 billion (or 37.4%) in aid for basic health. Basic health had experienced the most important increase from 2018 to 2022 mainly due to response to COVID-19 crisis in 2020 and decreased in 2023 to USD 12 billion which is still above pre-pandemic levels. Development food assistance, other social infrastructure and services and basic water supply also dropped by 38%, 16% and 6% to reach USD 1.1 billion, USD 1 billion and USD 3.1 billion respectively. Only basic education progressed by 5% to reach USD 13.3 billion.

Calculated as percentage of the developing countries' combined GNI the country allocable focus on poverty reduction in 2023 represented an average of 0.04%, down from 0.05% in 2022, the same level it was in 2015. If we also consider the regional contributions, the percentage of the developing countries' combined GNI also decreased from 0.08% in 2022 to 0.06% in 2023, the same level as it was during the period 2012-2019.

The following regions received the highest share of grants which focus on poverty reduction in 2023: Oceania (0.13%), Sub-Saharan Africa (0.09%), Europe (0.02%), whereas Asia and Latin America and the Caribbean received 0.006% and 0.003% respectively. Least developed countries (LDCs) received 0.12%. Grants for basic social services have increased in 2023 compared to 2015 in volume in Asia from USD 4.9 billion to USD 5.6 billion, Latin America and the Caribbean from USD 751 million to USD 831 million and Europe from USD 294 million to USD 422 million but have decreased in Africa from USD 8.8 billion to USD 8.6 billion and in Oceania from USD 251 million to USD 203 million.

ODA grants for powerty reduction. Constant 2023 USD billion



Storyline author(s)/contributor(s): Yasmin Ahmad, OECD; Elena Bernaldo, OECD

Custodian agency(ies): OECD

Indicator 1.a.2 Proportion of total government spending on essential services (education, health and social protection)

Shifting public resources towards essential services is one of the key policy interventions for reducing poverty and building a better social safety net. Government spending on essential services for the emerging and developing countries is on the rise but remains behind the advanced economies. The policy responses against the Covid-19 crisis are expected to be temporary, yet the adverse impacts could be long-lasting through deterioration of human capital.

"Fiscal policy is the use of the level and composition of the general government and public sectors' spending and revenue—and the related accumulation of government assets and liabilities—to achieve such goals as the stabilization of the economy, the reallocation of resources, and the redistribution of income (IMF 2014)." In addition to direct spending on targeted poverty alleviation programs (including cash transfer, food and in-kind transfer), the government can support the poor and the vulnerable in the long term by reallocating resources to activities that promote growth including productive investment spending from "unproductive" public expenditures; and basic education and health care, which build human capital and thus enhance growth and equity. Social protection programs also serve as safety nets including unemployment benefits and pensions, mitigating the adverse impacts and preventing people from falling into poverty.

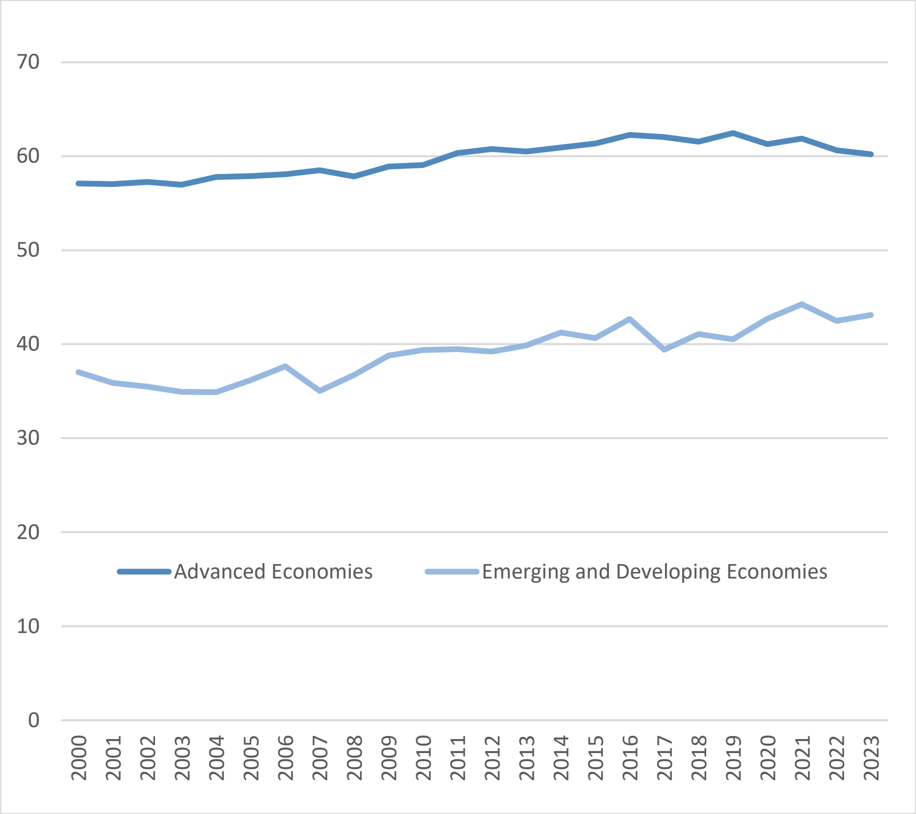
According to the most recent data for a sample of approximately 100 countries who report to government finance statistics (GFS) database, the proportion of total government spending on essential services (comprising education, health and social protection), world-wide, is approximately 50 percent on average. Across different economies, the overall average is 61 percent amongst the advanced economies (AEs) and 43 percent amongst the emerging market and developing economies (EMDEs). While the proportion trends slightly upwards for both economic groups over the past two decades, the gap between them remains stable at approximately 20 percentage points.

Assessing components of essential services, what separates the two groups of countries is spending on social protection which is higher for AEs than EMDEs by approximately 15 percentage points on average, in part reflecting a higher coverage of pensions for AEs. To a lesser extent, spending on health accounts for approximately 5 percentage points of the differences on average.

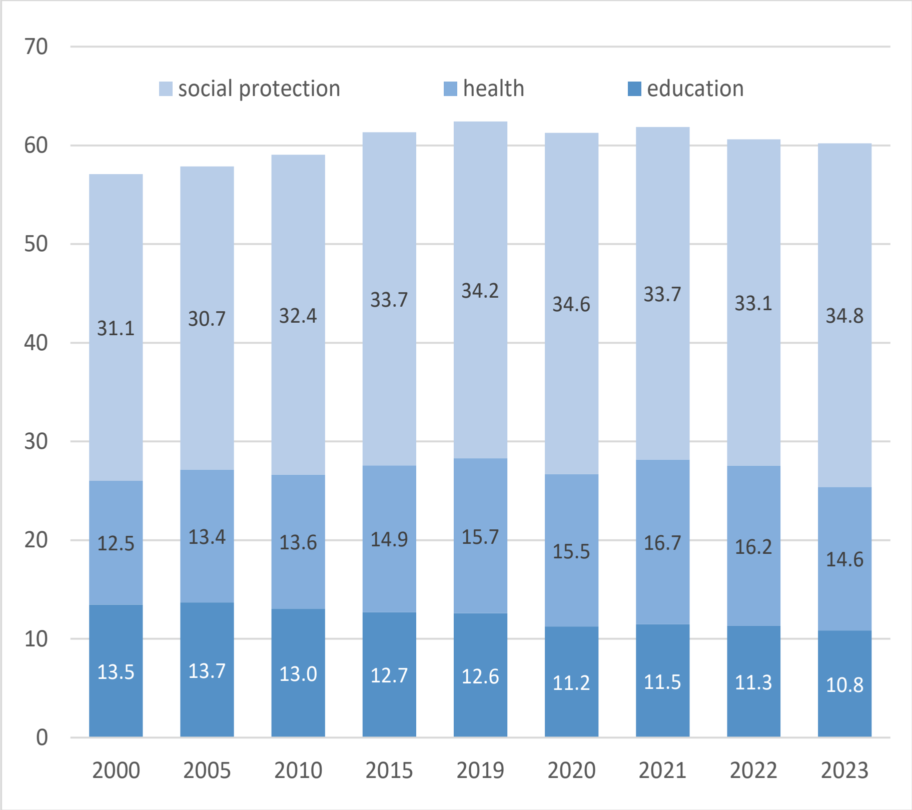
Reflecting short-term impacts of the Covid-19 pandemic, spending on social protection and health increased while spending on education declined. The policy measures to the pandemic crisis in terms of social protection and health spending and the adverse impact on education spending in part reflecting the school shutdown are expected to be temporary in nature as the adverse impacts of the pandemic crisis are to dissipate. Nonetheless, prolonged health issues and deprived educational developments on the individuals albeit temporary would potentially have long term impacts through human capital.

Reference: International Monetary Fund (IMF). 2014. "Government Finance Statistics Manual 2014." Washington, DC.

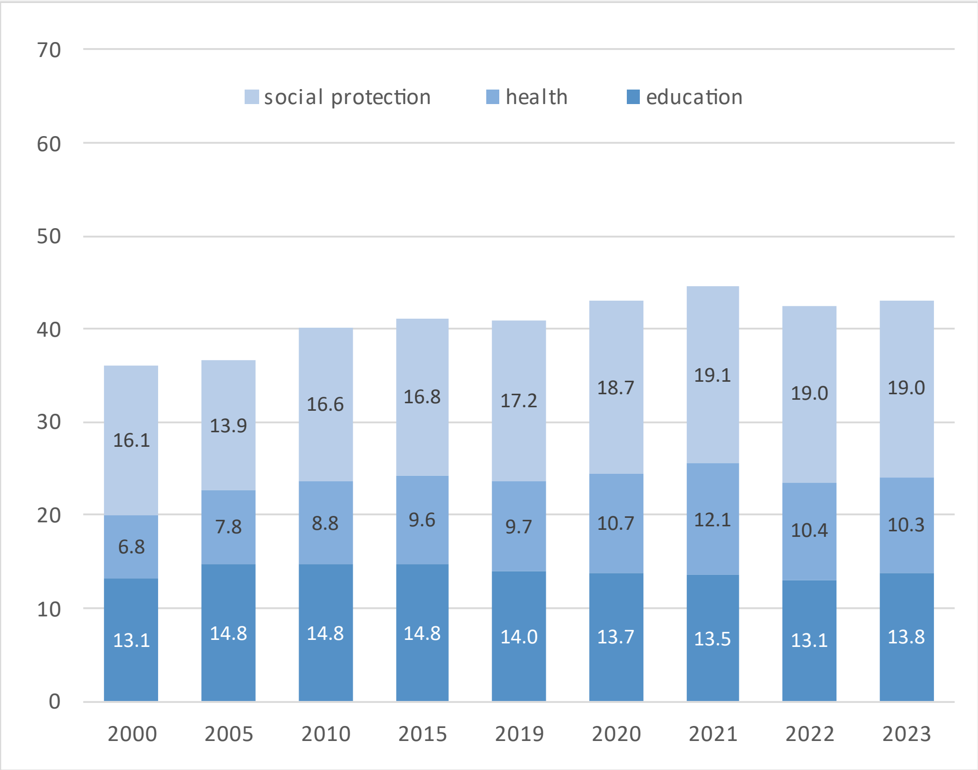
Essential Services (% of Total Government Spending)



Essential Services (% of Total Government Spending) - Advanced Economies



Essential Services (% of Total Government Spending) - Emerging and Developing Economies



Custodian agency(ies): IMF, UNESCO-UIS (co-custodian: education component)

Target 1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

Indicator 1.b.1 Pro-poor public social spending

In most countries public social spending benefits the poorest people

Target 1.b – part of SDG Goal 1 which aims to end poverty – explicitly calls to "create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication action". This requires us though to better understand if public policies – and specifically public spending on social sectors – are indeed benefiting the poorest groups of society and can therefore be considered to be pro-poor.

Since 2020, the indicator 1.b.1 'Pro-poor public social spending' has been included in the global SDG indicator framework. The indicator measures the share of government spending that directly benefits the people at the bottom 20% of the income distribution in education, health and direct transfers (cash and near-cash transfers). Measuring pro-poor spending requires a distributional analysis of public budgets ("benefit incidence analysis") to understand which individuals or households are benefiting from social sector spending.

A range of different global databases exist to measure pro-poor spending. Across low- and middle-income countries, the Commitment to Equity (CEQ) approach is most widely used when measuring the distributional effects of fiscal policies, including an analysis of the benefit incidence of public spending on direct transfers, education and health. The Organisation for Economic Cooperation and Development (OECD) furthermore measures the distributional effects of direct transfers for a smaller group of mostly high-income countries. Sector-specific benefit incidence analyses include estimates by the World Bank for social protection as part of the ASPIRE project, or by UNICEF measuring the benefit incidence for education spending.

Globally, directly comparable data for pro-poor spending in at least one sector exist currently for 133 countries, 51 of them cover all three sectors. The proportion of spending benefiting the bottom 20% ranges from 10% to 39%, and in a typical country the proportion is 26%.

There are differences among the sectors. Direct transfers are on average the most pro-poor sector, with 32% of cash and near-cash transfers benefiting the poorest 20% (with a maximum of 93%). Education spending is on average only slightly pro-poor, with 22% of spending benefiting people in the bottom 20% of the income distribution (with data ranging from 3% to 35% across countries). Health spending benefiting the poorest 20% varies significantly between countries, ranging from 9% to 59% with an average of 19%.

Indicator 1.b.1 on pro-poor spending complements indicator 10.4.2 in the SDG framework, which measures how much broader fiscal policy reduces inequality. 10.4.2 is a comprehensive measure that assesses government effectiveness in tackling inequality through both tax policies and government spending. One of the key drivers of inequality reduction is strengthening human capital accumulation among poorer households. With this in mind, 1.b.1 complements 10.4.2 by focusing more specifically on the effects of public social spending specifically on people living in poverty.

This evidence supports governments as well as stakeholders in civil society, academia, or multilateral organisations to track progress on target 1.b, enabling accountability and transparency on pro-poor development strategies.

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Custodian agency(ies): UNICEF