

G20 SUPREME AUDIT INSTITUTIONS (SAI20) ISSUE NOTE
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FIGHT AGAINST HUNGER AND POVERTY

Importance of the topic

The Sustainable Development Goals (SDG) Summit has recently declared that "eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development"¹. Aligned with this agenda and about to assume the presidency of the G20, Brazil has already announced that it will adopt social inclusion and the fight against hunger among its priority themes².

Recent events such as the Covid-19 pandemic, climate crises, economic shocks and armed conflicts have negatively affected SDG 1 and 2 indicators. The most recent projections reveal that 8.4% of the world's population has been living in extreme poverty, which suggests that there has been no significant evolution in this indicator compared to 2019³. In the same vein, a report published by FAO⁴ estimates that 735 million people suffered from hunger in 2022, 122 million more than in 2019⁵. This information is alarming as it shows that the sustainable development goals of eradicating poverty and ending hunger by 2030 will not be achieved should current trends continue. If more efficient measures are not taken, it is estimated that by 2030, 6.5% of the world's population will still be living in extreme poverty and 128.5 million children will have growth problems due to a lack of adequate nutrition.

To reverse this scenario and achieve the SDGs targets, governments must strengthen their actions to combat extreme poverty in all its dimensions and to promote food and nutrition security. In other words, they must guarantee access for all people to safe, nutritious and sufficient food all year around. Therefore, it is essential to adopt public policies that contribute to: the establishment of a social protection system; equal access to economic resources, land ownership and financial services; and greater resilience of the poor and those in vulnerable situation as well

¹ <https://brasil.un.org/pt-br/246357-declara%C3%A7%C3%A3o-pol%C3%ADtica-da-c%C3%BApula-dos-ods>

² <https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/discursos-e-pronunciamentos/2023/discurso-do-presidente-da-republica-luiz-inacio-lula-da-silva-no-encerramento-da-cupula-do-g20>

³ <https://unstats.un.org/sdgs/report/2023/Goal-01/>

⁴ The State of Food Security and Nutrition in the World 2023 (<https://www.fao.org/publications/home/fao-flagship-publications/the-state-of-food-security-and-nutrition-in-the-world/en>)

⁵ <https://unstats.un.org/sdgs/report/2023/Goal-02/>

as of the food production chain against extreme weather events, disasters and other economic, social and environmental shocks.

However, while the international scenario brings urgency to tackling hunger and poverty, it also puts a strain on government budgets and their ability to finance public policies aimed at achieving the SDGs. In this context, SAIs assume a more central role as they assess public policies from an efficiency and effectiveness perspective, aiming to encourage governments to improve their actions.

Experience of SAIs working on the issue

In Brazil, the fight against hunger and poverty is carried out on two fronts, with programs focused both on the population and on food producers.

Regarding the population, the fight against hunger and poverty is intertwined, and some countries have opted to guarantee the subsistence of families through a cash transfer program. One example of how SAIs have been working is by cross-checking the databases of these programs with other government databases. The aim is to identify irregular payments to families who are not entitled to the benefit, as well as to encourage program managers to establish greater control⁶.

From 2020 onwards, with the pandemic crisis and the creation of emergency cash transfer programs, some SAIs had to adopt new ideas to act in a new complex and uncertain scenario. One line of action was to design simulation scenarios of the impact caused by Covid-19 restrictive measures, focusing on demographic surveys that portrayed working conditions and income. Consequently, it was possible to estimate the number of families who would potentially need the government's emergency benefits and compare them to the data from the emergency programs. The results pointed to targeting problems in the program, that is, regions with too many beneficiary families, indicating possible fraud, and regions with few beneficiary families, indicating coverage gaps.

With the end of the Covid-19 health crisis, some of the new actions have been put into use. SAIs started using simulation scenario design to carry out an efficiency evaluation of cash transfer programs in order to estimate their cost-effectiveness. Inefficient characteristics were pointed out so that the government can act on them and promote a more effective fight against poverty.

As for food producers, it must be considered that agricultural activity is inherently susceptible to various risks, especially climatic ones. SAIs have evaluated public policies related to agricultural risk management, verifying their contribution to the objectives of increasing

⁶ TCU case number 030.760/2015-1

agricultural productivity, ensuring the stability of agricultural income and guaranteeing sustainable and resilient production systems.

Overall, the audit results have presented opportunities to optimize the effectiveness of agricultural risk management policies, by improving the following aspects: planning, monitoring, coordination, modernization, budget predictability, allocative efficiency and public resources management.

Potential role of SAIs in the issue

Despite the efforts made in recent years, there is still a lot to be done, both by governments in fighting hunger and poverty and by SAIs in helping achieve this goal.

Target 1.2 of the SDGs stipulates reducing by half the number of people living in poverty in all its dimensions according to national definitions. However, some countries have not determined an official definition for multidimensional poverty, making it impossible to measure, pursue or achieve this target. This definition would be the first step towards **integrated** public policies that seek to combat poverty in all its forms, for example, access to water, food, health, education, decent housing, among others. In this scenario, the role of SAIs as external control institutions would be to assess the efficiency of each of the various public policies as well as their integration, fragmentation and overlapping in order to make them more efficient.

As an additional challenge, the scenario of extreme weather events is likely to worsen in the near future. Even if countries manage to comply with the agreed climate protocols, their effects will still take a few years to come. In the meantime, SAIs should intensify their efforts on auditing the effectiveness of public policies focused on building resilience in food production, both against climate adversity and uncontrolled pests and diseases.

It is certain that when dealing with problems such as hunger and poverty, which affect all countries, it is essential to share experiences with the various stakeholders in order to build their capacity on the issue. In this sense, holding technical discussions on the work carried out by SAIs within the proposed themes, especially when they develop specific methodology for evaluating programs, can bring relevant experience to all participants.

SAI-20 participation

- How have SAIs contributed to promoting public policies aimed at guaranteeing food and nutritional security for their citizens and the world population?
- In what ways have SAIs contributed to measuring, targeting and effectively combating hunger and poverty in order to achieve the Sustainable Development Goals?

Appendix 1: TCU Audits on Agricultural Risk Management Policies

Case number	Subject area	Status
039.811/2012-3	Audit on the Crop Insurance Premium Subsidy Program	Concluded
015.738/2013-2	Audit Report on the Agricultural Guarantee Program and the Agroclimatic Risk Zoning	Concluded
015.741/2013-3	Audit Report on the <i>Garantia-Safra</i> Program	Concluded
022.251/2014-6	Monitoring of the court decision resulting from the audit on the Crop Insurance Premium Subsidy Program (PSR)	Concluded
016.634/2016-0	First and Second Monitoring of the audit decisions on the <i>Garantia-Safra</i> Program	Concluded
016.631/2016-1	Second monitoring of the court decision resulting from the audit on the Crop Insurance Premium Subsidy Program (PSR)	Concluded
015.596/2018-7	Continuous audit on those registered in the <i>Garantia-Safra</i> program	Running
020.066/2020-1	Third monitoring of the court decision resulting from the audit on the Crop Insurance Premium Subsidy Program (PSR)	Concluded
014.798/2023-9	Audit Report on Agricultural Risk Management Policies, especially PROAGRO and ZARC	Running
033.495/2023-8	Audit Report on the RENOAGRO Plan - Mitigation and Adaptation to Climate Change in Agriculture and Livestock	Running

Appendix 2: TCU Audits on the Anti-Poverty Policies

Case number	Subject area	Status
030.760/2015-1	Follow-up on the Offer, Maintenance and Payment of Assistance Benefits - 2015-2016 cycle	Concluded
012.474/2016-9	Follow-up on the Offer, Maintenance and Payment of Assistance Benefits - 2016-2017 cycle	Concluded
020.222/2017-3	Follow-up on the Offer, Maintenance and Payment of Assistance Benefits - 2017 Cycle	Concluded
017.192/2018-8	Audit with Systemic Approach (FOC) - Socioeconomic inclusion with the aim of assessing public policies focused on social and productive inclusion	Concluded
021.408/2018-1	4th follow-up cycle on the offer, maintenance and payment of social security, labor and welfare benefits, using the Continuous Audit of Benefits (FCB) methodology	Concluded

009.922/2019-9	Compliance follow-up to monitor the offer, maintenance and payment of welfare benefits, using the Continuous Audit of Benefits (FCB) methodology, the fifth cycle for Social Assistance	Concluded
016.827/2020-1	Special Follow-up on Coronavirus crisis response measures to protect the incomes of informal workers and low-income people	Concluded
016.834/2020-8	Special Follow-up on Coronavirus crisis response measures for Social Security, Social Assistance and Tax Administration with Data Analysis	Concluded
007.871/2022-8	Performance Audit on the Cost-effectiveness and Efficiency of the <i>Auxílio Brasil</i> Program	Concluded
014.113/2022-8	Follow-up on the financial aid to Independent Truck Drivers (TAC) and Taxi Drivers	Running
000.888/2023-0	Audit of the Brazilian Unified Registry for Social Programs (<i>Cadastro Único</i>)	Running
014.769/2023-9	Targeting and Equity Audit of the new <i>Bolsa Família</i> Program	Running