



End poverty in all its forms everywhere



EU internal action

Overview and challenges

Poverty harms people's lives and hampers social inclusion and cohesion as well as well-being. Without effective educational, health, labour market and social protection systems the risk of poverty is passed from one generation to the next. This in turn leads to productivity loss and hampers inclusive and sustainable growth. Delivering on SDG 1 in the EU context therefore requires tackling the multiple dimensions of poverty and social exclusion, such as income poverty, social deprivation and participation in the labour market as well as ensuring basic housing needs are met.

Progress towards reducing poverty and social exclusion (SDG 1) in the EU has been significant. Between 2015 and 2020, fewer people have been affected by income poverty, suffered from severe material and social deprivation or lived in (quasi-) jobless households¹. Poverty and inequality also remained fairly stable despite the shock of the COVID-19 pandemic, an outcome linked to exceptional public intervention.

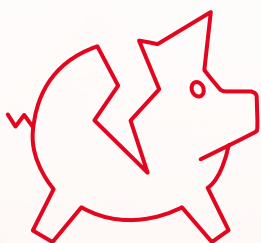
Challenges nonetheless remain in relation to further alleviating poverty, and especially the number of children who live in poor households. In addition, the recent energy and food price rises, further aggravated by the war in Ukraine, hit the poorest households the hardest as they spend a higher share of their disposable income on basic goods such as energy and food.

Key initiatives

Addressing multidimensional poverty and basic needs is among the main priorities of the [European Pillar of Social Rights](#) and its [Action Plan](#). The plan turns the 20 Pillar principles into concrete actions to benefit citizens. It also proposes headline targets on employment, skills and poverty reduction for the EU to reach by 2030, a commitment confirmed at the [Porto Social Summit](#) of May 2021. The revised [social scoreboard](#) is the key tool to monitor progress towards its implementation. Delivering the European Pillar of Social Rights is a shared responsibility for the EU institutions, national, regional and local authorities, social partners, and civil society.

Breaking the intergenerational cycles of disadvantage starts with investing in children to reduce the gap between children in need and their better-off peers. Adopted in 2021, the [European Child Guarantee](#) helps to ensure that, in the EU, every child in need has equal access to early childhood education and care, education, healthcare, housing and nutrition.

The [Directive on adequate minimum wages](#), adopted in October 2022, aims at tackling in-work poverty, ensuring fair competition, stimulating productivity improvements, and promoting economic and social progress.



2030 targets and trends at EU level

Target and policy reference

Reduce the number of people at risk of poverty or social exclusion by 15 million by 2030 compared with the situation in 2019, including at least 5 million children

Set in the [European Pillar of Social Rights Action Plan](#)

Trends

In 2021, 95.4 million people, equalling 21.7 % of the EU population, were at risk of poverty or social exclusion. This represents a substantial decrease since 2015, when 104.9 million people (or 24.0 % of the population) were at risk.

The number of children aged less than 18 who are at risk of poverty or social exclusion amounted to 19.6 million in 2021, corresponding to 24.4 % of the population of this age group. This is a substantial decrease compared with 2015, when 22.3 million children were at risk across the EU.

Poverty can also affect working people. The numbers of people at risk of income poverty despite being in work – the [working poor](#) – has generally decreased over recent years. In 2021, the in-work poverty rate was 8.9 %, a decrease of 0.8 percentage points compared with 2015 when it stood at 9.7 %.

Since 2015, in the area of basic housing needs, the numbers have fallen of people [overburdened by their housing costs](#) (down from 11.2 % in 2015 to 8.3 % in 2021) or facing [severe housing deprivation](#) (down from 5.3 % in 2015 to 4.3 % in 2020).

If, over the next decade, the EU can maintain the pace of decrease currently observed, the overall poverty reduction target will be within reach. However, to meet the sub-target of lifting at least 5 million children out of risk of poverty or social exclusion, the pace would need to speed up during the decade.

More details on indicators and trends for SDG 1 can be found in the statistical and analytical annex and Eurostat's monitoring report on progress towards the SDGs.

The [Council Recommendation on access to social protection](#) stresses the right to adequate social protection, regardless of the type and duration of their employment relationship, for workers and, under comparable conditions, the self-employed.

To also address poverty risks for people outside the labour market or in transition, the [Council Recommendation on adequate minimum income](#) calls on Member States to gradually bring income support to the level of national poverty thresholds and provides guidance on how to improve the coverage and take-up of these programmes.

The EU is also actively involved in [ensuring a fair transition towards climate neutrality](#). In this respect, in June 2022, the Council agreed on a [Recommendation on ensuring a fair transition towards climate neutrality](#). This provides guidance to all EU countries on how to address relevant employment and social aspects of the green transition.

The report of the high-level group on the [future of social protection and of the welfare state](#) in the EU develops a vision over the years to 2030 on how to improve social protection systems and the welfare state in the midst of ongoing and new changes.

The Commission also presented the [affordable housing initiative](#) in October 2020 as part of its [renovation wave strategy](#) for Europe; this aims to improve the energy consumption of buildings and to create green jobs.

The [social economy action plan](#), adopted in December 2021, seeks to enhance social innovation, support the development of the social economy and boost its social and economic transformative power, including poverty reduction. It proposes a series of actions for the period 2021-2030.

Selected enablers

Financial resources, reforms and investments, in a people-centred approach, as well as science and innovation, are strong means to implement measures to support the SDGs in the EU. Within Cohesion policy, a budget of EUR 99.3 billion (2021-27) is dedicated to the [European Social Fund Plus \(ESF+\)](#). It provides a major contribution to the EU's efforts to end poverty and support social inclusion, because Member States are required to allocate at least 25 % of their ESF+ resources to promote social inclusion. For example, the current programming period includes a specific ESF+ objective to promote the socio-economic integration of marginalised communities such as the Roma.

The [Fund for European Aid to the Most Deprived](#) (FEAD) specifically supports actions by EU countries in providing food, clothing and other essential goods to the poorest in society. It also provides support through non-material social inclusion measures. Since April 2020, FEAD could support specific measures for addressing the COVID-19 crisis. For people living on the streets of [Sweden](#), the risks of exploitation, poor health, and hate crimes are particularly serious if individuals are from another country or culture. Supported through FEAD, the *Pentru Tine — För Dig* ('For you') project in Sweden gave marginalised people who were homeless vital information and the support they needed to find their way out of material deprivation and social isolation.

Beneficiaries of these EU funds must respect gender equality and non-discrimination principles.

The Regulation on the [common agricultural policy \(CAP\) strategic plan for 2023-27](#) also links the CAP to the SDG poverty reduction objectives by providing income support in remote areas. Poverty in rural areas decreased significantly from 30 % in 2010 to 22.5 % in 2021.

As part of the revision of the EU emissions trading system (EU ETS), the [Social Climate Fund](#) will address any social impacts that arise from the new system and will support those affected by energy and transport poverty in particular.

Long-standing EU initiatives were complemented by additional EU efforts to address the impact of the pandemic on the poorest households, including under the [Coronavirus Response Investment Initiative](#) (CRII and CRII+) taken in the framework of [cohesion policy](#). Some Member States, through their [national recovery and resilience plans](#), are investing in the modernisation and digitalisation of social benefit systems, which will improve their coverage. A few investments also focus on fighting energy poverty and on improving access to food and water sanitation for the poorest households. In addition, according to the Governance Regulation ⁽³⁾, the objective of Member States' National energy and climate plans is closely linked to addressing energy poverty and shall outline policies and measures to tackle it.

For example, [Portugal](#) has set up a new strategy to combat poverty through the development of a multidimensional, integrated, medium- and long-term approach. This reform is further complemented by specific investments in the most deprived metropolitan areas of Lisbon and Porto. It provides a framework to support dedicated actions targeting specific groups, from children to older people, including the most vulnerable groups. For instance, it sets out conditions for the development and implementation of policies focusing on specific challenges of social exclusion and poverty at the local level.

In addition, it also creates a single monitoring framework for poverty-related indicators.

Research and innovation actions under [Horizon Europe](#) explore the root causes and drivers of inequalities, social inclusion and poverty in Europe. The project [MapIneq](#) takes a life-course perspective to map and visualise drivers of inequalities. It seeks to understand how various socio-economic conditions, policies, societal changes and changes over the life course affect inequalities in the domains of family, health, education and work. The aim of the [Solutions to Tackle Energy Poverty \(STEP\)](#) project is to alleviate energy poverty by facilitating behavioural change through trusted, tailored advice, provided directly to consumers in or at risk of energy poverty, and by implementing low-cost energy efficiency solutions in energy-poor households.

Another example is the project 'Plan for and evaluate the European Child Guarantee in [Luxembourg](#)' supported by the [Technical Support Instrument](#) under the call for 2022. The project aims at implementing the European Child Guarantee and reaching the objectives of the United Nations Convention on the Rights of the Child. Its main goal is to prevent and combat child poverty and social exclusion. The project will provide Luxembourg with help to improve monitoring and evaluation tools and to conduct meaningful stakeholder consultations that are necessary for an envisaged action plan.

Stakeholder engagement

The EU delivers on its poverty reduction agenda in a collaborative approach. For example, through the [EU Programme for Employment and Social Innovation \(EaSI\)](#), the EU supports the [European Anti-Poverty Network](#) (EAPN). This is the largest European network of national, regional and local networks involving anti-poverty non-governmental organisations and grassroots groups, as well as European organisations, active in the fight against poverty and social exclusion.

In June 2021, European institutions, EU governments and civil society committed to working together towards combating homelessness in the EU. The [European Platform on Combating Homelessness](#) serves to trigger dialogue, facilitate mutual learning, improve evidence and monitoring, and strengthen cooperation among all players that work to combat homelessness. The platform offers an opportunity to engage and work with local players, including cities and service providers. This will enable all involved to better exchange their knowledge and practices, and identify efficient and innovative approaches, to make progress on eradicating homelessness.

To tackle societal challenges of poverty and social exclusion, the [European Social Innovation Competition](#) is supporting

⁽³⁾ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action.



early-stage ideas and facilitating a network of radical innovators to shape our society for the better. It awards four prizes for the best socially innovative projects for a more inclusive, just and sustainable Europe. In 2022, social innovators tackled the 'future of living' and submitted proposals for affordable and sustainable housing districts.

Multi-level approach

SDG delivery implies ambitious action at all levels. At national level, for example, **Latvia** launched its minimum income level reform in 2021. The establishment of a minimum income threshold and its periodic review ensures that households and people with revenues below that level can claim municipal social assistance, and they are entitled to a higher state

minimum pension and state social security benefits. The minimum income reform applies to people in need, retired people and people with disabilities who receive the minimum benefits and pensions.

At local level, the city of **Košice** in **Slovakia** is committed to SDG 1 through a project co-funded by the European Social Fund and based on a Housing First approach. The project provides affordable housing and a range of support measures to 23 families — with the plan to double this number — enabling 150 people, both parents and children, to live more stable lives, with no stigma of homelessness. It focuses on helping individuals and families to find and maintain accommodation, matching families and young people with housing, social and healthcare services, and legal support.

EU external action

Global trends

While world poverty rates decreased from 27.7 % in 2000 to 8.6 % in 2018, 660 million people were still living below the poverty line in 2019, of whom 347 million were in least developed countries. During the COVID-19 pandemic, the UN estimates that an additional 93 million people were pushed into **extreme poverty** in 2022, when compared with pre-pandemic levels. These estimates are expected to be further revised upwards when taking account of the global impacts of the Russian war of aggression against Ukraine.

As to the measures to prevent and combat poverty, despite the significant expansion of social protection programmes during the COVID-19 crisis, only 47 % of the global population is covered by at least one social protection programme. In Africa, this rate falls to 17 %.

Internal/external coherence including policy coherence for development

Given the multidimensional nature of poverty, SDG 1 is closely interlinked with other SDGs. High in-work poverty rates show that employment does not necessarily prevent poverty,

with about 21 % of all [employees](#) worldwide living in poverty in 2021. To tackle this challenge and to ensure that European consumption does not contribute to poverty worldwide, the EU provides comprehensive tools to promote [decent work](#) in the EU and worldwide. The [Communication on decent work worldwide](#) includes EU policies and initiatives with outreach beyond the EU, EU bilateral and regional relations, the EU in international and multilateral fora, and its engagement with stakeholders and in global partnerships.

A key objective of the EU's international partnership policy is to promote decent work, including social protection, in line with the EU's strong commitment to fully implement the 2030 Agenda. This is also reflected in the [2017 European Consensus on Development](#). The EU actively contributes to [International Labour Organization](#) processes of setting labour standards, supervising their application, and promoting their implementation.

Furthermore, specific existing and upcoming EU tools consist of legislative proposals to tighten the responsibilities of companies in their global value chains, such as the proposed [Corporate Sustainability Due Diligence Directive](#).

The EU also recognises that child and family poverty is a key driver of child labour, which is a breach of both international labour rights and the rights of the child. The [EU strategy on the rights of the child](#) commits to making EU supply chains free of child labour, and to provide technical assistance to strengthen labour inspection systems. The proposed forced labour product ban aims to prohibit the entry into the EU market of products made with forced labour, including forced child labour. In parallel, EU development cooperation seeks to eliminate child labour in value chains through initiatives such as [CLEAR Cotton](#), the [Sustainable Cocoa](#) initiative, and the recently adopted [action](#) in value chains with high child labour prevalence and exports to EU.

In addition, through sector-specific initiatives, the EU further promotes decent work and social protection in specific areas. Hence, the Farm to Fork Strategy aims at ensuring decent work in global food supply chains, including safe and fair working conditions and rights. The considerations of workers' social protection, their working and housing conditions, and their health and safety protection all play a major role in building fair, strong and sustainable food systems, which benefit all tiers of the value chain, including through poverty reduction.

EU and Member States external financial support for SDG implementation and results

In 2021, EU institutions ⁽⁴⁾ reported to the OECD commitments for EUR 8.1 billion in projects contributing to SDG 1. The greatest share of the EU contribution to SDG 1 is accounted for by projects that target SDG 1 as the main SDG. These projects also contribute to several other interlinked SDGs such as SDG 8, SDG 13, SDG 3, SDG 4, SDG 5 and SDG 2. Other SDGs also contribute to SDG 1 as a significant objective. The main contributors are SDG 8, SDG 16 and SDG 2. When taking into account also other official flows, private funds mobilized through public intervention and support to international public goods, the Total Official Support to Sustainable Development (TOSSD) ⁽⁵⁾ of the EU to SDG 1 amounted to EUR 9.7 billion in 2021.

Collectively, the EU and those Member States that reported on SDGs ⁽⁶⁾ to the OECD in 2021 contributed EUR 17.8 billion to SDG 1. Financial flows from the EU and Member States to SDG 1 have a strong global component (41%). At regional level, support to SDG 1 predominantly focuses on projects in Africa (45%) and Asia (25%). There are also a substantial number of global contributions which target SDG 1 at a broader level (20%).

Main policy orientations and initiatives for external engagement

Eradicating poverty in all its dimensions, tackling discrimination and inequalities, and leaving no one behind are all at the heart of the EU's development cooperation policy and international partnerships, as laid down in the [2017 European Consensus on Development](#). Consistent with the EU Treaties and the EU's current [external financial instrument](#), poverty reduction and attention to the most vulnerable segments of the population are at the forefront of all cooperation programmes.

In this context, and in line with partner countries' own policies and plans for eradicating poverty globally, the EU's priorities for its external actions contributing to SDG 1 and interlinked SDGs are to:

- ▶ reduce the overall number of people living in poverty;
- ▶ establish solid social protection systems, in particular for the most vulnerable; and
- ▶ create educational and economic opportunities to get people out of poverty.

To this end, the EU supports through its partnerships policies that seek to maximise positive social outcomes and impacts, notably for social inclusion and human development. The EU also promotes domestic resource mobilisation and redistributive

⁽⁴⁾ Based on OECD methodology, this includes ODA as reported by the European Commission (Development Share of Budget and European Development Fund) and European Investment Bank.



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public policies that enable the sharing of benefits of growth and improved access to opportunities. Given the multidimensional nature of poverty, the EU pays particular attention to the interlinkages between the SDGs, with actions that can create co-benefits and meet multiple objectives in a coherent way.

EU budget support is a modality of action that can be instrumental in supporting policy development aimed at benefiting the poor. It is estimated that, between 2014 and 2020, 75 % of the EU budget support portfolio (around EUR 11.3 billion globally) contributed to achieving SDG 1. Social protection is at the core of these efforts, as it protects people along the life cycle from poverty and risks. Social protection also enables access to basic services, such as education, water, sanitation, and adequate nutrition. Social protection is contributing to the implementation of the Global Gateway strategy.

Poverty, conflict, fragility and forced displacement are deeply interlinked and must be addressed in a consistent and comprehensive way by addressing their various root causes. Tackling extreme poverty, especially in fragile situations, requires a strengthened link between relief, rehabilitation, and development. It further needs a multi-stakeholder approach, action at various levels, and sustained international engagement. EU and Member States actions operate in the humanitarian-development-peace nexus, recognising the need for conflict-sensitive approaches to development. Social protection support measures, delivered through a combination of short-term humanitarian action and mid/long-term cooperation, directly contribute to achieving resilience, peace, stabilisation, and economic growth in countries in crises. The guidance package on [social protection across the nexus](#) is an EU initiative that generates and expands the body of knowledge in this area. The 2017 Joint Communication [A Strategic](#)

[Approach to Resilience in the EU's external action](#) aligns the EU approach with a broad definition of resilience and to the multidimensional fragility model developed within the OECD.

Examples of EU actions (with a focus on Global Gateway and Team Europe initiatives)

Eradicating poverty is closely linked to social protection, designed to protect individuals and their families and to ensure they can meet their basic needs throughout their lives. Explicitly addressed in SDG 1, eradicating poverty and strengthening social protection is also instrumental in making progress towards other goals, including SDGs 2, 3, 4, 5, 6, 7, 8 and 10.

Against this background, the EU supports human development and implements several [social protection initiatives](#). The [Sociex+](#) programme is a demand-driven technical assistance facility aiming to enhance partner countries' capacity to design, manage, and monitor inclusive, effective and [sustainable employment strategies](#) and social protection systems. Implemented since 2013 in partnership with several Member States, it has supported the creation of comprehensive national social protection systems and employment and labour policies in 74 countries, by facilitating the exchange of knowledge and good practices between EU Member States and partner institutions around the world through targeted, short-term activities.

In addition, the EU, along with some Member States, has launched a new Team Europe Initiative to strengthen [social protection in Georgia](#). It aims to improve and extend social protection services through facilitating access to social services at local level and supporting the development of social protection legislation.

Further, the initiative ‘**Improving synergies between social protection and public finance management**’ aims to strengthen national social protection systems by addressing links with public finance management, including the mobilisation of domestic resources to tackle underinvestment in social protection. In 2021, this thematic programme supported the adoption of national social protection policies and laws in Nepal, Cambodia, Senegal and Togo. It also supported a response to the COVID-19 crisis that focused on vulnerable population groups, such as workers in the informal economy, in Bangladesh, Sri Lanka, Togo, Ethiopia, and Uganda.

In the context of the COVID-19 response and hence contributing both to SDG1 and SDG 3, the EU has been working closely with the **Nigerian** authorities and other partners on swift and effective action to combat the pandemic and its effects on the poorest and more vulnerable. Under the project ‘**A hand of fellowship: helping vulnerable communities in Nigeria**’, the EU has contributed to Nigeria’s national response, channelled through the UN COVID-19 Basket Fund. The EU has also helped UNICEF to procure vital health supplies for infected people, while further containing the spread of the virus in the country.

The EU actively fosters social inclusion, in a manner closely interlinked with several SDGs. The **Team Europe Initiative**

on Demography and Social Inclusion, as part of the **Global Gateway Africa-Europe Investment Package**, will support **Uganda** in achieving its SDG targets related to the delivery of inclusive social services, with a particular emphasis on healthy lives and well-being, gender equality and empowerment of all women and girls, and inclusive and equitable quality education. In line with SDGs 1 and 10, the EU and Member States will define support actions on the basis of national governance, and sub-national, community-based and geographical approaches. Youth will also be consulted during the formulation and implementation of the Team Europe Initiative.

Actions by the EU and its Member States are mutually supportive and coordinated to ensure complementarity and deliver an impact in support of the SDGs. In addition to acting together with the EU through joint programming and Team Europe Initiatives, Member States carry out their own projects in support of the 2030 Agenda including SDG 1. For illustrative purposes, Portugal contributes to the **reduction of poverty and vulnerability to food and nutritional insecurity in the southern provinces of Angola** through the project FRESAN, which addresses at the same time family agriculture, food and nutrition security, resilience, rural development, water and adaptation to climate change.

Looking ahead

The Conference on the Future of Europe showed broad support to the need to ensure the **full implementation of the European Pillar of Social Rights**. This includes its relevant headline targets for 2030, at EU, national, regional and local levels, in the area of social protection and inclusion. EU citizens also called on the EU, Member States and social partners to work together to **end in-work poverty**, address the rights of platform workers, and ban unpaid internships.

The Commission will continue its work on essential services, with the aim to ensure the reliable provision of services fundamental for social or economic activities in many different sectors. To address in-work poverty, new **guidelines** will be published about **collective agreements** regarding the working conditions of solo self-employed people. The **quality framework for traineeships** will also be reviewed to ensure that traineeships provide for good-quality learning content and appropriate working conditions and should not be a substitute for regular jobs or a precondition for a job placement.

Globally, the EU will continue to take determined action to accelerate implementation measures to achieve SDG 1. This will include the roll-out of a range of multiannual indicative programmes with partner countries where poverty eradication and/or social protection are a shared priority, and

joining partners in efforts to build nationally appropriate social protection floors, with a view to achieving universal social protection. The Commission will support a new regional Team Europe Initiative on Social Protection in Sub-Saharan Africa. It will also support the implementation strategy of the **Global Accelerator on Jobs and Social Protection for Just Transitions**. Through a new thematic programme under the Universal Social Protection 2030 initiative, the EU will also support the digital convergence initiative in pursuit of more inclusive and interoperable social protection information systems. The EU also supports the initiative to establish a **global fund for social protection**.

