

Quadrennial report on regional progress and challenges in relation to the 2030 Agenda for **Sustainable Development** in Latin America and the Caribbean



Forum of the Countries of Latin America and the Caribbean on **SUSTAINABLE DEVELOPMENT**
Santiago 24–26 April **2019**



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Santiago 24–26 April **2019**



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Introduction

Almost four years after the international community adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), the third meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development is a propitious occasion to take stock of the achievements made and the problems whose solution poses challenges for the region.

That stocktaking of the situation and analysis of the reasons for it is precisely the purpose of this Quadrennial report on the progress and challenges of the 2030 Agenda for Sustainable Development in Latin America and the Caribbean. This report brings together the main analyses and conclusions set forth in the reports presented to the Forum at its two previous meetings, in Mexico City in 2017¹ and in Santiago in 2018,² and broadens them in response to shifts in economic and social conditions and to the new data available.

As discussed in chapter I of this document, the forecasts of growing global and regional uncertainty in the economic and social scenarios have been borne out. As foreseen in the 2017 and 2018 reports, tensions that were latent at the time of the adoption of the 2030 Agenda have become increasingly apparent and have taken the form of elements of trade war and control of investments among the major economic powers, disputes over technological hegemony, particularly vis-a-vis the imminent deployment of 5G networks, and shifts in political discourse and reality that reflect a level of contradiction not seen for decades. In particular, political situations which originally appeared to be confined to a few developed countries have expanded in the region, exacerbated by the difficulty in regaining strong enough economic growth to meet the needs of high-quality job creation and achieving productivity gains to sustain higher wage levels.

In this scenario, chapters II and III describe the progress and constraints in the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals in the region. Chapter II looks at the political commitment of Latin America and the Caribbean to the 2030 Agenda and its Goals. In 2016, the region began to integrate the 2030 Agenda into different visions, strategies and national development plans. A year later, the countries moved from the initial phase of disseminating the content of the 2030 Agenda to an implementation phase characterized by incorporating the Goals and targets into public policies and developing institutions and national and subnational follow-up and evaluation mechanisms. Today, 29 of the 33 countries in the region have institutional coordination mechanisms whose work is based on legal instruments (decrees or resolutions) that define their scope and objectives.

This significant institutional progress was accompanied by the preparation of voluntary national reviews (VNRs) describing the activities of the coordination mechanisms and progress in the implementation of the Agenda. Taking into account the 22 VNRs already submitted and the 10 countries that have expressed interest in submitting reviews in the 2019–2020 biennium, five years after the adoption of the Agenda the region will have submitted 32 VNRs prepared by 23 countries. What is more, the fact that 9 of the 17 countries worldwide that will have submitted at least two VNRs between 2016 and 2020 are in this region attests to its commitment to the 2030 Agenda.

Conversely, as discussed in chapter III, almost four years after the adoption of the 2030 Agenda and the SDGs, much of the statistical information needed to assess progress towards the targets has

¹ Economic Commission for Latin America and the Caribbean (ECLAC), *Annual report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean* (LC/L.4268(FDS.1/3)/Rev.1), Santiago, 2017.

² Economic Commission for Latin America and the Caribbean (ECLAC), *Second annual report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean* (LC/FDS.2/3/Rev.1), Santiago, 2018.

yet to be produced. The data demands of such a broad and ambitious development agenda as the 2030 Agenda put pressure on statistical information systems to produce data in areas not previously considered and force them to shed light on inequalities between social groups, at the same time as generating disaggregated data and focus the analysis on the most vulnerable. Although the overall situation does not yet reflect the efforts of national, regional and global bodies to improve production of statistical information to develop SDG indicators, significant achievements have been made on various fronts, although it will take time for these efforts to translate into the production of more and better statistics. For example, support provided to the countries for the implementation and improvement of population and housing censuses, or for the inclusion of new modules and questions to meet 2030 Agenda information requirements, will yield fruit only once they have completed the 2020 census round and the data have been processed and validated. In addition, many countries in the region face challenges in terms of the institutional framework for statistics; progress in this area will depend not only on the efforts of regional bodies and national statistical offices but also on the political will to implement legal changes that lay the foundation for proper functioning of national statistical systems.

Having analysed institutional and data issues, chapters IV and V look in depth at the social, economic and environmental issues of the 2030 Agenda. The social dimension includes both explicit social targets and what has been termed an “extended social pillar”, which encompasses economic, environmental and institutional targets that have a strong social impact, in line with the indivisibility of the 2030 Agenda. The issues addressed —combating inequality, hunger and poverty and all forms of discrimination; access to adequate food and health; education; employment; and protection against different forms of violence— are necessary conditions for economic growth, productivity and structural change for sustainable and inclusive development.

The results show that, although the region made significant progress as regards social indicators, such as the reduction of poverty and inequality, progress has slowed or stalled in the past five years. Other indicators have seen less progress: one of these is violence, whose cross-cutting impacts erode confidence in democracy and the foundations of coexistence in society. In particular, beyond the improvement in average indicators, significant inequalities persist when the figures are broken down by income quintile, sex or race. The huge gaps in the region’s societies, linked to the culture of privilege, are a manifestation of inequality that permeates the fabric of Latin American and Caribbean societies. Therefore, the commitment to leave no one behind is particularly challenging for the region and should be a key aim of sustainable and inclusive development policies.

The annual report on regional progress and challenges regarding the 2030 Agenda presented in 2018 discussed the economic, social and environmental dimensions of advances towards the SDGs relating to the shift towards sustainable and resilient societies, in particular those related to the issues of water and sanitation, energy, cities, sustainable consumption and production, desertification and biodiversity. Chapter V of the present report summarizes the main findings of that work, complemented by additional analysis —for example, of biodiversity— and new information available in the past year. It also looks at progress in other areas, especially those linked to the sustainability of marine ecosystems and climate action.

This chapter shows that, for the sustainability of ecosystems, cities, energy sources and the response to climate change, it is essential to change production and consumption patterns, particularly in relation to energy use and territory, and to take adaptation measures. These, in turn, depend on coherent policies across all areas to enable the transformations necessary to withstand the negative effects of climate change on economic activities, ecosystems and social well-being. Efforts are needed to adapt to the

new conditions and evolve towards production processes with lower greenhouse gas emissions to achieve higher levels of development. This is a structural transformation of the development pattern, a transition towards more sustainable development that will preserve economic, social and environmental assets for future generations.

Chapter VI analyses these policy orientations and considers how the economic, social and environmental dimensions can be combined to advance towards a new pattern of development. Some of the strategies and policies affecting these dimensions lie within the remit of national governments, while others require renewed regional and international cooperation. Accordingly, the chapter draws attention to the importance of the means of implementation and policy aspects—at the national, regional and international levels—conducive to achieving the SDGs and the 2030 Agenda.

The policies put forward must act in concert to achieve the range of Goals and targets of the 2030 Agenda. The comprehensive nature of the Sustainable Development Goals requires consistency in the instruments and the will to explore and maximize complementarities in efforts towards the Goals and minimize trade-offs in the event of conflict or inconsistency. In the tradition of development theory, the document proposes an environmental big push as a coordinated response to these challenges, combining environmental policies with production development and social development policies.

This proposal recognizes the disruptive effects of new technologies on societies and the negative externalities generated by climate change and the destruction of the environment at the national, regional and global levels. Underlying the proposal is the idea of harnessing leaps in knowledge to forge a different sort of development in which new production and consumption patterns dovetail with a brand of social policy that embraces equality as a driver of capacities and innovation and a fundamental pillar of development. Environmental stewardship, together with equality, makes way for investment, innovation and diffusion of new technologies capable of reducing income and capacity gaps between centres and peripheries, with political and economic benefits for both groups of countries.

The 2030 Agenda makes it necessary to rethink and strengthen international development cooperation and the provision of global and regional public goods. Public goods should create a stable environment for international trade and finance, and strengthen the diffusion of technology, avoiding the polarization of capacities and productivity gaps between and within countries. They should also promote employment and income distribution, given the positive impacts of equality on peace and political stability.

Meanwhile, as highlighted in the closing pages of this document, international governance cooperation is weakening. Geopolitical tensions and a tendency towards unilateralism run counter to the direction of sustainable development. In particular, over the past two years major advances made with respect to climate change and environmental stewardship have been undermined. New global public goods are needed to diversify exports in developing economies and thereby expand their formal employment. The creation of regional public goods, such as through progress in the integration of production and trade, would contribute significantly to structural change in the countries. At the same time, regional agreements on migration, infrastructure, renewable energy and technology have shown great potential for positive impact and chart a course for future regional cooperation initiatives.

Against this backdrop of progress made and challenges to be overcome, the region must redouble its efforts to respond to the integrated nature of the Goals of the 2030 Agenda. The funds, programmes and specialized agencies of the United Nations system, which have cooperated intensively in the preparation of this report, will continue to support national and regional initiatives. Such initiatives will benefit from the peer-to-peer learning opportunities offered by the third meeting of the Forum through the sharing of best practices and discussion of increasingly necessary common targets.

This document is presented to the member countries as a contribution that testifies to the value of the regional dimension in the efforts of the United Nations to support governments in the implementation of the 2030 Agenda for Sustainable Development.

This report was prepared jointly by the Economic Commission for Latin America and the Caribbean (ECLAC) and the regional offices in Latin America and the Caribbean of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the United Nations Office on Drugs and Crime (UNODC), the United Nations Office for Disaster Risk Reduction (UNISDR), the Office of the High Commissioner for Human Rights (OHCHR), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Organization for Migration (IOM).



CHAPTER I

The Sustainable Development Goals and the basis for a new multilateralism

Introduction

- A. Externalities and global and regional public goods: the importance of multilateral cooperation
- B. Towards a new multilateralism: the production base for the Sustainable Development Goals in an asymmetrical international system
- C. Concluding remarks

Bibliography

Introduction

It is difficult to identify the agenda and discussions that preoccupied the international community in 2015 in the international political economy of 2019. There has been such a radical shift in international relations in the last four years that it could be said that a completely new world has emerged. There has been a qualitative change in the political economy, arising from deep-seated imbalances, as discussed in ECLAC (2016).

Understanding long-term trends and patterns in the international system helps to identify the new disruptive forces more clearly and to design policy responses. Past experience indicates that the international system is at a critical juncture: it could either take the path towards fragmentation and conflict, endangering the progress that has been made in bringing about peace and integrating countries into the international economy; or it could choose greater cooperation rooted in multilateralism, aimed at strengthening economic development and democracy.¹ The prevailing trend seems to be veering towards the first path. Instead of cooperation, there is a growing unilateralism and increasingly intense geopolitical rivalry, as evidenced by the adoption of protectionist measures, growing concerns about technology, a decline in the importance of multilateral forums, the abandonment of trade, political and military agreements, and the spread of nationalism.

Changes in the relative power of the most important actors have favoured conflict over cooperation. In particular, the rise of China as a global power, the tensions that have arisen over its trade imbalance with the United States, and the narrowing of the technological gap between China and the United States (with the ensuing economic and military consequences), have fuelled the conflict.² Similarly, the intensity of some migration flows—a reflection, in turn, of the great differences in countries' levels of development—provokes defensive responses, such as destination countries closing their borders.

However, there is nothing inevitable about this: the outcome of this shift is not predetermined. Strengthening multilateral mechanisms in a manner that bolsters democracy in every country and promotes development will require changes to the previous multilateral modalities that led to the current crisis. At the same time, these mechanisms should help to improve the functioning of two pillars of democracy, namely political participation and social inclusion, by tackling the culture of privilege (ECLAC, 2018a). This is the form of multilateralism that the international community has been defending since the policy-setting agenda of the 1990s, and that it has sought to reinforce, particularly since the adoption of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). The SDGs provide a framework that helps to guide the discussion of policies and cooperation at a particularly critical juncture in international relations.

Section A of this chapter examines an example of past multilateral cooperation (specifically the Bretton Woods agreements which spanned the period between 1944 and 1971/1976), which was reasonably successful in promoting trade, while at the same time expanding the welfare state in developed countries, although the important issues of development in peripheral countries and trade in their main exports were neglected. This section also analyses the cost of failing to provide global and regional public goods in a hyperglobalized world. It posits that hyperglobalization is based on two assumptions: (a) that minimizing transaction costs in the movement of goods and capital in the international economy is enough to bring about stability and growth; and (b) that this growth would be sufficient to legitimize hyperglobalization politically. Financial instability and the 2008 crisis challenged the first assumption; and the growing mistrust of the political establishment and doubts about democracy have disproved the second. The cost of failing to provide global and regional public goods (the cost of not cooperating) includes, among other things, stagnating trade and economic growth, the impact of crises on growth and employment, greater rivalry and conflict in the areas of technology and trade, and political stability and faith in democracy overshadowed by inequality.

¹ ECLAC (2019a) analyses the basis of a new multilateralism, which includes development issues as well as efforts to strengthen democracy.

² See Campbell and Ratner (2018) and Goldgeier and Saunders (2018) for an analysis of the recent developments in the relations between China and the United States.

Section B looks at the conditions required for democracy-enhancing multilateralism. It is argued that, while the conditions identified by Keohane, Macedo and Moravcsik (2009) for multilateralism and democracy to flourish are necessary, they are not enough; they should be complemented by an approach that prioritizes development issues and the narrowing of technological and income gaps between the centre and the periphery (ECLAC, 2019a). The “black box” of technical progress must be opened (as suggested by Fernando Fajnzylber, 1990) and structural heterogeneity reduced in order to close the gaps, especially in the context of a technological revolution that is constantly pushing the international technological frontier. It posits that the SDGs constitute a frame of reference for the pursuit of multilateralism based on social inclusion and environmental sustainability.

Lastly, the chapter’s concluding remarks are set out in section C.

A. Externalities and global and regional public goods: the importance of multilateral cooperation

The international system is anarchic in the sense that there is no world government with the power and legitimacy to coordinate and limit the actions of nation States (Gilpin, 1987). It can be said that the sovereignty of nation States is still one of the most important elements of the international system. At the same time, the international economy is strongly interconnected as a result of trade, investment, credit, technology, the environment and migration, as well as the spread of ideas and behaviour. This integration—which is increasingly close owing to globalization and the technological revolution—creates the need for cooperation agreements in order to supply regional or global public goods, without which the health of national economies would be undermined. These public goods are needed to produce positive externalities—such as an open trade system with mechanisms to correct imbalances among countries, or a stable international financial system—or to control negative externalities in different areas of the system, such as climate change³ or the political tensions created by inequality.

There is a tension between national sovereignty and the need to cede part of that sovereignty under agreements or to international institutions responsible for providing public goods. Hyperglobalization has been preeminent since the 1990s thanks to the ascendancy of the idea that the only public good needed for the international system to work properly was to ensure that markets operated freely. The accumulation of negative externalities (which led to the current impasse) has discredited that idea and forced a rethink of the mechanisms of international governance. The 2030 Agenda and the SDGs point to international cooperation based on global and regional public goods, which complement the efforts undertaken in each country to build more inclusive and peaceful societies for sustainable development.

1. Cooperation as a response: Bretton Woods and the “glorious thirties”

There are notable examples of multilateral cooperation in the past that helped to integrate the world economy and reduce the risk of serious conflicts. This was the case of the international monetary system created by the Bretton Woods agreement in 1944, and the parallel effort to build an open trade system based on the General Agreement on Tariffs and Trade (GATT), although this only applied to industrial goods that were important to the world’s leading economies (the centre), neglecting many commodities that were the main exports of less developed economies (the periphery). The Bretton Woods agreement was the response of the United States and some European countries (in particular, the United Kingdom)

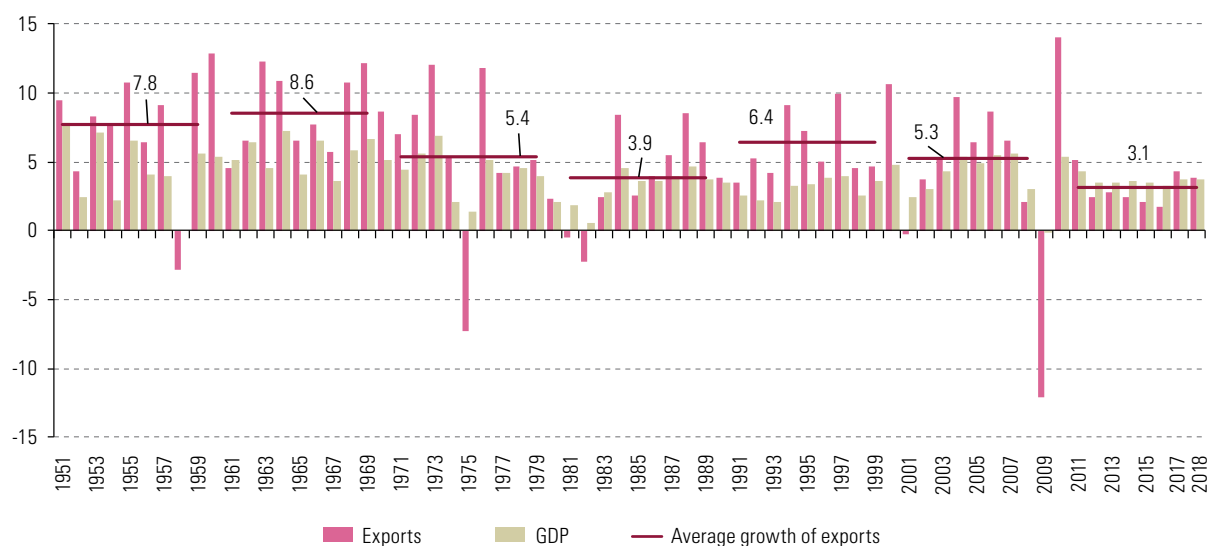
³ Negative externalities related to the environment—a classic example of a negative externality and the cost of non-cooperation—are not analysed in this chapter because they will be addressed in greater detail in chapter V.

to the Second World War and the painful lessons drawn from the frustrated attempts to build a new international order after the First World War. Bretton Woods sought to reconcile a world open to trade with domestic policies that promoted full employment and well-being, in light of the looming threat of the Cold War. The new political role of the world of work in the post-war order, with its distributive demands in the most advanced democracies, was recognized.

How to reconcile the demands for full employment and a welfare State with an open multilateral order? The response was a system that promoted open trade, but that restricted the mobility of international capital (see, for example, the studies by Dooley, Folkerts-Landau and Garber, 2004; Eichengreen, 2008; Eichengreen and Leblang, 2008; and Ghosh and Qureshi, 2016). It was expected that pegging different currencies to the dollar and the dollar to the gold standard would make the monetary system more stable and predictable. For exchange-rate pegs to hold, the movement of capital had to be controlled, otherwise, the currencies in deficit countries would be targeted by speculative attacks that they would be unable to withstand. At the same time, short- and long-term financing was entrusted to multilateral institutions. The International Monetary Fund (IMF) was created to grant short-term loans to countries with temporary balance-of-payments problems, while the World Bank was responsible for financing long-term investments. Countries would be authorized to devalue their currencies only in very special circumstances, namely when they had a persistent external imbalance.

With the entry into force of the Bretton Woods agreement (1944–1971/1976),⁴ the global economy entered the “glorious thirties”, as Albert Hirschman (1995, p. 153) called the 30-year post-war boom. It was the period of most rapid post-war growth, in both output and trade (see figure I.1). In many ways, it was also the high point in terms of creating multilateral institutions for global economic cooperation.

Figure I.1
From Bretton Woods to hyperglobalization: growth in global GDP and trade, 1952–2018^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the World Trade Organization (WTO).

^a Global trade is the average of exports and imports. Figures for 2017 and 2018 are projections.

⁴ The Jamaica Accords, adopted by the Interim Committee of the Board of Governors of IMF in Kingston in 1976, formally ratified the end of the Bretton Woods system, by allowing currencies to float against the dollar. In practice, however, the system had ended in August 1971, when the President of the United States, Richard Nixon, suspended the convertibility of the dollar to gold.

With regard to the link between multilateralism and democracy, Bretton Woods was compatible with the consolidation and expansion of democracy in many countries. The pursuit of full employment and the welfare State led to increasing degrees of social inclusion, which strengthened and legitimized the democratic systems of the time. The picture was less favourable in developing countries, as the Bretton Woods system failed to provide an adequate response to their specific difficulties.

2. The cost of non-cooperation: from total confidence in the market to the great recession of 2008

The post-Bretton Woods world proved to be highly unstable, to the point that some authors consider it an international economic “non-system” (Corden, 1983). A distinctive feature of the international policy recommendations of the period covering the early 1980s through to 2008, but especially the 1990s, was the total confidence in the markets’ ability to self-regulate and produce the best outcomes in terms of efficiency and well-being⁵ (which Dani Rodrik (2011) called hyperglobalization). Global externalities (positive or negative) were not considered important enough to justify more complex international cooperation rules and institutions. Spontaneous forces for cooperation through the market would render governance mechanisms and State regulation superfluous. The crisis of 2008 dealt a decisive blow to that confidence, and opened the door to consideration of new economic policy approaches.

Financial globalization and the instability it created in the credit, currency and some commodity markets has been documented in various studies (ECLAC, 2016; UNCTAD, 2017; Stiglitz, 2013). The build-up of imbalances in these markets peaked in September 2008 with the Lehman Brothers’ filing for bankruptcy and the credit crunch, which spread quickly through the highly interconnected financial systems of the United States and Europe. Given the magnitude of the crisis, the United States reacted quickly, adopting extremely expansionary monetary (and to a lesser extent fiscal) policies. Like Nixon in August 1971, everyone became Keynesian in September 2008. The Federal Reserve fulfilled its role as a supplier of liquidity of last resort, injecting trillions of dollars into the global economy, propping up not only United States banks, but also European ones (Tooze, 2018).

The role of the Federal Reserve in providing liquidity to banks not only rescued the United States economy, but also helped to prevent the crisis in Europe from worsening. Meanwhile, the Europeans were slow to respond to their own crisis in the eurozone, and the response was half-hearted, allowing—with varying degrees of intensity—the recessions in Greece, Italy, Portugal and Spain to worsen. These countries had run up high debts, particularly in the private sector, in the years after the adoption of the euro. The reluctance to provide the countries on the European periphery with debt relief, and the movement towards austerity in 2010, were factors that hampered the European recovery. Quantitative easing was not adopted in the European Union until 2015. Europe’s political difficulties in the decade that followed the crisis and its faltering economic recovery were a product of fiscal austerity and the difficulties of fostering closer cooperation among member States to correct European trade imbalances.

The intensity of the crisis, the sheer scale of the financial bailout and the perception that the vast majority of citizens were paying the price, while those responsible for the crisis suffered not at all,⁶ eroded society’s confidence not only in the markets’ ability to self-regulate, but also in political systems’ ability to ensure that the rules were fairly applied to all actors. The idea that the benefits of globalization outweighed its cost was also called into question (Turner, 2015).⁷ The measures adopted

⁵ In light of the “efficient market hypothesis”, most traditional macroeconomists paid little attention to the possibility of financial bubbles and crises. See Posner (2010), chapter 10, for a discussion of the need to rethink macroeconomics as a result of the 2008 crisis.

⁶ The average bonus payout on Wall Street in 2018 was US\$ 184,220, just shy of the 2006 record (*The Economist*, 2018).

⁷ The impact on Latin America is analysed in Palma (2012); Guzmán, Ocampo and Stiglitz (2018) discuss the effect of international liquidity on the real exchange rate and economic growth.

in the aftermath of the crisis to stabilize the international financial system were considered insufficient⁸ and have failed to rule out the possibility of a new crisis. Analysts remain seriously concerned by the idea that Europe requires much more active and coordinated fiscal policies. Both factors reveal the poor provision of global and regional public goods for financial and fiscal stability.

As the British newspaper, *The Economist* (2018), observes when discussing some of the forgotten lessons of the 2008 crisis:

Central banks brought a global economic heart attack to an end by performing emergency surgery. But the patient has gone back to his old habits of smoking, heavy drinking and gorging on fatty foods. He may be looking healthy now. But the next attack could be even more severe and the medical techniques that worked a decade ago may not be successful a second time.

Fear of a new crisis has pushed up sovereign risk rates in emerging economies since the beginning of 2018, reflecting the uncertainty over whether these countries would continue to grow and their ability to pay (see figure I.2). The higher rates also indicate that it will be increasingly difficult to finance economic growth in the future, with negative implications for the stability of the system, as discussed in section B. Instability and uncertainty deter investment in human capacities and physical infrastructure, without which the SDG targets are less likely to be achieved. The 2030 Agenda must go hand in hand with a new proposal for global governance.

Figure I.2
Emerging countries: spread between sovereign bonds, January 2016–October 2018
(Emerging Markets Bond Index (EMBIG))



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Central Reserve Bank of Peru.

Another example of the cost of the lack of international governance was the increase in current account imbalances, especially in the years leading up to the crisis of 2008, with a similar hike in foreign debt and greater need for recessionary adjustments in indebted economies (making it more

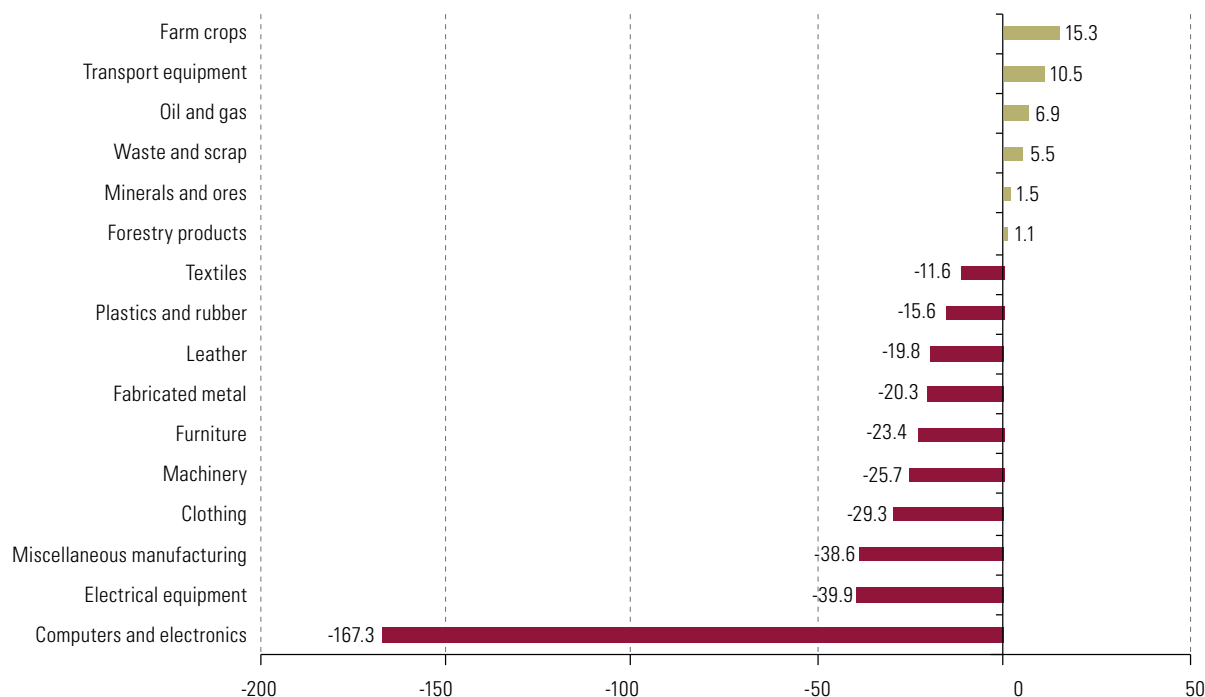
⁸ Some of those measures, such as the Dodd-Frank Act of 2010, which reformed Wall Street and consumer protections, were subsequently relaxed. The Economic Growth, Regulatory Relief and Consumer Protection Act was signed into law in May 2018, which increased the asset threshold for banks to US\$ 250 billion, at which point the stricter regulation and oversight by the Federal Reserve would kick in.

difficult to attain SDG 8, including full and productive employment). Political tensions build up in deficit countries when surplus countries limit their demand for imports, by either preventing real exchange-rate appreciation or capping real wages, in an effort to protect their trade surplus. A notable example is Germany, which ran a record goods trade surplus of some US\$ 300 billion in 2017. The United States has asked the Government of Germany to help reduce its deficit, under the threat of imposing tariffs on some of Germany’s main exports, such as automobiles.

A similar issue has arisen in connection with China’s trade surplus with the United States. While China has seen a sharp decline in its current account surplus in recent years (this surplus was almost 10% of GDP in 2007, since then it has been falling until the current account dropped into deficit in the first quarter of 2018), it continues to run a surplus with the United States in high-technology goods. The structure of trade with China and its impact on the technological capabilities of the two countries are a source of concern for the Government of the United States.

The largest United States deficits are recorded in computers and other electronic products, electrical equipment and miscellaneous manufactures. With the exception of transport equipment, the United States runs surpluses with China only in sectors linked to natural resources (see figure I.3). However, the United States also runs a growing surplus with China on its services trade balance; this rose from just over US\$ 30 billion in 2014 to a little over US\$ 40 billion in 2017.

Figure I.3
United States: goods trade balance with China by sector, 2017
(Billions of dollars)



Source: J. Bartash, “Why the U.S.-China trade deficit is so huge: Here’s all the stuff America imports”, 17 September 2018 [online] <https://www.marketwatch.com/story/heres-all-the-stuff-the-us-imports-from-china-thats-causing-a-huge-trade-deficit-2018-03-23/print>.

3. The cost of non-cooperation: technological rivalry and geopolitical tensions give rise to uncertainty about international trade and the governance of the digital economy

Two contradictory trends can be identified in international cooperation linked to the technology revolution. On the one hand, the technology revolution tends to weaken cooperation, as technological rivalry intensifies among countries, which are looking to strengthen their military and economic advantages. On the other hand, increasing returns on innovation (Arthur, 1996), the creation of large companies that can transfer assets easily between countries (especially because many of these assets are intangible), the risk that rivalry will degenerate into open conflict and retaliatory measures, mean that international cooperation is more necessary than ever so that countries can share information, keep channels of dialogue open, and tax and regulate companies effectively, particularly those that are able to navigate between tax systems.⁹

Thus, given that technological and military rivalry exacerbates conflicts, a system of governance is increasingly needed for the digital economy to make it compatible with the objectives of having an open Internet, maintaining the pace of innovation and guaranteeing fundamental rights, such as privacy of personal data. Given that such a system of governance is a global public good, international cooperation is the best mechanism for establishing its guidelines, which would otherwise be decided on the basis of the technological and economic objectives of leading firms and national interests, which would surely further fragment the network. The criteria and mechanisms to prevent and combat cybercrime should be defined at the global level. The nature of the digital economy means that the national space is not sufficient to improve cybersecurity, even in the case of the largest countries. To achieve these global objectives, regional and national idiosyncrasies must be taken into account. For example, countries take different approaches to the topic in the light of their personal data privacy regulations, cultural differences, understandings of the relationship between the State and individuals, and historical experiences, which are compounded by the effects of different political systems.

The governance of the digital economy at the regional level would complement a global mechanism. After more than 10 years, the experience of the Digital Agenda for Latin America and the Caribbean (eLAC2020) has revealed issues, such as harmonizing the radio spectrum allocation, facilitating digital trade, reducing data roaming costs and regulating cross-border transactions, which Latin America and the Caribbean must address as a whole, or, at least, at the subregional level or as groups of countries.

Technological rivalry and its implications for the defence industry explain a large part of the trade dispute between China and the United States, which is fuelling uncertainty over the future of trade. The United States believes that China has used the power of the State to force United States companies to transfer technology to Chinese companies. In many cases, this technology has important military applications, which adds to the United States concern about the threat of an emerging power. A number of Western countries have also expressed concerns, in particular, about China's access to technology for the fifth generation of mobile services (5G).

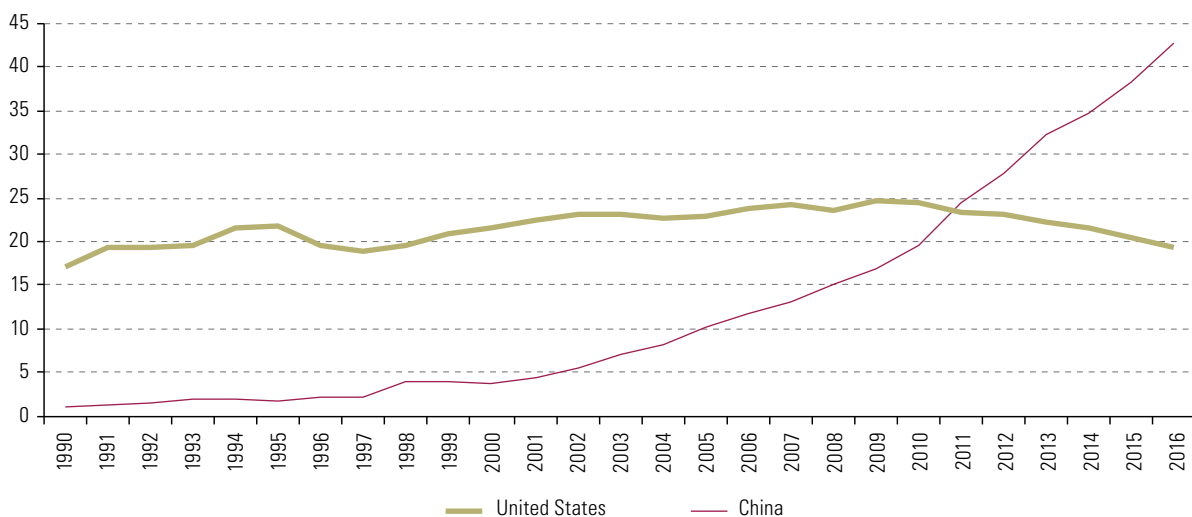
China has made significant progress in closing its technology gap with the United States. In 2016, China presented 1.3 million patent applications (44% of global applications), more than double the number presented by the United States (19%) and more than the combined applications presented by the United States, Japan, the Republic of Korea and the European Patent Office (see figure I.4A). At the same time, China's spending on research and development (R&D) in the manufacturing sector has grown much faster than the United States', surpassing it in 2015 (see figure I.4B). In 2017, two Chinese technology companies, Huawei and ZTE, submitted the highest number of applications under the Patent Cooperation Treaty of the

⁹ Generally speaking, tensions in both domestic and foreign policy are exacerbated by the disparity between an increasingly accelerated transformation of the production base and an institutional framework that changes at a much slower pace. All these factors create greater uncertainty in the global economy, making international cooperation even more necessary. While uncertainty cannot be completely eliminated from a system as complex as the international economic system, it can be reduced by negotiated coordination rules, and monitoring and complying with those rules, as this would stabilize expectations and allow information to be disseminated among stakeholders.

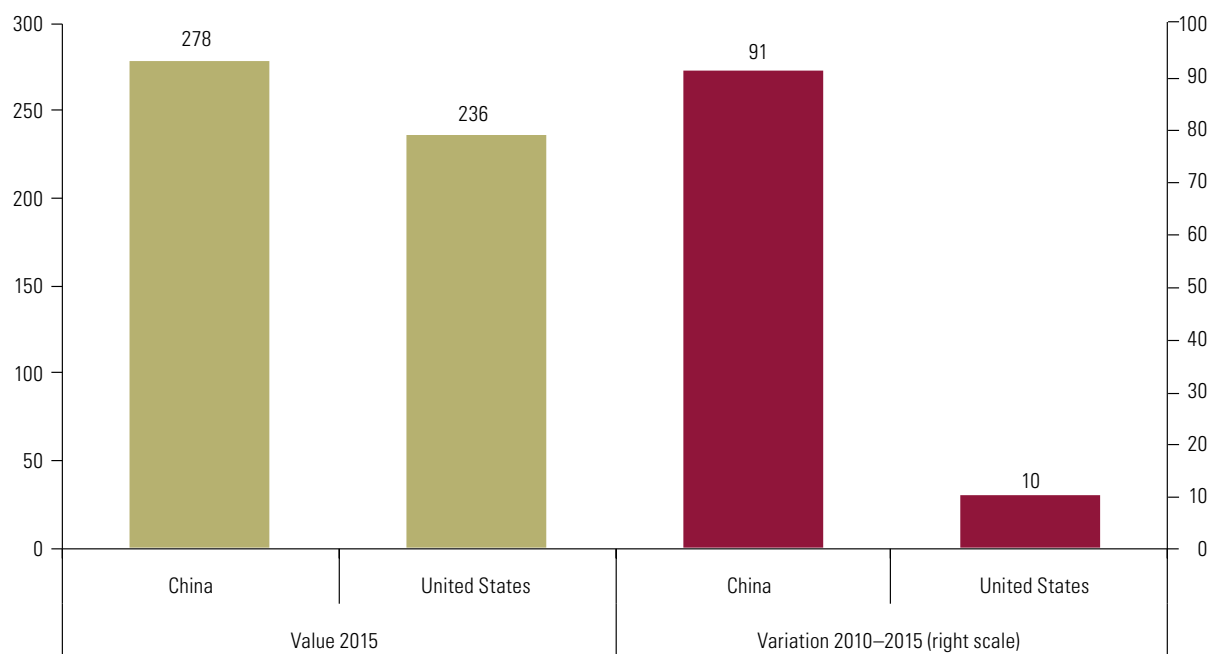
World Intellectual Property Organization (WIPO). Under this arrangement, firms may apply for the protection of an invention by submitting a single “international” patent application covering many countries, without needing to submit national requests separately. Overall, China displaced Japan as the second largest user of the Patent Cooperation Treaty in 2017, after the United States.

Figure I.4
China and the United States: patenting and research and development indicators
(Percentages and billions of dollars)

A. Shares in total worldwide patent applications, 1990–2016



B. Expenditure on research and development in the manufacturing sector, 2015^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Intellectual Property Organization (WIPO), WIPO IP Statistics Data Center, for patent applications, and M. Levinson, U.S. Manufacturing in International Perspective, Congressional Research Service, Washington, D.C., 21 February 2018 [online] <https://fas.org/sgp/crs/misc/R42135.pdf>, figures 13 and 14, for spending on research and development in the manufacturing sector.
^a The value of R&D expenditure in the manufacturing sector is expressed in billions of dollars at purchasing power parity (PPP).

The United States' large deficit with China has often been cited as the cause of the current trade tensions. However, competition for technological supremacy between the two countries is a more important factor (Akita, 2018; Atkinson, 2018). In fact, the tariff hikes applied by the United States to Chinese products in 2018 were the result of an investigation into China's policies and practices regarding technology transfer, intellectual property and innovation, within the framework of section 301 of the Trade Act of 1974.¹⁰ The investigation, conducted between August 2017 and March 2018, concluded that China made use of a range of practices that were harmful to United States trade interests. These included: (i) requirements that United States companies wishing to invest in various sectors in China must form joint ventures with local partners;¹¹ (ii) a number of—usually informal—mechanisms forcing or inducing the transfer of technology and intellectual property from United States companies to Chinese firms; and (iii) commercial cyberespionage practices.

According to the Office of the United States Trade Representative, the above-mentioned practices are part of an industrial policy strategy, embodied in instruments such as the Made in China 2025 industrial plan launched in 2015. That strategy seeks to turn China into a global leader in leading technological sectors, such as artificial intelligence, biotechnology, information technology, advanced materials, advanced manufacturing and aerospace technology, among others. China has set itself the target of reducing its dependency ratio on technologies developed elsewhere in the world in these sectors to less than 30%, by 2020 (Office of the United States Trade Representative, 2018). These are precisely the industries that underpin the economic and technological leadership of the United States today.

Since the results of this investigation were released, the Office of the United States Trade Representative has raised tariffs on almost half of its imports from China and has strengthened controls on foreign investment from China to prevent the acquisition of key technologies (in particular those denominated “dual-use” goods, i.e. civilian and military). It also initiated a dispute settlement procedure at the World Trade Organization (WTO), questioning the compatibility of China's various measures and practices with the Organization's intellectual property rules. For its part, China launched its own case before WTO, questioning the legality of the United States' actions under Section 301 of the Trade Act of 1974 (ECLAC, 2018b).

In short, the escalation of trade tensions among major global economic powers has effects that far exceed the matter of trade deficits. As argued by Rodrik (2018), the backdrop to this situation is the discussion about the coexistence of different styles of development. The current trade tensions are a reflection of a larger disagreement on what the “rules of the game” of trade and foreign investment should look like in the coming decades. The manner in which the current disagreement is resolved will largely determine the space available to developing countries, including those in Latin America and the Caribbean, to design and pursue trade, industrial and technology policies in the coming years.

4. The cost of non-cooperation: fragmentation of the world of work, inequality and risks to democracy

The technology revolution is redefining the world of work, its forms of organization and the type of capabilities required. At the same time, it is promoting the global concentration of capital in a few companies, in very technologically advanced sectors or in new information-intensive activities. Combined with financial globalization, it facilitates cross-border capital movements and redefines power relationships, weakening the ability of the labour market to respond to technological and production changes.

The veto power of short-term capital flows over Keynesian-style policies, together with the fact that adjustments take place through devaluations (which usually entail a fall in real wages) or higher

¹⁰ This section gives the United States the ability to enforce trade agreements, resolve disputes and open foreign markets to United States goods, services and investments, including by imposing unilateral sanctions

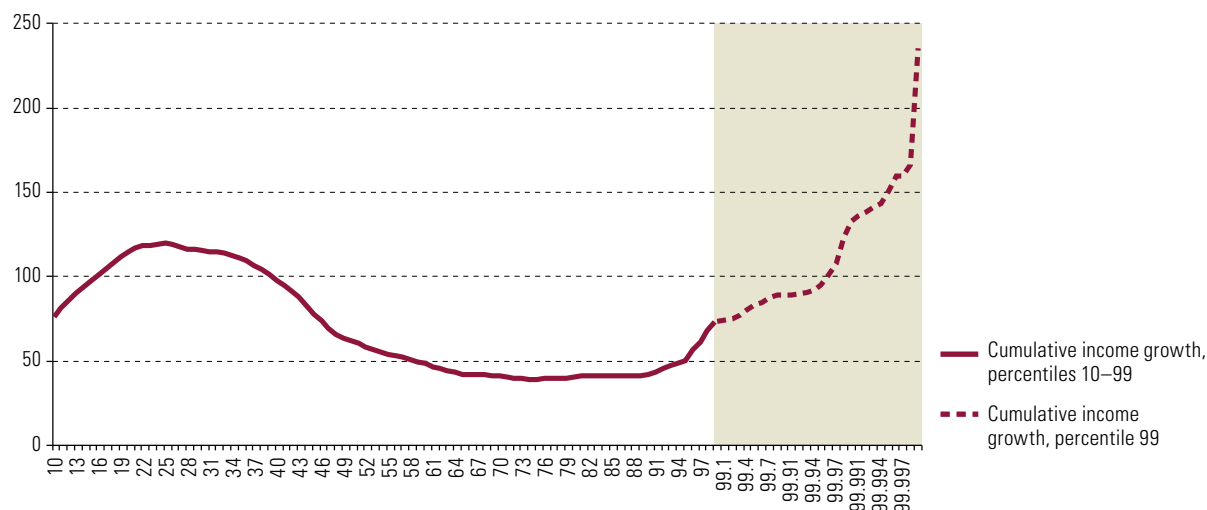
¹¹ The sectors include manufacturing of automobiles and commercial aircraft and basic and value added telecommunications services, among others (Office of the United States Trade Representative, 2018, p. 26).

unemployment in the face of external imbalances, limit States' ability to act and trade unions' ability to resist. Fear of a capital exodus limits the scope of economic policy. Paradoxically, as an increasing number of countries became democracies in the 1990s, there was a notion that democracy offered little choice with regard to economic policy.¹²

As a result, inequality increased in the major developed economies. In addition to financial globalization and the intellectual climate of the 1990s, lower levels of unionization of workers, the rise of Chinese competition based on large-scale production and low wages (see previous section), and accelerating technical progress, which tended to favour more skilled workers over those with less education (skill-biased technical change), also contributed to the higher levels of inequality.

Figure I.5, which charts the “elephant curve” (Lakner and Milanovic, 2016), shows the real income growth per adult in each of the percentiles of global income distribution. As can be seen, globalization has helped to lift millions out of poverty (the elephant’s head on the left-hand side of the figure), particularly in Asia, but its benefits were mainly concentrated among the richest 1% of the world’s population (the trunk). The middle class and less educated workers in developed countries (who are mainly located in the lowest part of the curve) benefited much less, creating a growing malaise regarding globalization (Rudra, 2005; Rodrik, 2011; Stiglitz, 2013; Hu and Spence, 2017).

Figure I.5
The elephant in the room: real income growth per adult by income percentile in the global distribution, 1980–2016
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of F. Alvaredo and others, *World Inequality Report 2018*, World InequalityLab, 2018 [online] <http://wir2018.wid.world/files/download/wir2018-full-report-english.pdf>.

The great recession of 2008–2012 threw into sharp relief not only the fact that the benefits of hyperglobalization had been unevenly distributed, but also the cost of failing to provide global public goods. The main cost of the adjustments made in response to the crisis was borne by workers, who lost their jobs, their incomes and, in many cases, their homes. This climate of increasingly hostility to globalization, which has become palpable since the referendum on the United Kingdom’s membership of the European Union (Brexit) in 2016, originated in the growing levels of inequality seen since the early 1980s and the 2008 crisis. In an interview with the newspaper *Die Zeit*, the philosopher Jürgen Habermas drew attention to the asymmetry of adjustment costs among different sectors of society:

¹² Hirst (2004, p.155) argues that “celebrating the diffusion of democracy misses the question of whether the success of democratization is merely the other side of the declining effectiveness of state as a result of globalization.”

What worries me most is the scandalous social injustice that the most vulnerable social groups will have to bear the brunt of the socialised costs for the market failure. The mass of those who, in any case, are not among the winners of globalization now have to pick up the tab for the impacts of a predictable dysfunction of the financial system on the real economy. Unlike the shareholders, they will not pay in monetary terms but in the hard currency of their daily existence (...). Politics, and not capitalism, is responsible for promoting the common good (Habermas, quoted on Signandsight.com, 2008).

The possible impacts of the technological revolution on employment have heightened feelings of vulnerability, especially among less educated workers in developed countries. The digital economy has been a factor in reducing demand for workers with lower levels of schooling, while robotics and artificial intelligence have great potential to take jobs away from the most educated (see chapter III).

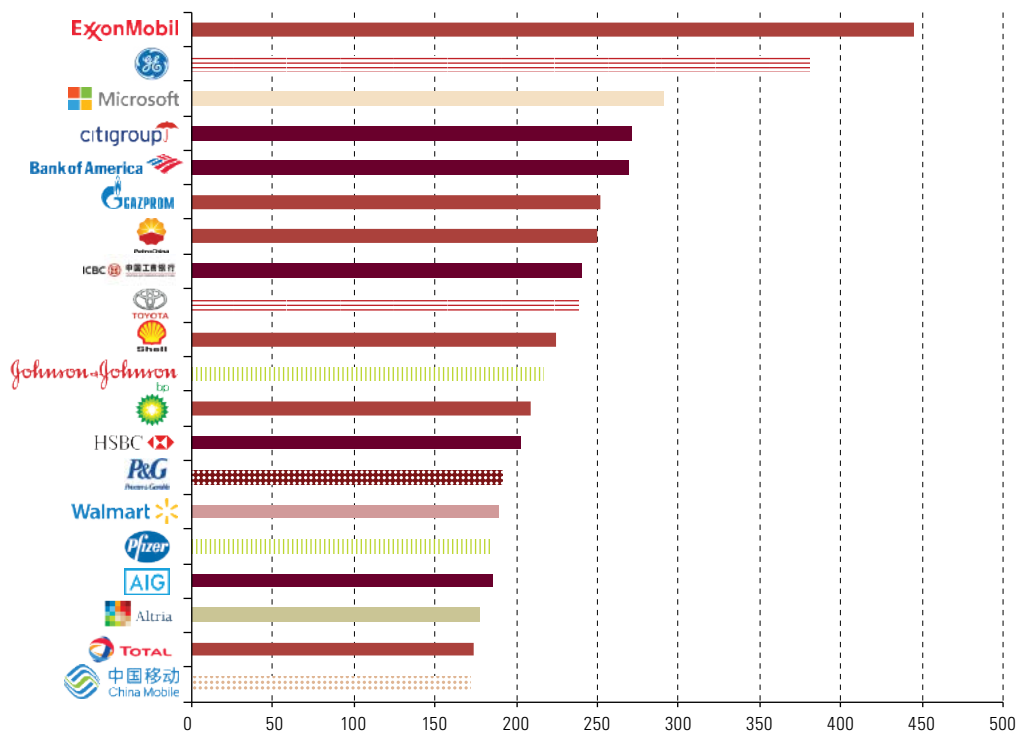
Figure I.6 shows how the profile of the world's leading companies has changed in recent years, shifting towards information technology firms. The virtual nature of these companies means that governments are unable to impose their traditional tax and monitoring systems on them, which has adversely affected government revenues and has skewed the playing field in favour of companies that have a lower tax burden. Some countries see these companies as a force for innovation, meaning that they consider taxing them more as risky for modernization and productivity. Global and regional cooperation should be fostered in an effort to avoid free riders and races to the bottom.

While capital's territorial ties have gradually weakened, the political and territorial jurisdictions of democratic systems, elections and welfare systems are increasingly well defined. The levels of international cooperation needed to tax this highly mobile capital, which systematically moves between the tax systems of several countries, are extremely high and have not been achieved. The effective tax rates (the proportion of profits that companies expect to pay as stated in their accounts) of the 10 largest transnational companies in each sector has dropped by two percentage points since the 2008 crisis, with technology and industrial companies seeing the sharpest falls. Between 2000 and 2018, the effective reported corporate tax rates fell from 34% to 24% (Toplensky, 2018). At the same time, those at the top of income distribution have substituted public goods for private goods in their countries of origin or they have moved to countries where high-quality public goods already exist.

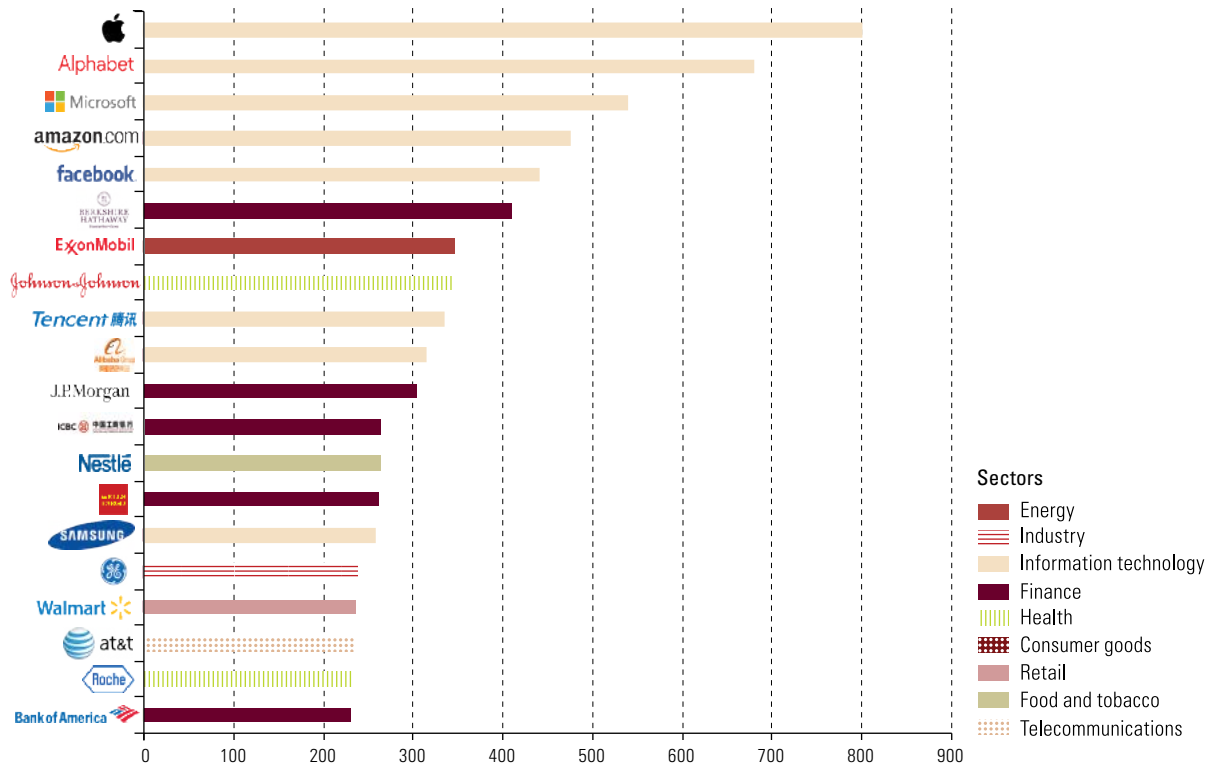
Overall, the most influential players in the international system acted under two assumptions: first, that the only cooperation mechanism needed at the international level was implicit in the rules of free trade and the free movement of capital (hyperglobalization); second, that the markets would create their own mechanisms for political legitimacy. The last four years clearly show that none of these assumptions were correct. Growing inequality, the impact of the technology revolution and the watershed moment of the 2008 crisis created the conditions for the political shifts of recent years. Globalization has become synonymous with privilege and a lack of transparency, as well as a growing threat to employment and wages. International governance of these areas is incompatible with stable democracies and the SDGs. The scenario that emerges from this combination of factors is one of mercantilism, hegemonic rivalry (in trade, particularly the fields of technology and defence) and less cooperation in the provision of global public goods, at a time when negative externalities are multiplying across the system (not only economic and political externalities, but also environmental ones, as will be analysed in chapter III). These trends reinforce the importance of the message of the 2030 Agenda and the SDGs that equality is a necessary tool for strengthening democracies around sustainable development. The end or fragmentation of the international system is not the only possible response nor an inevitable path in the face of globalization's shortcomings. An open international system, that is economically, socially and environmentally sustainable, can be constructed if multilateralism is built on certain principles. In the words of Robert Triffin, "running away from the most obvious solutions is not realism. It's crisis management condemning you to more and more crisis management" (Teunissen, 2009). The next section seeks to define those principles clearly, drawing on the lessons of the past.

Figure I.6
Market value of the largest global companies, 2006 and 2017
(Billions of dollars)

A. 2006



B. 2017



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from Bloomberg (date of reference: May 2017).

B. Towards a new multilateralism: the production base for the Sustainable Development Goals in an asymmetrical international system

By transferring certain aspects of national sovereignty to supranational bodies or institutions, international cooperation agreements could conflict with citizens' ability to decide on variables that are important for the full exercise of their political, economic and social rights. However, such agreements are needed to ensure the effective exercise of these rights when there are supranational externalities that require regional or global public goods. Keohane, Macedo and Moravcsik (2009) identify three key principles of multilateralism that have democracy-enhancing effects: (i) it must combat special interests; (ii) it must protect individual and minority rights; and (iii) it must foster collective deliberation.

ECLAC (2019a) analyses these conditions and proposes a fourth, which complements the other three, namely that of mainstreaming development issues, also on a multilateral basis. Specifically, multilateralism must strengthen efforts to narrow technology gaps and foster changes in the production structure of developing countries in order to absorb workers who are unemployed or underemployed into formal jobs with increasing productivity. A multilateral approach under these principles includes a technology-production dimension that cannot be ignored. The 2030 Agenda and the SDGs offer a clear way forward, but their effective implementation must go hand in hand with new development policies.

Technology capability-building on the periphery is a requirement for a new multilateral approach, because it will reduce two of the negative externalities that have been at the centre of the recent political debate on globalization, namely climate change and the political impact of migration flows. These capabilities form the basis for disseminating new technologies and production processes that generate fewer emissions on the periphery, while creating employment opportunities that will encourage workers to stay in their countries of origin. Efforts to close borders to migration flows have not only a high human cost but also limited effectiveness as long as the push factors—principally poverty, inequality and violence—persist in the poorest countries.

ECLAC maintains that investments that promote an “environmental big push” would set countries on a path to growth that combines the creation of high-quality jobs with the redefinition of production and consumption patterns in Latin America and the Caribbean to reduce their environmental impact (ECLAC, 2016 and 2018a). The technological revolution will open up more opportunities for structural change. The environmental big push charts a path for the 2030 Agenda and the SDGs to be able to inform policies and effect social and economic change (ECLAC, 2016). The objective is progressive structural change that can combine growth and employment efficiencies (Keynesian efficiency), technological learning efficiencies (Schumpeterian efficiency) and environmental efficiencies (reducing emissions and protecting natural resources). Changing the energy mix and increasing the supply of public goods, with the corresponding positive impact on environmental protection and equality, could stimulate public and private investment in a manner consistent with the 2030 Agenda and the SDGs. At the domestic level, countries should coordinate investments and instruments that complement and reinforce each other. At the global and regional levels, these proposals seek to build a new governance structure that will facilitate that investment, especially in light of the negative experience of the European Union following the austerity policies that were implemented after the crisis.¹³

Other ECLAC documents offer a more detailed analysis of a development strategy rooted in sustainability. This document discusses the context in which such a strategy would have to be implemented in Latin America and the Caribbean. However, the context is not favourable, given the projections of low GDP and trade growth for the coming years, together with the structural problems of

¹³ Recent proposals such as global new deal (put forward by the United Nations Conference on Trade and Development (UNCTAD, 2017)) point in the same direction, indicating that a consensus is beginning to emerge on the need to reinvigorate public investment in order to guide and foster private investment in sustainable development.

low productivity and poor product diversification. These problems make it more difficult to overcome external constraints on growth through authentic competitiveness, especially when the international technological frontier is moving quickly and the countries of the region remain heavily dependent on static comparative advantages.

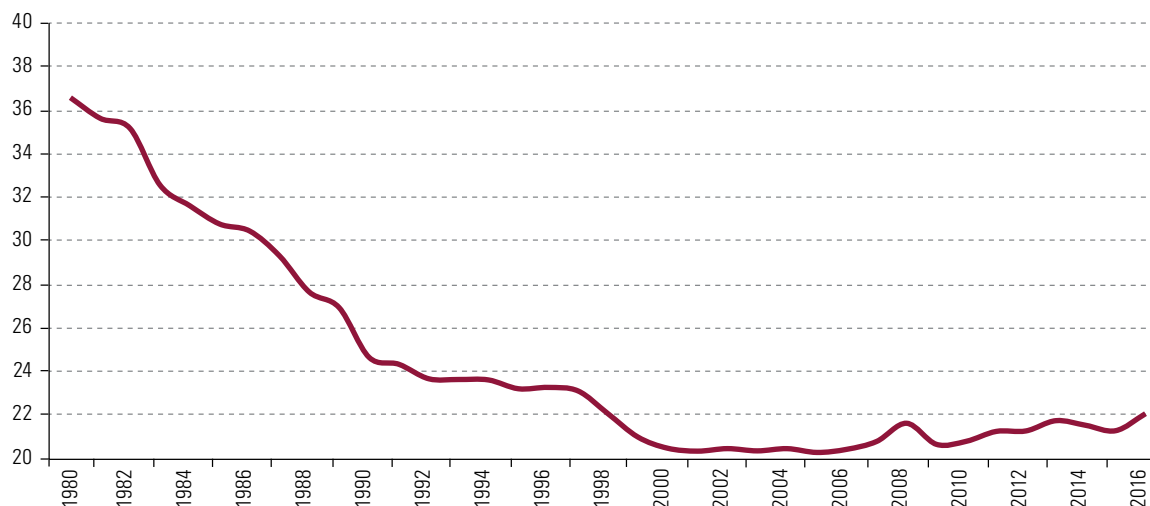
1. The production base for a new multilateralism: the recurrent problem of opening the black box of technical progress

In his 1990 study, Fernando Fajnzylber stated that there was an empty box in Latin America and the Caribbean. Using a four-entry matrix that combines high or low growth with high or low equity, Fajnzylber noted that no Latin American country is in the box representing high growth with high equity (Fajnzylber, 1990). He attributed this to the region's inability to achieve authentic competitiveness, based on industrial learning and narrowing technology and productivity gaps with advanced countries. The empty box explained why the region had failed to open the "black box" of technical progress.

This view remains valid, as Latin America continues to lag behind in terms of productivity. While the commodities boom allowed South American countries to combine growth with a fairer distribution of resources for some time, in the long term the crucial link between the two variables is technical progress. The production base for equality requires the absorption of new technologies, as depending on income derived from low wages or natural resources does not produce sustained employment and wage growth. If the region fails to achieve a genuinely competitive production structure, it will fall short of the SDG targets and fail to implement the 2030 Agenda.

The task facing Latin America and the Caribbean is particularly formidable, as the productivity gap has widened over the past 30 years. Figure I.7 sets out the productivity trends in Latin America compared to the United States, which represents the technological frontier. The distance between the two productivity rates is called the external gap. The productivity rate in Latin America in 1980 was 36.6% that of the United States. After declining sharply in the 1980s and, to a lesser extent, in the 1990s, relative productivity remained stable and very low between 1999 and 2016, ranging from 21% to 22%. The wide external gap (the low relative productivity of Latin America and the Caribbean) erodes the production base of democracy-enhancing multilateralism.

Figure I.7
Latin America: relative productivity compared to the United States, 1980–2016
(Percentages)

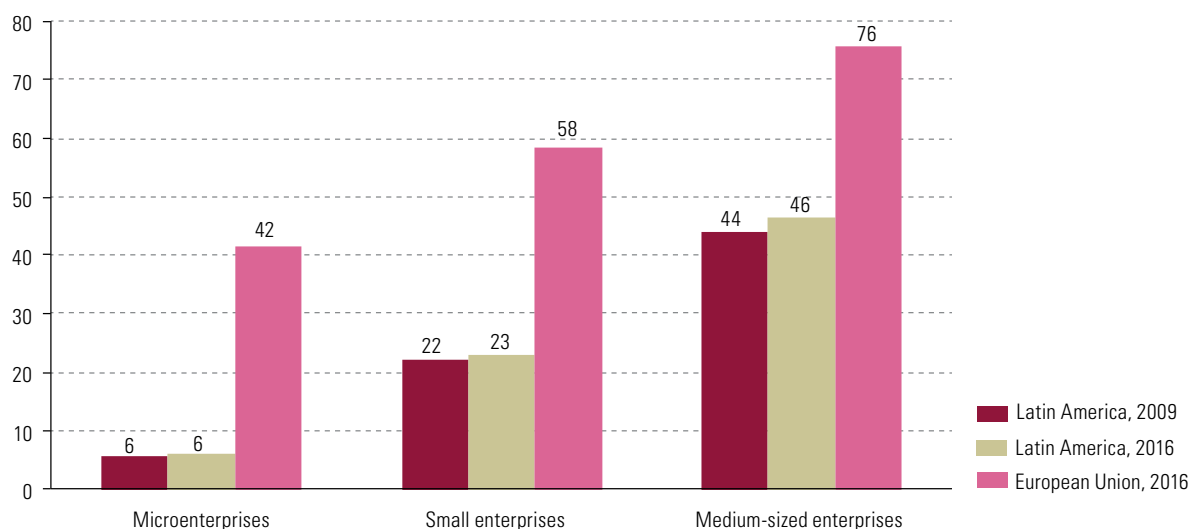


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information.

The sluggish productivity growth reflects the region's production and export profile. The concentration of production in a few natural-resource-intensive activities (agriculture, fishing, mining and some industrial sectors) or in cheap and low-skilled labour, that have few linkages with the rest of the production chain, creates few technological advances and productive value chains. The most productive value chains (for example, the automotive industries in Brazil and Mexico and, to a lesser extent, the electronics industry in Mexico and the aerospace industry in Brazil and Mexico) are isolated pockets of technical progress that have been unable to stimulate the rest of the system (ECLAC, 2017 and 2018e).

The limited dissemination of technology in the production system has given rise to structural heterogeneity in Latin America, one of the root causes of the high level of inequality in the region. This heterogeneity is expressed in the high percentage of informality in total employment and in the level of the internal gap, defined as the ratio between labour productivity of micro-, small- and medium-sized enterprises and the labour productivity of the large companies in the same country or region. In 2016, the labour productivity of a medium-sized firm in Latin America was, on average, less than half that of a large company. Meanwhile, the labour productivity of small and microenterprises was 23% and 6% that of large companies, respectively. When comparing the internal gap in Latin America with that of Europe, it is clear that the gap is much wider in Latin America (see figure I.8). On average, the productivity gap between microenterprises and large firms in Latin America is seven times greater than that recorded in the European Union, where the productivity of a medium-sized enterprise is almost double that of a microenterprise. The internal gap in Latin America also widened between 2009 and 2016.

Figure I.8
Latin America and the European Union: internal relative productivity, 2009 and 2016
 (Percentages)



Source: F. Correa, V. Leiva and G. Stumpo, "Mipymes y heterogeneidad estructural en América Latina", *Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento*, Project Documents (LC/TS.2018/75), M. Dini and M. Stumpo (coords.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2018.

Differences in productivity are reflected in wage differentials (see table I.1). In Latin America, the average wages of micro-, small and medium-sized enterprises are about 40% of the average wages of large companies, while in the European Union they are equivalent to 60%. Such wage differences make it more difficult for redistributive policies to bring down levels of inequality (and for progress to be made towards attaining SDGs 8, 9 and 10).¹⁴

¹⁴ Redistributive policies are also ineffective in Latin America, as the Gini coefficient of income derived from the market decreases very little once taxes and transfers have been deducted. Fiscal and tax policies are not very progressive compared with most member countries of the Organization for Economic Cooperation and Development (OECD).

Table I.1
Latin America and European Union (selected countries): average wages of micro-, small- and medium-sized enterprises as a ratio of the average wages of large companies
(Percentages)

	Microenterprises	Small enterprises	Medium-sized enterprises	Micro-, small- and medium-sized enterprises
Argentina	28.5	49.9	63.6	48.2
Brazil	24.5	46.1	68.9	42.2
Chile	18.5	37.8	53.7	37.6
Ecuador	38.2	53.4	69.0	57.9
Mexico	12.8	39.1	66.7	35.0
Spain	38.8	63.6	78.6	61.4
France	55.8	71.6	79.1	67.7
Italy	25.1	62.1	84.3	50.9

Source: F. Correa, V. Leiva and G. Stumpo, "Mipymes y heterogeneidad estructural en América Latina", Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento, Project Documents (LC/TS.2018/75), M. Dini and M. Stumpo (coords.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2018.

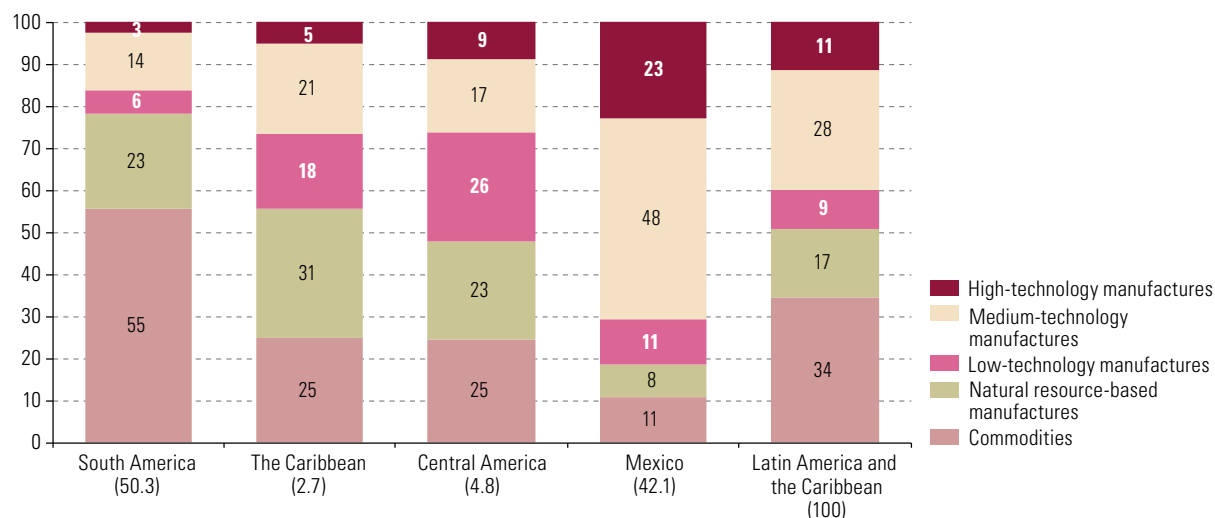
The absence of genuine competitiveness is one of the determining factors of the external constraint, which limits the capacity for growth of economies that specialize in low-technology sectors with little international demand, as discussed below.

2. Specialization and the external constraint: the commodity boom gave Latin America breathing room

The countries that have managed to narrow the per capita income gap with developed economies have done so by changing their patterns of specialization. These countries—China being the latest example—have shifted from specialization in cheap-labour-intensive and natural-resource-intensive goods (static comparative advantage) towards a diverse export profile in which knowledge-intensive and innovation-intensive sectors (dynamic comparative advantage) are increasingly dominant. As a region, Latin America and the Caribbean has been unable to transform its production structure with the same pace and intensity as the successful Asian economies. The region's pattern of specialization has changed little in the past 30 years; what changes there have been have primarily entrenched existing patterns. The commodity boom began to ease external constraints in 2004, with positive effects on various economic and social indicators; but, at the same time, it heightened the reprimarization of exports in South America and the Caribbean, as a result of which the end of the boom coincided with the economic slowdown. The absence of structural change meant that there was no capacity to sustain growth based on new goods and new production processes over time.

Figure I.9 shows the composition of exports from the region by type of goods. It illustrates the dependence of South American countries on natural resource exports and natural-resource-intensive manufactures as a source of foreign exchange, and the large share of natural-resource-intensive and low-technology manufactures in exports from the Caribbean and Central America. The situation in Mexico differs, in that medium- and high-technology manufactures account for a large percentage of total exports. However, in the case of high-technology exports, the data reflect the fragmentation of production chains—with Mexico positioned in the most labour-intensive segments—rather than the bridging of gaps with the technological frontier (ECLAC, 2018e).

Figure I.9
Latin America and the Caribbean, Mexico and subregions: export pattern by technology intensity, 2017^a
 (Percentages)

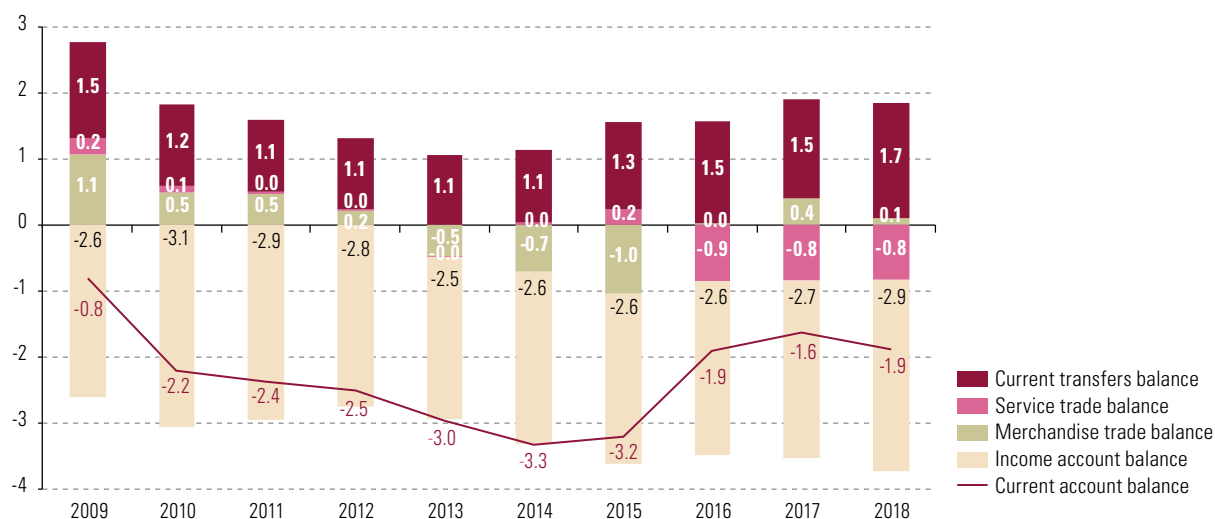


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UN Comtrade-International Trade Statistics Database.

^a The figures in brackets under each bar show exports as a percentage of the regional total.

The pattern of specialization and the microeconomics of technical progress have effects on the macroeconomics of external equilibrium and growth. Figure I.10 illustrates the difficulties that Latin American economies have faced on the external front in recent years. The region continues to run a current account deficit, much of it in the income account, whose gap has been widened by increased profit remittances abroad and interest payments on external debt, in a context of rising international interest rates.

Figure I.10
Latin America (18 countries): balance-of-payments current account by component, 2009–2018^a
 (Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

^a The figures for 2018 are projections. Data from the Bolivarian Republic of Venezuela are not included because official figures are not available.

External constraints have been heightened by capital outflows from emerging countries and the uncertainty about the stability of the international financial system (ECLAC, 2018b). It is not yet clear how a trade war between China and the United States (or, to a lesser extent, of disputes between the United States, Canada and the European Union) will affect the demand for exports from Latin America and the Caribbean in the short term. The fall in global trade could be partly offset by the diversion of trade towards Latin American exporters (ECLAC 2018b). In the long term, escalating trade tensions lead to high uncertainty and compromise the expansion of trade. In an international context in which protectionism is on the rise, external constraints could tighten.

Although the future trade policies of the major economic powers are uncertain, there is an opportunity for regional cooperation in trade that remains unexplored and which depends primarily on the political decisions of the countries of Latin America and the Caribbean. The region has stepped up trade with China markedly (the highest projected rate of growth in exports for 2018), where demand is almost exclusively for natural-resource-intensive goods, which account for 93.5% of total Latin American exports to China. Conversely, exports of low-, medium- and high-technology manufacturing products represent a much larger share of intraregional trade (about 54.2%, as seen in table I.2), although the rate of growth is half that of exports to China.

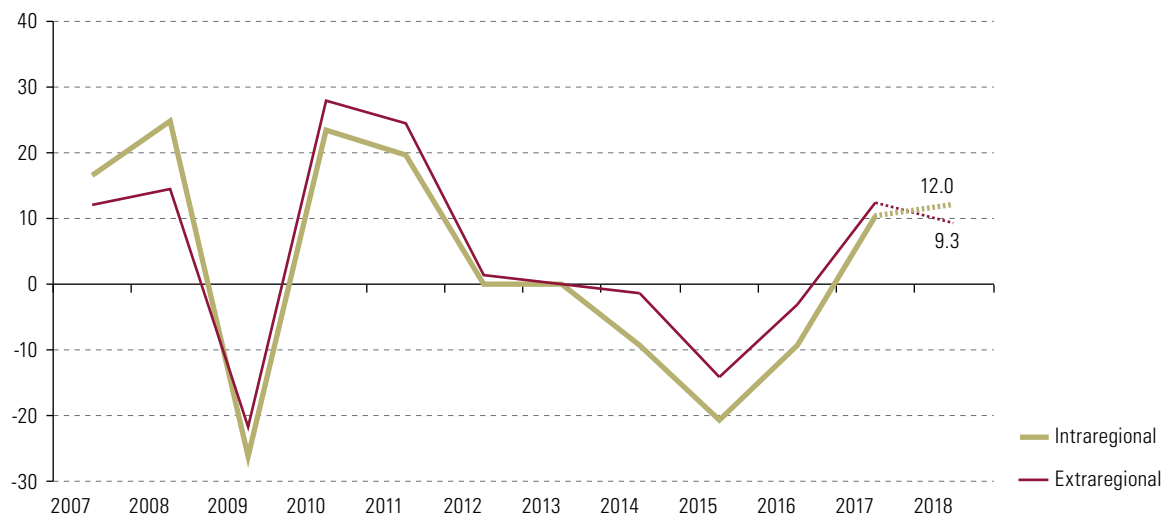
Table I.2
Latin America and the Caribbean: projected variation in foreign trade and structure of trade in goods, by main trading partner and technology intensity, 2017, and projections for 2018
(Percentages)

	Partner	Projected variation, 2018	Share in total goods trade, 2017	Share of primary products and natural-resource-based manufactures, 2017	Share of high-, medium- and low technology manufactures, 2017
Exports	China	28.0	10.3	93.5	6.5
	Latin America and the Caribbean	12.0	16.9	45.8	54.2
	United States	7.1	44.2	27.3	72.7
	European Union	8.7	10.4	69.7	30.3
Imports	China	13.0	17.6	8.9	91.1
	Latin America and the Caribbean	8.5	15.5	46.7	53.3
	United States	8.7	32.6	41.0	59.0
	European Union	3.6	13.8	21.8	78.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures from the countries' central banks, customs offices and national institutes of statistics, and UN Comtrade - International Trade Statistics Database.

Table I.2 shows how regional integration has the potential to expand trade and overcome the inertia of the pattern of specialization. This is because, in addition to the high industrial content of intraregional trade, it plays an essential role in guaranteeing a market for small and medium-sized exporters. Despite the opportunities offered by markets in Latin America and the Caribbean, the growth in trade with countries outside the region has outpaced that of intraregional trade since 2009, excluding 2018 (see figure I.11). Intraregional trade has major —largely untapped— potential as an agent of structural change.

Figure I.11
Latin America and the Caribbean: annual variation in the value of intraregional and extraregional exports, 2007–2018^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data from the countries' central banks, customs offices and national institutes of statistics.

^a The figures for 2018 are estimates.

3. The current situation and the outlook for the future: employment and growth trends augur setbacks in the fight against poverty and inequality

The region has made significant progress in terms of growth and income distribution since 2004, albeit to an extent insufficient to achieve the hunger and poverty eradication targets defined in the SDGs (see chapter II). The creation of formal jobs and the implementation of social policies played a significant role in improving these indicators. However, unemployment levels have risen since 2015, as figure I.12 shows. This rise has been accompanied in most countries of the region by an increase in the share of informal employment, which remains high (24% in simple average terms for 10 Latin American countries).¹⁵ In the context of the SDGs, informal employment is less desirable than formal employment because it is generally associated with lower-productivity activities, lower wages and less social protection.

The slowdown in formal employment is linked to low growth in Latin America since 2014 and the slow recovery of the last two years. Economic growth in Latin America and the Caribbean was estimated at 1.2% in 2018, slightly lower than the 1.3% registered in 2017. Growth weakened slightly both in South America (from 0.8% in 2017 to 0.6% in 2018) and in Central America, Cuba and Haiti (from 3.4% to 3.2%). Conversely, in Mexico, where the economy benefited from the recovery in the United States on the back of the close links between the two economies, the growth rate edged up from 2.1% in 2017 to 2.2% in 2018. The Caribbean recorded stronger growth rates in 2018, at 1.9%, compared with 0.2% in 2017, as it recovered from the impacts of the natural disasters that occurred in 2017 (see figure I.13).

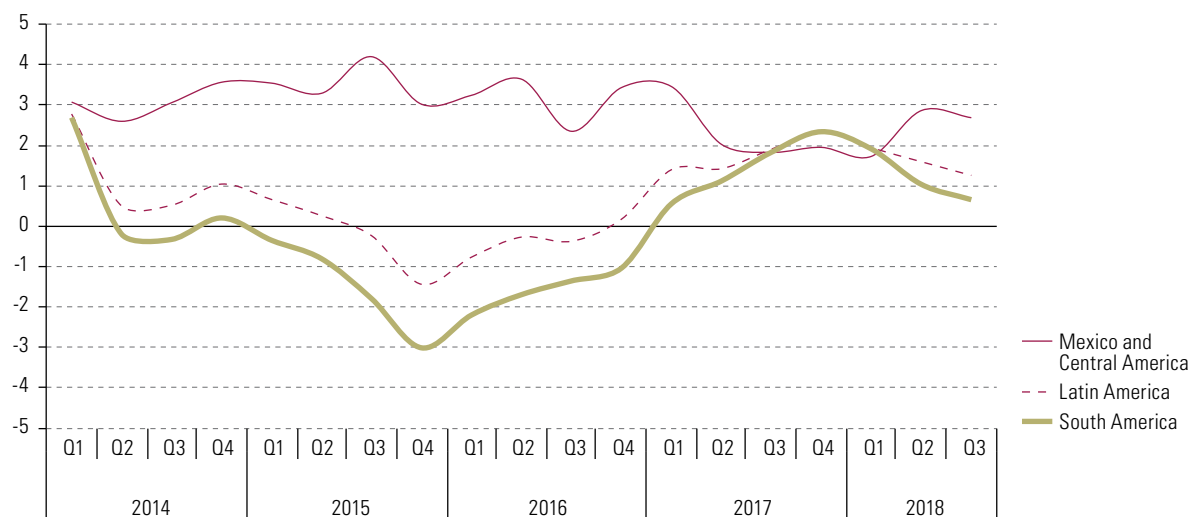
¹⁵ The countries are Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Panama and Uruguay. This is not a population-weighted average. Uruguay has the lowest informal employment rate (18.5%), while the Dominican Republic has the highest (58%).

Figure I.12
Latin America and the Caribbean: urban unemployment rate and estimated number of urban unemployed, 2002–2018
(Millions of people and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Figure I.13
Latin America and the Caribbean: GDP growth rates, 2014–2018
(Percentages, on the basis of dollars at constant 2010 prices)



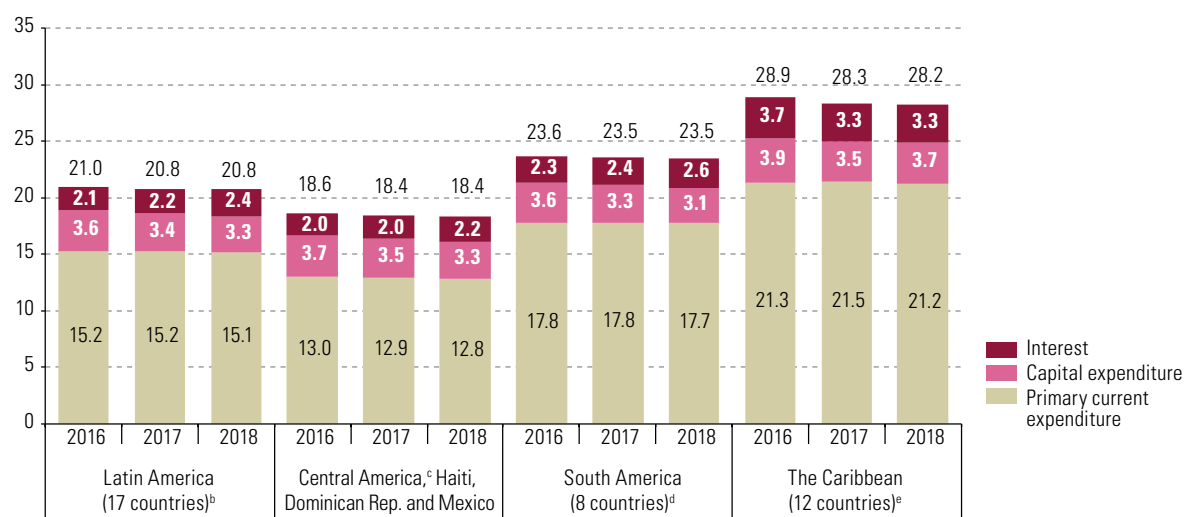
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Growth in Latin America and the Caribbean is expected to remain sluggish in the coming years. This is partly explained by external factors: although the volume of world trade in goods expanded by 4.7% in 2017, double the average growth rate between 2012 and 2016, WTO revised its projections for 2018 and 2019 downwards (from 4.4% to 3.9% and from 4.0% to 3.7%, respectively) (WTO, 2018). This is attributable to the lower growth forecast in some advanced economies and in developing countries where external constraints have re-emerged. A number of domestic factors have also contributed to the slowdown, including, government indebtedness and the limitations of fiscal policy, particularly with regard to public investment.

Public investment plays an important role in influencing and promoting private investment, and has already been seen to be a key factor in the return to sustainable growth. Its importance in that regard therefore far outweighs its share in total investment. The absence of more active fiscal policies was one of the factors that exacerbated the debt crisis in the eurozone and the weak recovery of investment in the European Union after the 2008 crisis (Griffith-Jones, 2014). In Latin America, active fiscal policies, together with monetary expansion, prevented a worsening of the crisis-induced recession. Meanwhile, fiscal space has narrowed significantly in recent years. Looking forward, a period of adjustment with procyclical effects is expected, weighing further on growth.

Fiscal spending has remained stable over the past three years, but its composition has changed (ECLAC, 2019b; see figure I.14). Total central government outlays for Latin America held steady at 20.8% of GDP, and the same trend may be observed at the subregional level, with outlays remaining at 18.4% for Central America and Mexico and at 23.5% for South America.

Figure I.14
Latin America and the Caribbean: composition of public expenditure, by component, 2016–2018^a
 (Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Note: The figures are simple averages. In the cases of Peru and Mexico, they refer to the general government and the federal public sector, respectively.

^a The figures for 2018 are projections derived from the 2019 budget figures and government estimates for the close of 2018. Those given for Ecuador, Honduras and Nicaragua are estimates based on a moving sum up to the third quarter of the year.

^b Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

^c Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

^d Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.

^e Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

The fact that total expenditure is stable even though primary expenditure is decreasing is accounted for by the rise in interest payments throughout Latin America. These payments are climbing for a number of reasons, including the expansion of the public debt burden, higher interest rates and adverse exchange-rate movements. Therefore, the greater room for proactive public spending policies that the region has enjoyed —thanks, in part, to a reduction in public debt service between 2003 and 2013— is now starting to shrink (ECLAC, 2018c).

Real cuts in capital spending have reduced the share of that component in total outlays, as these expenditures went from 3.6% of GDP in 2016 to 3.3% of GDP in 2018 in Latin America. There were similar reductions at the subregional level (from 3.7% of GDP to 3.3% of GDP in Central America and Mexico and from 3.6% of GDP to 3.1% of GDP in South America). This continuing decline in public investment could undermine the region's potential economic growth and ultimately hurt the well-being of its population in the medium and long terms (ECLAC, 2018d). The situation differs in the Caribbean, where capital expenditure projections indicate an increase from 3.5% of GDP in 2017 to 3.7% of GDP in 2018. This is partly a result of the need to rebuild infrastructure in the aftermath of the series of natural disasters that have hit the subregion, and partly a consequence of efforts by several Caribbean countries to boost public investment (capital expenditure was up in 7 of the 12 countries covered in this section of the study in 2018).

In short, progress towards the goals of full productive employment and equality, as proposed in 2030 Agenda and the SDGs, requires a simultaneous shift in the pattern of specialization in Latin America and the Caribbean to lift the limitations imposed by external constraints. The transition towards the SDG targets presupposes a transformation of production that incorporates technology and diversification (authentic competitiveness), as well as social and redistribution policies. These processes have been very weak in the region and should be prioritized in the policy agenda for the coming years. Analysis of changes in productivity, the pattern of specialization and recent trends in growth, employment and trade in Latin America and the Caribbean point to adverse conditions in the region. This makes it all the more urgent to implement sustainable development policies. The policy-setting agenda of democracy-enhancing multilateralism cannot be fulfilled if there are no policies that in parallel redefine the production base for overcoming poverty and unemployment.

C. Concluding remarks

The international economic system is marked by the tension between national sovereignties and the need to yield a certain amount of that sovereignty in order to achieve, through international cooperation, benefits that each State cannot achieve by acting alone. These benefits result from the control of cross-border externalities through international public goods (regional or global). The increasing importance of externalities in international relations magnifies the need for these public goods to reduce negative externalities (such as climate change, financial instability or the political effects of migration) and to promote positive ones (such as an open and balanced trading system, the diffusion of technology, and the free movement of people and ideas). Domestic policies in conjunction with global and regional public goods—in a combination of democracy and new forms of multilateral cooperation—are necessary to respond to the challenge posed by the international community in the 2030 Agenda and the Sustainable Development Goals.

It is suggested in this chapter that the absence of these public goods has resulted in increasing imbalances in the economic, social and environmental spheres that jeopardize continued growth, threaten the legitimacy of democratic systems and increase the risk of conflict between nations. Renewed multilateralism would make it possible to produce global and regional public goods capable of averting these risks. In this new multilateralism, emphasis must be placed on development challenges, in particular reducing the technological gap between the centre and the periphery and changing the production patterns of the periphery. Multilateralism cannot survive if openness to the world is not matched by measures to safeguard employment and equality in each country. This requires reducing the sharp differences that currently exist in countries' development levels. It is very difficult to control emigration or preserve natural resources in economies with high levels of poverty, unemployment or underemployment and that lack institutional and technological capabilities. In addition to the need to promote democracy in relations

between government and civil society, asymmetries between countries must be reduced. This requires a new approach to development cooperation policies, where the transformation of production on the periphery is part of the effort to address vulnerabilities shared by the centre and periphery.

In the last four years, several developed and developing countries alike have adopted closed border policies in response to competition and international migration. This is a reaction to forms that globalization has taken over the past 30 years, which have been accompanied by rising inequality and the feeling that it favoured only a small group. Paradoxically, the last phase of globalization progressed as though national adjustments could be made through unemployment and recession, as in the times of the gold standard, when democracies were few and weak, and labour-force movement from the centre was not met with resistance in recipient countries. These conditions no longer prevail in the complex societies of the early twenty-first century. Recessionary adjustments, increasing inequality and the repercussions of the 2008 crisis give rise to political responses that democracies cannot disregard. The threat to democracy may come either from extreme nationalism on the part of the losers of globalization, or from the belief of an ever-shrinking elite that democracy as a form of social organization is no longer compatible with the demands of the technological revolution and global competition. To avert this dual threat and provide public goods in the international economy, multilateralism must shift away from the approach that led to the current impasse.

Bretton Woods offers a historical example of how multilateralism —with its flaws and shortcomings— came into being in a context of great power asymmetries. Far from attempting to return to the gold standard of the 1920s and 1930s, the negotiators of the Bretton Woods agreements knew that they were facing a new world, where social rights, full employment and the need to include workers in the benefits of growth were fundamental to the stability of the global system. Bretton Woods created space for this to happen, even though it did not fully incorporate development issues. The post-Bretton Woods world, however, led to what has been termed hyperglobalization and ignored demands for equality and employment that re-emerged as a growing challenge to globalization. To sustain an open and stable international economy, these demands must be taken into account in the new institutional designs (national and international) that will be generated in future in democratic societies. The task is not an easy one, as these new designs must take into consideration not only new forms of international governance, but also the impact of technological progress on the world of work, the fluidity of capital and the redefinition of the sources of political and economic power inherent in the new information economy.

The reduction of gaps as a driver of development vindicates the concept of authentic competitiveness suggested by Fernando Fajnzylber and the new structuralism. The shift in production patterns in the region faces important economic barriers: (i) the persistence of the recessionary bias and its corollary, the slow average growth of international trade; (ii) the continued disturbing signals regarding the financial stability of the international economy; (iii) the increase in protectionism and the risk of a trade war between the major economic powers; (iv) the weakness of economic integration and trade agreements among Latin American countries; and (v) the region's slowness to fully embrace the technological revolution and participate in its production processes, and not only as consumers of new technologies. It is therefore particularly urgent to revive industrial and technological policies —an issue that ECLAC has raised on several occasions, especially around the idea of an environmental big push for development, in which the technological revolution and investment are aimed at changing the energy matrix and providing public goods for sustainable development.

The challenge for the international community will be to move towards multilateralism that recognizes equality, inclusion and sustainability as fundamental dimensions thereof. The SDGs, 2030 Agenda and Paris Agreement are all in line with this task and can serve as a reference for building a new multilateral system for development. The scale of the undertaking must not be a deterrent, just as it was not at other key moments in the past, confirming Jean Monnet's reflection that politics was not only the art of the possible, but the art of making possible tomorrow what may seem impossible today (quoted in Jones, 2008, p. 243).

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CHAPTER II

Developments in institutional frameworks and tools for implementing the 2030 Agenda for Sustainable Development

- A. Institutional mechanisms for the implementation of the Sustainable Development Goals
 - B. Incorporation of the 2030 Agenda and the Sustainable Development Goals into long-term planning
 - C. Strategies and actions for local adaptation of the 2030 Agenda
 - D. Participation of civil society
 - E. Harmonization of planning, budgeting and the 2030 Agenda
 - F. A comprehensive approach to the challenge of inclusion
 - G. Concluding remarks
- Bibliography
- Annex II.A1

A. Institutional mechanisms for the implementation of the Sustainable Development Goals

The countries of Latin America and the Caribbean have made important and sustained advances with regard to institutional frameworks and instruments for implementing the 2030 Agenda for Sustainable Development. In 2016, the region began to integrate the 2030 Agenda into national development visions, strategies and plans. By that year, at least 16 institutional mechanisms had been established on the basis of existing institutions that were assigned new responsibilities, or by creating new institutions with specific functions (ECLAC, 2017). In 2017, these countries moved from the initial phase of disseminating the content of the 2030 Agenda to an implementation phase characterized by translating the Agenda into public policies, institutions and national and subnational follow-up and review mechanisms. More countries defined institutional coordination mechanisms, to total 20, all of which were underpinned by legal instruments (decrees or resolutions) defining their scope and objectives (ECLAC, 2018a). Currently, 29 of the 33 countries in the region have established mechanisms; 13 of them by creating new ones and 16 on the basis of pre-existing mechanisms or ad hoc institutional arrangements (see table II.1).¹

Table II.1
Latin America and the Caribbean: coordination mechanisms for implementation of the 2030 Agenda^a

Pre-existing mechanisms used	New mechanisms created
Antigua and Barbuda ^b	Bahamas
Argentina	Brazil
Barbados ^b	Chile
Belize ^b	Colombia
Cuba	Costa Rica
Ecuador	Dominica ^b
El Salvador	Dominican Republic
Grenada ^b	Honduras
Guatemala	Mexico ^c
Guyana	Panama
Haiti	Paraguay
Jamaica	Saint Lucia
Peru	Uruguay
Saint Kitts and Nevis ^b	
Trinidad and Tobago ^b	
Venezuela (Bolivarian Republic of)	

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a Information was unavailable on the identification of a coordination mechanism for the four countries in the region not included in the table.

^b Ad hoc or interim arrangements in place. While the government may not have formally established an institution or designated an existing one, an office within a ministry may be performing a coordination role with respect to the Sustainable Development Goals.

^c Until 2017, Mexico used a pre-existing institution.

¹ The information in this chapter is current as at 1 March 2019. Some countries may have made subsequent changes, which will be incorporated in the 2020 edition of this report.

Two fundamental characteristics may be distinguished in this process of mainstreaming coordination mechanisms. Firstly, the multiplicity of organizational models, reflecting the different realities of the countries in a region whose institutional capacities are highly heterogeneous. In this regard, the experiences of several Caribbean countries stand out: although they have not created formal coordination mechanisms, they have put in place interim or ad hoc institutional arrangements to perform these functions. This institutional progress has seen the combination of different experiences, both where formal government organizations have been created and where various formal and informal mechanisms have been operated by pre-existing bodies; for example, some countries have established working groups or other forms of operation. There has also been strong development of networks, as is evident with respect to participation by civil society.

The second feature is the different speed at which the countries have developed their institutional frameworks and adapted them depending on their own experience. The progress in just over three years is significant, especially considering the typically slow pace of institutional development. The region has thus now reached a point at which coordination mechanisms cover over 98% of the population.

Progress with the institutional framework was accompanied by growing efforts on the preparation of voluntary national reports (VNRs), which reflect the activities of the coordination mechanisms and progress in the implementation of the 2030 Agenda. During the 2016–2017 biennium, 14 VNRs were presented, followed by 8 more in 2018. In addition, 10 more countries have expressed an interest in submitting reports over the 2019–2020 period (see table II.2). In this context, in the first five years following the adoption of the 2030 Agenda, the region will likely have 32 reports submitted by 23 countries, at least 9 of which will have submitted reports more than once by 2020. Significantly, the countries that have established coordination mechanisms are also those that have submitted voluntary national reports.² The fact that of the 17 countries in the world that will likely have submitted at least two VNRs between 2016 and 2020, 9 belong to the Latin American and Caribbean region testifies to the region's commitment to the 2030 Agenda.

The round of voluntary reports produced between 2016 and 2018 has been very useful for learning about the work under way in the countries to fulfil the Sustainable Development Goals (SDGs) and the large number of VNRs from countries of the region indicates a strong political commitment to the 2030 Agenda.

In addition to the establishment of coordination mechanisms, the region has demonstrated the political leadership required by the 2030 Agenda. This has been directed mainly towards making the 2030 Agenda a policy of State and enhancing the coordination of intersectoral or interministerial policies, including an analysis of the links between the Agenda and the public budget, as well as achieving a balance between the social, economic and environmental dimensions of the Agenda. A testimony to the importance that countries attach to the 2030 Agenda is the decision to place inter-agency coordination mechanisms at the highest levels of the organizational structure of the State: within the offices of the President or the Prime Minister.

² The experiences of the countries in the development of coordination mechanisms for the implementation of the 2030 Agenda and presentation of voluntary national reviews to the high-level political forum on sustainable development are set forth in the annex.



Table II.2
Latin America and the Caribbean (29 countries): coordination mechanisms for the implementation of the 2030 Agenda for Sustainable Development and voluntary national reviews presented to the high-level political forum on sustainable development

Country and coordination mechanism	Voluntary national reviews				
	2016	2017	2018	2019	2020
 Antigua and Barbuda Working Group on the Sustainable Development Goals, Office of the Prime Minister					
 Argentina National Council for Social Policy Coordination		●			●
 Bahamas Sustainable Development Goals Inter-Agency Technical Committee			●		
 Belize Ministry of Economic Development, Petroleum, Investment, Trade and Commerce		●			
 Brazil National Commission for the Sustainable Development Goals, Government Secretariat of the Office of the President		●			
 Chile National Council for Implementation of the 2030 Agenda for Sustainable Development		●		●	
 Colombia High-level Inter-Agency Commission for the Preparation and Effective Implementation of the Post-2015 Development Agenda and its Sustainable Development Goals	●		●		
 Costa Rica High-Level National Coordinating Committee for the Sustainable Development Goals		●			●
 Cuba Ministry of Economy and Planning					
 Dominica SDG National Committee					
 Dominican Republic High-level Inter-Agency Commission for Sustainable Development			●		
 Ecuador National Secretariat of Planning and Development (SENPLADES)			●		
 El Salvador Technical and Planning Secretariat of the Office of the President and Ministry of Foreign Affairs		●			
 Grenada Department of Economic and Technical Cooperation, Ministry of Finance, Planning, Economic Development and Physical Development					
 Guatemala National Council for Urban and Rural Development (CONADUR)		●		●	
 Guyana No coordination mechanism for the implementation of the 2030 Agenda for Sustainable Development				●	
 Haiti Ministry of Planning and External Cooperation					
 Honduras General Coordination Secretariat of Government, High-level Commission and Technical Committee for the SDGs		●			●
 Jamaica National 2030 Agenda Oversight Committee (NAOC); Thematic Working Groups of Vision 2030 Jamaica; and 2030 Agenda SDGs Core Group			●		
 Mexico National Council for the 2030 Agenda for Sustainable Development	●		●		
 Panama Inter-Agency and Civil Society Commission for the Support and Follow-up of the Sustainable Development Goals		●			
 Paraguay Inter-Agency Coordinating Committee for the Implementation, Follow-up and Monitoring of the International Commitments Accepted by the Country in the Framework of the United Nations Sustainable Development Goals			●		
 Peru Centre for Strategic Planning (CEPLAN)		●			●
 Saint Kitts and Nevis Ministry of Sustainable Development					
 Saint Lucia Sustainable Development Goals National Coordinating Committee				●	
 Saint Vincent and the Grenadines No coordination mechanism for the implementation of the 2030 Agenda for Sustainable Development					●
 Trinidad and Tobago High Level Ministerial Sub-Committee of Cabinet on Vision 2030 and SDGs, Ministry of Planning and Development					●
 Uruguay Office of Planning and the Budget of the Office of the President		●	●		
 Venezuela (Bolivarian Republic of) Inter-agency coordination group	●				

- Indicates years in which the respective country submitted its voluntary national review to the high-level political forum on sustainable development held under the auspices of the Economic and Social Council of the United Nations.
- Indicates countries that will present their voluntary national review in 2019 or 2020, on the basis of expressions of interest received by the secretariat of the high-level political forum (this information is subject to change).
- First cycle of the high-level political forum.
- Second cycle of the high-level political forum.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of voluntary national reviews presented to the high-level political forum on sustainable development by the respective countries, 2016, 2017 and 2018; United Nations Development Programme (UNDP) and ECLAC, Regional Observatory on Planning for Development in Latin America and the Caribbean [online] <https://observatorioplanificacion.cepal.org/en>.

With this institutional framework, the actions led by the coordinating mechanisms cover multiple spheres:

- Outreach: such as the production of instructions, dialogue days, dissemination, training, and communications in social media.
- Diagnostics: analysing the targets and the challenges for each country and territory, identifying relevant stakeholders, available and potential resources, limitations with regard to the competences and powers of the territory.
- Prioritization: by strengthening the links between the strategic pillars, objectives and guidelines that the countries have established in their planning instruments and the SDGs.
- Implementation: the responsible institutions develop engagement strategies through technical assistance or training for the process of mainstreaming the SDGs at the national and subnational levels, and promote cooperation agreements or projects with international agencies, universities and groupings of municipalities.
- Evaluation: related to the establishment of tracking and monitoring systems for targets and indicators, in order to be able to report on progress towards SDG targets at the national and subnational levels.

At the national level, the authorities responsible for promoting fundamental components of the 2030 Agenda carry different weights within the coordination mechanism, as can be seen in the involvement of national environmental authorities and mechanisms for the advancement of women. In the first case, in 11 out of the 18 countries included in table II.3, the most senior national environmental authority forms part of the main authority on 2030 Agenda implementation, although in 2 countries, this occurs under special conditions.

Although national machineries for the advancement of women are not formally included in the institutional arrangements for monitoring the SDGs, in some countries women's ministries have participated in preparing the voluntary reviews submitted to the high-level political forum on sustainable development. One example is the VNR submitted by Uruguay in 2017, in which the National Women's Institute (Inmujeres) led the analysis of SDG 5, together with the National Institute of Statistics and the Office of Planning and Budget. Another example is Ecuador, where, during the preparation of the VNR submitted in 2018, the government organized a participatory process which included women's organizations.

In this framework, the following sections review the progress made by countries of the region through the action of their respective mechanisms for the coordination and implementation of the 2030 Agenda. Particular attention is afforded to local level implementation of the Agenda, the link with planning and the public budget, and the inclusion of civil society actors in the process through effective standing bodies.



Table II.3
Latin America and the Caribbean (18 countries): participation of environmental portfolios in national institutional frameworks for the implementation of the 2030 Agenda for Sustainable Development

Country	Highest national environmental authority	Highest institution for national implementation of the 2030 Agenda	Participates
Argentina	Secretariat for the Environment and Sustainable Development	National Council for the Coordination of Social Policies	Yes
Bahamas	Ministry of Environment and Housing	Inter-Ministerial Technical Committee (Sustainable Development Goals Committee)	No
Belize	Ministry of Agriculture, Fisheries, Forestry, the Environment, Sustainable Development and Immigration	Ministry of Economic Development, Petroleum, Investment, Trade and Commerce	No
Brazil	Ministry of the Environment	National Commission for the Sustainable Development Goals, Government Secretariat of the Office of the President	Yes
Chile	Ministry of the Environment	National Council for Implementation of the 2030 Agenda for Sustainable Development	Yes
Colombia	Ministry of the Environment and Sustainable Development	High-level Inter-Agency Commission for the Preparation and Effective Implementation of the Post-2015 Development Agenda and its Sustainable Development Goals	Yes
Costa Rica	Ministry of the Environment and Energy	High-Level National Coordinating Committee for the Sustainable Development Goals	Yes
Dominican Republic	Ministry of Environment and Natural Resources	High-level Inter-Agency Commission for Sustainable Development	Yes
El Salvador	Ministry of Environment and Natural Resources	Technical and Planning Secretariat of the Office of the President of El Salvador and Ministry of Foreign Affairs	Yes
Guatemala	Ministry of the Environment and Natural Resources	National Council for Urban and Rural Development (CONADUR)	Yes
Honduras	Ministry of Energy, Natural Resources and Environment	General Coordination Secretariat of Government, High-level Commission and Technical Committee for the Sustainable Development Goals	Yes, but only through its participation in a sectoral cabinet (economic development)
Jamaica	Ministry of Water and Housing	National 2030 Agenda Oversight Committee (NAOC); Thematic Working Groups; and 2030 Agenda SDGs Core Group	Yes, but not in the core group
Mexico	Secretariat of the Environment and Natural Resources	National Council for the 2030 Agenda for Sustainable Development	Yes
Panama	Ministry of the Environment	Inter-Agency and Civil Society Commission for the Support and Follow-up of the Sustainable Development Goals, National Strategic Plan with a State Vision "Panama 2030", Ministry of Social Development	No
Paraguay	Ministry of the Environment and Sustainable Development	Inter-Agency Coordinating Committee for the Implementation, Follow-up and Monitoring of the International Commitments Accepted by the Country in the Framework of the United Nations Sustainable Development Goals (Paraguay 2030 SDG Commission)	No
Peru	Ministry of the Environment	National Centre for Strategic Planning (CEPLAN)	No
Uruguay	Ministry of Housing, Regional Planning and Environment	Office of Planning and the Budget, Office of the President	No
Venezuela (Bolivarian Republic of)	Ministry of People's Power for Ecosocialism and Water	Inter-agency coordination group	No

Source: United Nations Environment Programme (UNEP), on the basis of voluntary national reviews submitted to the high-level political forum on sustainable development by the respective countries, 2016, 2017 and 2018.

B. Incorporation of the 2030 Agenda and the Sustainable Development Goals into long-term planning

As mentioned in the Second annual report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean, planning authorities have a great responsibility in the implementation of the 2030 Agenda, since in 16 of the 29 coordination mechanisms, ministries or departments of planning serve as technical secretariats. To support the planning process, the Economic Commission for Latin America and the Caribbean (ECLAC), like the agencies of the United Nations system, has prepared tools for integrating and adapting the Agenda to local realities.³

Foresight exercises for scenario development are common in the region, as they are acknowledged as important in defining policies of State to guide plans, strategies and short-and medium-term programmes. Most of these exercises involve the contents of the 2030 Agenda. Several countries have carried out long-term planning exercises; examples being Barbados, Costa Rica, the Dominican Republic, Grenada, Guatemala, Haiti, Honduras, Jamaica, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Vincent and the Grenadines, and Trinidad and Tobago. There follows a detailed description of the experiences of Jamaica (Vision 2030 Jamaica), Peru (Vision for the future in the run-up to 2030) and Costa Rica (National pact for the SDGs).

Jamaica presented its voluntary national review at the high-level political forum on sustainable development in 2018. That review refers to two planning instruments linked to the 2030 Agenda: Vision 2030 Jamaica and the Medium Term Socio-Economic Policy Framework (MTF) 2018–2021. The first is strongly aligned with the 2030 Agenda. Significant progress has been made in linking the institutional framework of Vision 2030 Jamaica with the SDGs and with planning tools (see box II.1).

Jamaica's national coordination mechanism comprises the National 2030 Agenda Oversight Committee, the thematic working groups of Vision 2030 Jamaica, and the 2030 Agenda SDGs Core Group. The Oversight Committee was established in 2017 and reports to Cabinet and Parliament. It provides policy and strategic advice for implementation, monitoring and evaluation of the SDGs and includes representatives of the government, civil society groups, the private sector, academia, trade unions, political associations and youth groups.

The Core Group comprises the Planning Institute of Jamaica, the Ministry of Foreign Affairs and Foreign Trade and the Statistical Institute of Jamaica. The secretariats of Vision 2030 Jamaica and the SDGs are located in the Planning Institute of Jamaica, the lead government entity on policy formulation for sustainable development. The Cabinet and Parliament provide the highest-level decision-making and complete the cycle of accountability, responsibility and inclusiveness (Planning Institute of Jamaica, 2018).

³ Among the practical tools prepared was a methodological guide “Guía metodológica: planificación para la implementación de la Agenda 2030 en América Latina y el Caribe” (ECLAC, 2018b). The document takes a holistic approach to the 2030 Agenda, treating its integrated nature as a starting point for the identification of planning systems and of key stakeholders for fulfilling the SDGs and for defining an action strategy in a particular context. Practical applications of this guide were carried out in Argentina, Guatemala and Honduras. In the case of Guatemala, a key element was the linking of the 2030 Agenda with national planning, through a prior coupling of the national development plan “K’atun Nuestra Guatemala 2032” and the 2030 Agenda, which involved an extensive period of public consultation and reflexion on the importance of long-term visions and their association with the 2030 Agenda as a medium for public policy coherence.



Box II.1

Jamaica: the objectives of Vision 2030 are highly aligned with the goals of the 2030 Agenda

Jamaica has demonstrated its commitment to inclusive and sustainable development since the launch in 2009 of Vision 2030 Jamaica, the country's first long-term national development plan. The first voluntary national review presented by Jamaica detailed the efforts and progress made since the adoption of the 2030 Agenda. Jamaica took ownership of the Agenda as early as 2014, with consultations with all stakeholders to define priorities. Localization of the SDGs was undertaken within the ambit of Vision 2030 Jamaica and resulted in the document *A Road Map for SDG Implementation in Jamaica*, which was adopted by the Cabinet in June 2017. This document aligns national priorities with the SDGs and defines the institutional coordination mechanisms to support implementation.

Together with Vision 2030, Jamaica prepared its fourth Medium Term Socio-Economic Policy Framework (MTF) for the period 2018–2021. This mechanism for prioritizing, planning, control and monitoring the implementation of Vision 2030 is permeated by the three dimensions of sustainable development, inclusion and equity, consistently with the provisions of the 2030 Agenda. The road map identified the Medium Term Framework as the primary vehicle for monitoring the implementation of Vision 2030 Jamaica and the SDGs.

Jamaica's commitment to the SDGs is based on these two planning tools. Vision 2030, as a long-term tool, transcends governments administrations and engages all stakeholders and all political parties. The Medium Term Socio-Economic Policy Framework, as a medium-term instrument, binds the government that is in office at any given time.

Vision 2030 Jamaica has four goals:

1. Jamaicans are empowered to achieve their fullest potential. This goal has four national outcomes: a healthy and stable population (related to SDGs 2, 3 and 6); world-class education and training (SDG 4); effective social protection (SDGs 1, 2 and 10); and authentic and transformational culture (unrelated to any particular SDG).
2. The Jamaican society is secure, cohesive and just. This goal has two national outcomes, which are treated as a single one for the purposes of SDG alignment: security and safety and effective governance, which are linked to SDGs 5, 10, 11 and 16.
3. Jamaica's economy is prosperous. This goal has six national outcomes: a stable macroeconomy (SDG 8); an enabling business environment (SDGs 4 and 8); strong economic infrastructure (SDG 9); energy security and efficiency (SDGs 7, 11 and 12); a technology-enabled society (SDG 9); and internationally competitive industry structures (SDGs 2, 8, 9, 12 and 14).
4. Jamaica has a healthy natural environment. This goal has three national outcomes: sustainable management and use of environmental and natural resources (SDGs 6, 7, 12, 14 and 15); hazard risk reduction and adaptation to climate change (SDGs 7, 13 and 15); and sustainable urban and rural development (SDGs 1, 9, 10 and 11).

The government relies on the cooperation of all actors. In the consultations held during the negotiations on the post-2015 development agenda, all stakeholders participated in delineating national priorities within a new development framework with the aim of generating national ownership. The National Outcome Document on the Post-2015 Sustainable Development Goals was developed to set the framework for the alignment of Vision 2030 Jamaica and the SDGs.

A Rapid Integration Assessment (RIA) and Mainstreaming, Acceleration and Policy Support (MAPS) mission conducted through the United Nations Development Programme (UNDP) found that, of the 115 SDG targets identified as relevant to Jamaica, 105 (91.3%) were fully or partially aligned with the national development plan. The main gaps identified were in the thematic areas relating to planet and partnership. SDG 17 (partnerships for the Goals) had only 50% of relevant targets aligned, while SDG 14 (life below water) had three out of seven targets addressed. Another outcome of the MAPS mission was the formulation of the above-mentioned road map.

Since the adoption of the 2030 Agenda, the Government of Jamaica has also striven to adapt it to the local situation and include it in national policies and planning frameworks. To this end, it has used existing mechanisms to anchor the process by means of continued engagement with stakeholders, including the private sector.

Source: United Nations Development Programme (UNDP), on the basis of Statistical Institute of Jamaica (STATIN), *Report on the National Consultations on the SDG Indicator Framework: Jamaica*, 2016 [online] http://statinja.gov.jm/pdf/Report_on_the_National_Consultations_on_the_SDG_Indicator_Framework%20rk-Jamaica.pdf; UNDP, *A Road Map for SDG Implementation in Jamaica*, April 2017 [online] <http://statinja.gov.jm/pdf/JamaicaSDGRoadmap.pdf>; Planning Institute of Jamaica, *Jamaica Voluntary National Review Report on the Implementation of the 2030 Agenda for Sustainable Development. June 2018* [online] https://sustainabledevelopment.un.org/content/documents/19499JamaicaMain_VNR_Report.pdf and *Vision 2030 Jamaica*, 2009 [online] [http://www.vision2030.gov.jm/Portals/0/NDP/Vision%202030%20Jamaica%20NDP%20Full%20No%20Cover%20\(web\).pdf](http://www.vision2030.gov.jm/Portals/0/NDP/Vision%202030%20Jamaica%20NDP%20Full%20No%20Cover%20(web).pdf).

Peru presented its VNR at the high-level political forum of 2017, in which it set forth the efforts made to harmonize policies and build an enabling environment for the implementation of the 2030 Agenda, within the ambit of the National System for Strategic Planning (SINAPLAN). SINAPLAN has proposed two mechanisms for implementation: (i) the construction of concerted vision of the future of the country by 2030, based on a forward-looking analysis and a broad social dialogue process, and (ii) the updating of policies and plans considering a strategic planning cycle for continuous improvement, focusing on people's well-being bearing in mind the circumstances in their territories. The VNR also referred to the updating of Peru's National Strategic Development Plan in 2020, which will now have a new horizon of 2030.

Both these mechanisms report to the Forum of the National Agreement, which provides a space for dialogue and consultation on strategic national planning and for monitoring and promotion of compliance with State policies in the National Agreement. The Forum is tripartite in composition: the government, the political parties represented in Congress and organizations representing civil society at the national level.

Costa Rica, after the signing of the National Covenant for Fulfilment of the Sustainable Development Goals in 2016, reaffirmed its commitment to achieving these goals. In line with the 2030 Agenda and the National Covenant,⁴ on 15 February 2017, the President of the Republic, the Ministry of National Planning and Economic Policy, the Ministry of Foreign Affairs and Worship and the Ministry of the Environment and Energy signed Executive Decree No. 40203 (PLAN-RE-MINAE) to establish an organizational structure for planning, implementing and following up the SDGs and their related targets. The governance structure established for SDG implementation therefore includes broad stakeholder participation and has four functional levels: political coordination, guidance and technical advice, coordination and implementation, and consultation and accountability.

The country has carried out exercises to link its “Alberto Cañas Escalante” National Development Plan 2015–2018 with the SDGs. The executive power included programmes and projects related to each of the SDGs, with their corresponding resource allocations and responsible institutions, in the National Development Plan. In addition, based on an analysis of public policies and an assessment of statistical capabilities, three priorities were set: combating poverty, sustainable consumption and production, and resilient infrastructure and sustainable communities. Table II.4 shows the links between the SDGs and the “Alberto Cañas Escalante” National Development Plan 2015–2018, which contains 94 programmes and projects linked to the SDGs, 181 indicators and targets.

Finally, from a regional perspective, data from the Regional Observatory on Planning for Development in Latin America and the Caribbean indicate that some 30 countries have at least one national instrument guiding development policies. To analyse the harmonization between these plans and the SDGs, the Observatory developed a methodology which enables an alignment exercise of all the long- and medium-term planning instruments in the countries of the region. In most national development plans, the greatest linkages are with SDG 4 (quality education), SDG 8 (decent work and economic growth), SDG 11 (sustainable cities and communities), SDG 13 (climate action) and SDG 16 (peace, justice and strong institutions). Conversely, the weakest linkages with national development plans were found with respect to SDG 3 (health and well-being), SDG 5 (gender equality), SDG 12 (responsible consumption and production), SDG 14 (life below water) and SDG 15 (life on land).

⁴ In the Covenant, the three branches of government (executive, legislative and judicial), civil society organizations, faith-based organizations, public universities, local governments and the private sector, before honorary witnesses, such as the Office of the Ombudsman and the United Nations system, committed themselves to undertaking long-term structural changes under an inclusive development approach with environmental sustainability, with the aim of “leaving no one behind”, and thereby laying the foundation for the construction of an inclusive, diverse and multi-stakeholder governance structure for the implementation of the 2030 Agenda in Costa Rica.



Table II.4
Costa Rica: Sustainable Development Goals linked with the National Development Plan 2015–2018

Sustainable Development Goals (SDGs)	Programme	Indicator/target
SDG 1. End poverty in all its forms everywhere	5	8
SDG 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	5	9
SDG 3. Ensure healthy lives and promote well-being for all at all ages	8	24
SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	15	23
SDG 5. Achieve gender equality and empower all women and girls	1	2
SDG 6. Ensure availability and sustainable management of water and sanitation for all	5	8
SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all	5	13
SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	1	1
SDG 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	6	15
SDG 10. Reduce inequality within and among countries	5	11
SDG 11. Make cities and human settlements inclusive, safe, resilient and sustainable	6	11
SDG 12. Ensure sustainable consumption and production patterns	3	7
SDG 13. Take urgent action to combat climate change and its impacts	4	5
SDG 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	2	2
SDG 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	6	12
SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	7	12
SDG 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development	10	18

Source: Secretaría Técnica de los ODS/Ministry of National Planning and Economic Policy (MIDEPLAN), *Plan Nacional de Desarrollo “Alberto Cañas Escalante” 2015-2018 y su vinculación con los Objetivos de Desarrollo Sostenible*, San Jose, 2017 [online] http://ods.cr/sites/default/files/documentos/producto_1-pnd_vinculado_con_ods.pdf.

In the group with the strongest linkages, SDG 8 is the most frequently mentioned in development plans. This coincides with the analysis carried out by Le Blanc (2015), who noted that SDG 8 was one of those with the most connections to other SDGs or their targets. Similarly, Goals 11 and 16 (both in the higher frequency group) and SDG 17 are at the heart of the proposed methodologies from the planning perspective. SDG 11 in particular requires a follow-up process, from the local to the global level.

C. Strategies and actions for local adaptation of the 2030 Agenda

Development is experienced at the local level; for that reason, adaptation of the 2030 Agenda to the local context is critical. At the level of the territory, Agenda implementation faces challenges relating to capabilities, coordination with the national level, budget allocations, and decision-making autonomy. Three issues are relevant to subnational localization of the 2030 Agenda: civic participation, decentralization and the budget allocation for the implementation of the SDGs.

Intermediate and local levels of government are essential for the fulfilment of the 2030 Agenda, as protagonists and drivers of development. Mainstreaming the SDGs into local development plans requires coordinated efforts among the different segments of the local public administration and ongoing dialogue between actors involved in local development.

The Regional Observatory on Planning for Development in Latin America and the Caribbean has identified 2030 Agenda localization initiatives in Argentina, Brazil, Colombia, Mexico and Paraguay, and others, on which less information is available, in the Bolivarian Republic of Venezuela, Chile, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Jamaica, Panama, Peru, Plurinational State of Bolivia, Suriname, Trinidad and Tobago and Uruguay (see diagram II.1).

Diagram II.1
Latin America and the Caribbean (5 countries): guidelines for local implementation of the Sustainable Development Goals



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Regional Observatory on Planning for Development in Latin America and the Caribbean [online] <https://observatorioplanificacion.cepal.org/en>.

In some cases, governments have developed general guidelines as a way to orient subnational governments in mainstreaming the SDGs into their planning processes (see box II.2).



Box II.2

Argentina: localization of the 2030 Agenda through agreements and the adoption of a methodology to adapt the Agenda to the local and provincial levels

Argentina presented its first voluntary national review at the high-level political forum on sustainable development in 2017. The review details the country's institutional structure for the implementation and monitoring of the 2030 Agenda Goals, priority targets and challenges, stressing that achieving the SDG targets requires multilevel and multi-stakeholder responses (the different levels of government —national, provincial and municipal—, citizens, civil society organizations, the private sector and academia) (CNCPS, 2017a).

The National Council for Social Policy Coordination, as the mechanism for implementing the 2030 Agenda, has developed two instruments offering methodological guidelines and suggestions for mainstreaming the SDGs as a management and planning tool: a manual for the localization of the SDGs and a guide to the process of adapting the SDGs in the provincial government.

The manual provides methodological guidelines and suggestions for mainstreaming the SDGs in management and planning at the municipal level, in line with the four steps established for the local level: (i) local focal point, (ii) local diagnostic, (iii) adaptation plan (or localization plan, as it is termed in the text), and (iv) review. The guide is intended to provide guidelines and methodological suggestions for using the SDGs in management and planning at the subnational level; it covers the general guidelines for the five stages of local adaptation established for the provincial level: (i) institutionalization of the SDGs, (ii) sensitization, (iii) definition of provincial SDG targets, (iv) institutionalization of provincial targets, and (v) follow-up, review and accountability.

One of the functions of the National Council for Social Policy Coordination is to provide technical assistance and training to provincial and municipal governments that adopt the SDGs as a framework for planning and management. Within the 2030 Agenda local adaptation strategy, the Council leads the processes of Agenda diffusion and awareness-raising vis-à-vis non-governmental organizations and the business sector.

One important step taken by the Council to adapt the SDGs at the local level was the launch of localization agreements —i.e. adaptation of the Agenda to the local context— with the provinces: 15 provinces have signed such agreements with the Council (Chaco, Ciudad Autónoma de Buenos Aires, Córdoba, Corrientes, Jujuy, La Pampa, La Rioja, Mendoza, Misiones, Neuquén, Salta, San Juan, Santa Fe, Tierra del Fuego, Antártida and Islas del Atlántico Sur, and Tucumán) with a view to linking and cooperation actions that will underpin adaptation of the sustainable development targets to the reality of the respective province.

The United Nations Development Programme (UNDP) has supported implementation of the SDGs at the subnational level, supporting the development of a strategic plan for SDG establishment and follow-up in Argentina, the objectives of which are to promote the adaptation of the SDG targets to national priorities, coordinate follow-up to the targets by means of a monitoring platform and periodic progress reports, and include subnational jurisdictions in the process through regional workshops and technical assistance for subnational governments in the preparation of strategic planning documents at the provincial level.

Source: United Nations Development Programme (UNDP), on the basis of National Council for Social Policy Coordination (CNCPS), *Informe voluntario nacional* [online] <https://sustainabledevelopment.un.org/content/documents/16117Argentina.pdf>; *Guía para el proceso de adaptación de los ODS en el Gobierno Provincial, 2017* [online] http://www.odsargentina.gob.ar/public/documentos/seccion_publicaciones/provmuni/gu%C3%ADa_de_adaptaci%C3%B3n_provincial_final_oct2017.pdf and *Manual para la adaptación local de los ODS* [online] http://www.odsargentina.gob.ar/public/documentos/seccion_publicaciones/provmuni/manual_de_municipios.pdf.

In **Colombia**, the National Planning Department has supported the local adaptation of the 2030 Agenda, promoting the mainstreaming of the SDGs in development plans at the departmental and municipal levels (see box II.3).

Box II.3**Colombia: mainstreaming the 2030 Agenda in departmental and territorial development plans**

In Colombia, subnational governments play a fundamental role in the implementation and fulfilment of the SDGs in the territories as they are responsible for incorporating the Goals in planning instruments, allocating resources and implementing actions to improve the well-being and progress of their constituents. Each of the 32 departments therefore has a departmental development plan for the period 2016-2019 setting out the strategies to be applied in aligning plans with the Goals.

The analysis of the 32 departmental development plans carried out by the Technical secretariat of the High-level Inter-Agency Commission for Sustainable Development illustrates that all the plans and related strategies are linked to the Goals, a testament to the commitment of subnational governments to adapting the 2030 Agenda. Seven of the plans demonstrated high degree of linkage, 15 had a medium level of linkage and 10 displayed a general link to the Goals. The SDGs most frequently included in departmental development plans are Goals 3, 4, 8, 9, 16, 10, 11, 2 and 6. On average, 30% of the SDG targets applicable at territorial level are included in departmental development plans.

The experiences in Nariño and Manizales stand out as successful examples. Under the development plan *Nariño: Corazón del Mundo 2016-2019*, the subnational government bodies share responsibilities with other stakeholders in achieving 35% of the SDG targets included; in the *Manizales, Más Oportunidades* plan, this figure rose to 47%. In addition, there is an SDG monitoring platform that observes trends in SDG indicators in departments and identifies departmental strategies linked to them.

The Government of Colombia drafted a document on mainstreaming the Sustainable Development Goals in territorial development plans for 2016-2019 which proposed four steps for incorporating the Goals in local government plans. These steps are: (i) coordinate the local government programme with the SDGs, (ii) complete the diagnosis by compiling and analysing information on the current status of the territory with regard to achievement of the Goals, (iii) formulate a strategic plan by defining indicators and the goals of the territorial development plan within the framework of the SDGs, and (iv) mobilize resources, starting by identifying sources at different levels of government, needed for the department or municipality to contribute to the achievement of the Goals.

The National Planning Department designed the KiTerritorial, a package of methodologies, formats and tools for drafting territorial development plans and mainstreaming the SDGs in planning. Another important initiative in the local adaptation of the SDGs is *Saber Hacer Colombia*, a compilation of national and territorial experiences from which significant lessons have been learned. The Colombian Presidential Agency for Cooperation (APC-Colombia) has formed partnerships with several public, private and international organizations with a view to designing a method for documenting, classifying and validating experiences that offer tangible training in addressing the challenges of the 2030 Agenda to achieve the SDGs.

Source: United Nations Development Programme (UNDP), on the basis of National Planning Department, *Inclusión de los Objetivos de Desarrollo Sostenible en los planes de desarrollo territoriales, 2016-2019, 2017* [online] https://colaboracion.dnp.gov.co/CDT/Sinergia/Documentos/ODS_en_los_PDT.PDF.

The Government of **Mexico** prepared the *Guide for mainstreaming the approach of the 2030 Agenda in the drafting of state and municipal development plans* (Government of Mexico, 2017), which aims to advise entities and municipalities in the different stages of mainstreaming the Agenda: diagnosis, public policymaking, identification of accelerators, budgeting and monitoring.

Costa Rica prepared the document *Multilevel governance of the SDGs: a first approach* (Technical Secretariat of the SDGs/MIDEPLAN, 2017b), which addresses the multilevel governance process needed to coordinate the efforts of municipalities and the central government to mainstream the SDGs in public management. It also defines municipal competencies in relation to SDGs and identifies follow-up and monitoring indicators.

In **Brazil**, the National Confederation of Municipalities (CNM) has been instrumental in the local adaptation of the 2030 Agenda and has drafted two guides for municipalities on how to make progress in implementing, monitoring, and evaluating the SDGs. The first focuses on adapting the



Sustainable Development Goals to the context of Brazilian municipalities and provides information on the 2030 Agenda, explaining each of the 17 SDGs and specifying the municipal competencies related to their implementation, and guidance on how to move forward with the implementation, monitoring and evaluation of the Agenda. The second is a guide for mainstreaming the SDGs in municipalities and aims to assist municipal governments in integrating the SDGs in multi-year investment plans for the period 2018-2021 and other sectoral plans and, above all, to advise them on how to incorporate the 2030 Agenda and each of the Goals in planning and management processes.

In addition to these actions, dissemination and training initiatives have been carried out at the territorial level. For example, in the Caribbean, there has been a significant exchange of knowledge on the adaptation of SDGs to the local context, including a South-South knowledge exchange seminar on localizing the SDGs, held in Grenada in 2016. This event was organized at the initiative of UNDP and facilitated the sharing of experiences of countries such as Barbados and Suriname with Grenadian authorities and officials.

As mentioned earlier, **Jamaica** conducted the Mainstreaming, Acceleration and Policy Support (MAPS) mission to adapt the 2030 Agenda to the local situation. In addition, the Commonwealth Local Government Forum and the European Union spearheaded an initiative that aims to strengthen the role of local government as a partner in development. As part of the project, three municipalities (Montego Bay, Saint Thomas and Trelawny) are leading efforts to mainstream the SDGs in their sustainable development plans. These efforts have been complemented by workshops to raise awareness on the 2030 Agenda that have been organized by the Planning Institute of Jamaica in Kingston, Montego Bay and Portland. The aim of these workshops was to incite civil society participation in and engagement with the SDGs and to present sectoral outlooks relating to tourism, health, agriculture, the environment, education and national security as well as foster the exchange of ideas with community and youth leaders.

In **Trinidad and Tobago**, the Commonwealth Local Government Forum and the European Union partnered with the Ministry of Planning and Development and local government bodies, including the Sangre Grande Regional Corporation, the Penal/Debe Regional Corporation and the Port of Spain Corporation, to promote a project aimed at strengthening local government capacity to achieve the SDGs.

Lastly, in **Suriname**, the Ministry of Regional Development implemented a project to adapt the SDGs to the local situation by promoting understanding of the Goals. Under the project, local workshops were held with youth groups, indigenous peoples, academia and representatives from the private sector and training sessions for Ministry officials were organized. The aim was to help to raise awareness and exchange information on the SDGs and to understand how local and regional authorities and communities, groups and civil society organizations viewed their role in achieving the commitments of the 2030 Agenda and the ways in which they could contribute to that process.

In the area of monitoring and follow-up systems, **Mexico's** Sustainable Development Goals Information System (SIODS), jointly developed by the National Digital Strategy Unit in the Office of the President of the Republic and the National Institute of Statistics and Geography (INEGI), provides georeferenced information on the progress made in the follow-up of the 2030 Agenda. In the same vein, **Colombia** created an SDG monitoring platform which brings to light the trends in SDG indicators in the departments across the country and identifies departmental strategies linked to the 2030 Agenda. The National Institute of Statistics and Informatics (INEI) of **Peru** has progressed in establishing its System for monitoring and follow-up to the Sustainable Development Goal indicators and publishes data on the indicators by department, on its website.

Brazil also has monitoring instruments, which include the tool *Mandala ODS* developed by the National Confederation of Municipalities (CNM). This tool is available both to municipal public administrators and to the general public and can be used to diagnose, monitor and assess the level of compliance

with the SDGs in municipalities. It resembles a radar chart that illustrates the municipalities' levels of economic, social, environmental and institutional development, and uses 28 indicators that are applied to all Brazil's municipalities.⁵

In an effort to advance the local adaptation of the SDGs and multidimensionality, in 2018 **Paraguay** launched the *Asunción Ciudad Verde de las Américas – Vías a la Sustentabilidad* project, with support from the Global Environment Facility, UNDP and the Inter-American Development Bank (IDB). The project, which addresses urban problems such as transportation, solid waste disposal and the management of green areas, is founded on public participation in the process and on criteria of equity and inclusion. It aims to improve the quality of life in the metropolitan area of Asunción and provide benefits on an equal basis. The project is related to SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land), with particular focus on the local application of SDG 11, which aims to “make cities and human settlements inclusive, safe, resilient and sustainable”.

Broadly speaking, the main priority is to focus on the local level and on territorial forums and groups, ensuring that territorial level political initiatives are given due consideration in national agendas. This is reflected in **Honduras'** efforts to address chronic child undernutrition and poverty in the Lempa region (see box II. 4).

Box II.4 **Territorialization of multidimensional challenges in Honduras**

The Government of Honduras, through the Ministry of Social Development and Inclusion and the National Social Sector Information Center (CENISS), with the support of UNDP, set up a Chronic Child Undernutrition Combo, a cluster that aims to address the high rates of chronic malnutrition, maternal mortality, infant mortality and extreme poverty in the Lempa region (23 municipalities in the departments of Intibucá and Lempira). This initiative was carried out through a participatory dialogue with groups from the regional municipalities in order to assess the scope of the problem and determine the solutions that are best suited to beneficiaries.

The analysis, supplemented by data from CENISS and other national statistics sources, resulted in the creation of a bundle of actions and programmes for overcoming chronic child undernutrition and for building resilience against undernutrition. With this input, and using the methodology based on the theory of change to construct a road map, five key complementary interventions for accelerating the cluster were proposed. The aim is to expand the institutional programme offerings to address the issue from a multidimensional approach, in partnership with national and local stakeholders.

The experience has sparked the interest of the government and other United Nations agencies in promoting multidimensional solutions for issues such as teenage pregnancy and violence against women.

Source: United Nations Development Programme (UNDP).

Adapting the 2030 Agenda to the local situation and mainstreaming gender equality and the empowerment of women in local spaces are essential for eradicating poverty, reducing inequalities, governance and peace. The Federation of Canadian Municipalities (FCM), the Latin American Union of Municipalities (UIM), We Effect, the University of Florence action-research centre (ARCO), the Basque Institute for Women (Emakunde), the Union of Latin American Universities (UDUAL) and UNDP launched a project entitled *Desarrollo Económico Local y Género* (DELGEN) with a view to promoting gender equality and women's economic empowerment in the region. The aim of the project is to incorporate the gender perspective in a more sustainable and effective manner in the design, implementation and evaluation of territorial plans and policies. This is done through actions intended to:

⁵ Although it has not established a platform for monitoring the Sustainable Development Goals, the National Institute of Statistics and Censuses (INEC) of Ecuador has made headway in drafting the first and second volumes of its statistical development plan for SDG indicator reporting, which is intended to organize statistical planning, manage information gaps and report on progress and challenges in the implementation of the SDGs. With the support of UNDP, INEC is currently drafting a territorial statistical development plan, the aim of which is to consolidate an appropriate measurement methodology and a set of local indicators, as well as promote capacity-building in decentralized autonomous governments.



- raise awareness on the issue of substantive equality of women and girls and position it on national, subnational and local agendas;
- recognize the gender approach as a pillar of territorial development and prosperity;
- recognize and promote entrepreneurship among women to foster women's leadership in consultations on public policy, social welfare and multilevel governance of local development; and
- promote the structural and socioeconomic changes needed for women to participate in local economies with the same rights and on the same terms as men.

D. Participation of civil society

The 2030 Agenda was formulated through an unprecedented open and participatory process led by governments, with the participation of civil society and the private sector. Implemented in a context of greater openness, transparency and access to information by citizens, the 2030 Agenda was a clear sign of the importance of strengthening monitoring and accountability mechanisms at the global, regional and national levels.

This implies, first and foremost, strengthening public management institutions and practices. A transparent State reports on its actions, makes its sources of information and databases available to citizens, and publishes its development plans and strategies. This fosters accountability towards the citizenry and constant vigilance on the part of the public, as well as a greater sense of shared responsibility. A participatory government promotes the right of citizens to be a central part of policy formulation and implementation and paves the way for public administrations to benefit from the knowledge, ideas and experience of their people. This leads to the creation of spaces for meeting and dialogue that encourage citizens to be protagonists and participate in and deliberation on public affairs. When such spaces exist, enabling conditions emerge for an active citizenry that participates in the vision and life of the country, the region and the world and is wholly engaged in public issues.

The idea is to consolidate a new equilibrium between the State, the private sector and citizens in an ecosystem of stakeholders that is conducive to meeting the goals of the 2030 Agenda. Governments must play a central role, as the base from which the process is driven and as the catalyst for achieving the expected results. Building the institutional capacity of the State and strengthening public management practices must facilitate the gradual establishment of this new balance and of new forms of collaboration between State, market and social actors to move towards the provision of better quality regional and national public goods.

This approach requires the involvement of all stakeholders in the implementation of the 2030 Agenda. It is therefore essential to continue consolidating recent regional advances in public participation and innovation, strengthening the role of young people and groups that have traditionally been the most vulnerable. To this end, governments and multilateral institutions must step up their participation in the implementation of the 2030 Agenda and create mechanisms for information and continuous feedback.

Policymaking has evolved from a process limited to governments to a more inclusive one, prompting a participatory approach that encompasses society as a whole: involve civil society, the private sector and academia, as well as other stakeholders such as unions, political parties, international organizations, associations and religious organizations. The goals of the 2030 Agenda cannot be achieved if the efforts come from central governments alone. As reflected in most of the VNRs submitted to the high-level political forum on sustainable development,⁶ the involvement of all levels of State and local government is essential, as is horizontal integration.

⁶ See [online] <https://sustainabledevelopment.un.org/vnrs/>.

Each actor adds value and brings a comparative advantage towards the building of the Agenda. Civil society actors with expertise in social and development issues are specialists in social inclusion and have spent years working from an environmental approach and denouncing climate change and growth policies that disregard planetary boundaries. The private sector is playing an increasingly important role, not only in financing the Agenda, but also in the formulation and implementation of policies. Research and teaching work conducted in academia is essential for moving forward in the implementation of the 2030 Agenda. As a driver of research, innovation, technology and social change, academia plays a role of paramount importance, as do all other social actors. All opinions should be sought, heard and included in the drafting of public policies that put countries on the path to achieving the SDGs.

The Concausa initiative is a noteworthy example of engaging young people in the 2030 Agenda.⁷ In 2016, Fundación América Solidaria, with the support of ECLAC and the Americas and Caribbean Regional Office of the United Nations Children's Fund (UNICEF), launched the first youth competition designed to discover and disseminate proposals for eradicating child poverty in the region.

The private sector must also lend its support to governments and citizens in the implementation of the Agenda, facilitating the dissemination of innovations and new technologies, creating new business models that are more inclusive and economically sustainable, and improving their social and environmental footprint, including through innovative public-private partnerships. As noted above, SDG 8 (decent work and economic growth) is one of the most frequently mentioned in development plans and, indeed, together with SDG 9 (industry, innovation and infrastructure) has the most direct link with the private sector (Byiers, 2017).

There are various roles for the private sector based on how these roles contribute to the achievement of the 2030 Agenda.⁸ With the involvement of companies of varying sizes and interests, a specific strategy to coordinate these different contributions is necessary. Companies are key development actors at international and local levels. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development calls upon all businesses to apply their creativity and innovation to solving sustainable development challenges. It is an opportunity for them to be more than mere financiers or donors, and rather to participate as partners in the sustainable development process and find business opportunities therein.

One such example is the United Nations Global Compact, which brings together more than 13,000 different entities—predominantly companies—from all over the world. More than 8,000 companies and more than 4,000 non-business organisations participate (Red Española del Pacto Mundial de Naciones Unidas, 2016). Some 20 countries from the region are part of the network.⁹ The levels of commitment vary, however: in Argentina, for example, more than 80% of the companies belonging to that country's Global Compact network are medium and large, and they are the ones that submit sustainability reports. The Argentine Business Council for Sustainable Development (CEADS), recognized by the

⁷ The initiative is aimed at young people between the ages of 15 and 17 from Latin America and the Caribbean, who are invited to submit proposals that are linked to the 17 goals set forth in the 2030 Agenda with a view to eradicating poverty in their neighbourhood, city, country or the wider region. Proposals must be submitted by teams via a video presentation uploaded to the Concausa portal [online] <http://www.concausa2030.com/>.

⁸ The Global Compact details a number of actions that companies can take to contribute to the SDGs. Actions that can be taken internally include: providing decent working conditions, having an open wage policy, guaranteeing collective bargaining, developing inclusive business models, implementing equality policies, providing accessible products and services, evaluating suppliers, creating a culture of human rights and building resilience. Actions that can be taken with external stakeholders include: finding solutions, supporting entrepreneurs, awarding grants, conducting advertising and marketing campaigns, offering free products and services, organizing volunteer work, carrying out development cooperation projects and establishing public-private partnerships with non-governmental organizations, universities, the public sector and other companies to carry out projects that help to reduce poverty.

⁹ Argentina, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.



National Council for the Coordination of Social Policies (CNCPS) as an agent for the implementation of SDGs, brings together 88 lead companies. Their corporate social responsibility reports show that these companies all gear their activities towards fulfilment of the SDGs. The CEADS website on the Sustainable Development Goals showcases initiatives that business have launched to help to achieve the SDG targets: 50 initiatives were submitted in 2016, 51 in 2017 and 85 in 2018.¹⁰

In its VNR for 2018, **Colombia** highlights the work of its Foreign Trade Bank (BANCOLDEX), which has an environmental and social management policy that underpins its commitment to supporting business sector growth, protecting the environment and ensuring the well-being of society. To this end, the Bank is obligated to use natural resources rationally with as little environmental impact as possible, to have a social and environmental risk management system and to design financial and non-financial products for climate change adaptation and mitigation. In addition, through its consolidated strategy focusing on microenterprises and small businesses, with entities specializing in microenterprise lending that provide financial assistance to victims of conflicts, women and other population groups that are underserved by traditional financial institutions, it contributes to the achievement of various SDGs, especially SDGs 9 and 10.

Lastly, the report notes that the excess demand for social bonds and green bonds and the growing private sector appetite for such bonds illustrate the country's commitment to financing investments with a high impact on environmental conservation and social advancement. This is why the private sector is a strategic partner for governments in achieving the 2030 Agenda.¹¹

In the **Dominican Republic**, one example of integration is Alianza ONG, a multisectoral network of 35 non-profit organizations. The product of extensive consultation involving more than 50 relevant stakeholders, civil society organizations and State institutions operating in a wide range of sectors and with diverse profiles, the network submitted a report containing recommendations for the government to facilitate the implementation of the 2030 Agenda and improve mechanisms for civil society participation. Recommendations were made in the area of data generation, balance between the pillars of sustainable development, sustainable production and consumption, effective participation of civil society, comprehensive information and financing the implementation of the Agenda.¹²

In developing and designing public policies that incorporate the principles of the integral nature of the 2030 Agenda and of leaving no one behind, the points of view of all stakeholders involved in the implementation of those policies or who benefit from or are affected by them must be taken into account. This has become clear in the construction of multidimensional poverty indices (see box II. 5).

¹⁰ One such example is the sustainability policy in the business and management strategy of ARCOR, which reflects the company's overall commitment to sustainable development. The policy promotes responsible production and consumption (SDG 12) and outlines five specific commitments on key issues relevant to its business: an active life and healthy eating, the rational use of water, the rational use of packaging, respect for and protection of human and labour rights, and energy efficiency and reducing the factors that contribute to climate change, linked to SDGs 3, 6, 7, 8 and 13 respectively. See [online] <http://www.ods.ceads.org.ar/>.

¹¹ As part of its environmental and social management strategy, BANCOLDEX defined the issuance of green and social bonds as an instrument for financing the SDGs in the country. In 2017, for example, approximately US \$70 million in green bonds were issued to finance projects aimed at improving corporate environmental performance, contributing primarily to the achievement of SDGs 6, 7 and 11. In addition, the social bonds issued—designed mainly to promote the financial inclusion of microenterprises and small businesses—are geared towards financing rural businesses, women-owned business, and businesses owned by victims of the armed conflict in Colombia. Thus, social bonds foster progress on SDGs 5, 8, 9 and 10.

¹² Alianza ONG is a member of the High-level Inter-Agency Commission for Sustainable Development. See the civil society follow-up report on the Dominican Republic's commitment to implementation of the 2030 Agenda [online]: <http://alianzaong.org.do/2018/07/alianza-ong-elabora-informe-sobre-la-implementacion-de-la-agenda-2030-para-el-desarrollo-sostenible/>.

Box II.5**Multi-stakeholder inclusion to legitimize the use of multidimensionality as a public policy tool**

According to the United Nations Development Programme and the United Nations Environment Programme, to give a multidimensional poverty index legitimacy, a participatory process should take place involving the different stakeholders, including academic institutions, the public and civil society. “If the measurement of poverty is undertaken with transparency and accountability, in a democratic and participatory process, the results will be more readily accepted. On the contrary, poverty measurements that only seek to promote government actions, undertaken without transparency and dialogue, will be quickly criticized and the results questioned” (UNDP/UNEP, 2018, p. 22).

El Salvador is a noteworthy example, having carried out a multidimensional measurement of poverty through a broad participatory consultation. In 2012, 23 focus groups or roundtables comprising inhabitants from 20 communities were organized. The communities were selected on the basis of the most recent poverty maps; specifically, the municipalities identified in the *National extreme poverty map* (FISDL, 2005) and the precarious urban settlements identified in the 2010 *Urban poverty and social exclusion map* (FLACSO/MINEC/UNDP, 2010). During the process, efforts were made to gather information on specific conditions considered relevant to the study. In addition, communities were given personal or institutional level contacts that allowed for a degree of trust (UNDP, 2014).

The use of multidimensional poverty measures has spread gradually across the world, and Latin America is no exception. Countries like Mexico and Colombia are pioneers in establishing national multidimensional poverty indices (UNDP/UNEP, 2018, p. 33). In **Mexico**, after an intense dialogue and deliberation process, between 2006 and 2009, the National Council for the Evaluation of Social Development Policy (CONEVAL) adopted a multidimensional poverty methodology that includes two fundamental spheres: economic well-being and social rights (UNDP/UNEP, 2018, p. 40). Mexico was the first country to undergo the transition from a vision based solely on income poverty to a multidimensional one, taking into account monetary aspects as well as social and territorial ones. The method developed by CONEVAL provides more precise information about the problems and a realistic understanding of poverty conditions. Although its conception, which stems from a rights-based approach, does not include environmental indicators, some of the indicators related to social rights are linked to the environment (UNDP/UNEP, 2018, p. 45).

In **Chile**, the multidimensional method developed by the Oxford Poverty and Human Development Initiative (OPHI) (Alkire and Foster, 2007) was selected to complement income poverty measurement. A normative criterion was used to select the dimensions that are essential constituents of well-being. A survey on the “voices of poverty” conducted by the organization Fundación Superación de la Pobreza was also used to understand and take into account the viewpoints of people living in poverty on the dimensions of well-being they considered most relevant. Lastly, an empirical criterion was used to select the dimensions and indicators of the multidimensional poverty index, based on existing data in the National Socioeconomic Survey (CASEN), with the incorporation of new questions and modules in order to obtain a multidimensional overview. Through this process, consensus was reached at the national level on five dimensions: education, health, labour and social security, housing and the environment, and networks and social cohesion (UNDP/UNEP, 2018, p. 49).

The final example is the **Dominican Republic**, where an innovative approach was used to link poverty and the environment through social indicators. The *Programa Nacional Sombrilla* was developed between 2012 and 2014 to reduce the vulnerability of poor rural households, which are particularly affected by extreme climate events. The programme focused on the integration of climate change adaptation policies with social protection strategies. To this end, the Climate Change Adaptation and Vulnerability Index (IVACC) was developed. This key instrument calculates the probability of a household being affected by hurricanes, storms and floods, based on three variables: (i) characteristics of the home (walls and roof), (ii) household income and (iii) proximity of the home to sources of danger (river, stream or ravine). IVACC was the first global climate vulnerability index focusing specifically on households and has served as input for the development of the country’s multidimensional poverty index (UNDP/UNEP, 2018, p. 66).

Source: United Nations Development Programme (UNDP), on the basis of UNDP/UNEP, *Environmental Variables in Multidimensional Poverty Measurement: A practical guide with examples from Latin America and the Caribbean*, 2018.

In **Mexico**, the adoption of a whole-of-society approach has been reflected significantly in the drafting of the national strategy for the implementation of the 2030 Agenda, developed through collaboration between various stakeholders with relevant views on thematic priorities, challenges and proposed solutions. Five regional forums were held with the participation of civil society, the National Institute for Social Development (INDESOL), the Secretariat of Foreign Affairs and the Mexican Agency for International Development Cooperation (AMEXCID). Other activities included dialogues with the private sector in collaboration with the Secretariat of Foreign Affairs and AMEXCID, a digital consultation with citizens and a forum on the integrated nature of the 2030 Agenda, which was held in the Senate. In addition, the Ibero-American University prepared five analytical papers and the National Institute of Statistics and Geography (INEGI) worked on national goals and indicators in collaboration with other stakeholders. To draft the national strategy, 12 government units were designated as coordinators for each of the 17 SDGs.

A significant drawback is that the lack of data sometimes results in inaction. Innovation is thus key to reaching marginalized groups and places and leaving no one behind. Governments can harness digital technologies to create massive databases of households that continuously measure the impact of the public policies implemented to achieve the SDGs. This is a remarkable achievement, considering that a decade ago most countries conducted only one census and intermittent demographic and household surveys. In **Honduras**, for example, mobile technology is used to pinpoint the location of 4 million users, georeference their needs and direct them towards dozens of government programmes —a qualitative leap forward in the country’s capacity to reduce multidimensional poverty. Technology has also made possible the detailed mapping of child undernutrition and is helping to design more effective public policies to leave no one behind.

At the regional level, the strong participation of civil society was key in the conclusion of the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement),¹³ adopted in March 2018. The Agreement offers States and societies a platform to move towards full access to information, participation beyond consultation, and environmental justice. It aims to ensure the right of all persons to have access to information in a timely and appropriate manner, to participate significantly in making the decisions that affect their lives and their environment, and to access justice in environmental matters, thus contributing to the fulfilment of the 2030 Agenda. It is the only legally binding agreement to have stemmed from the United Nations Conference on Sustainable Development (Rio+20), the first regional treaty on environmental matters, and the first in the world to include a provision on human rights defenders in environmental matters. The innovative negotiating process included all stakeholders of civil society, all groups representing the public interest.

E. Harmonization of planning, budgeting and the 2030 Agenda

The public budget is the main resource-allocation tool, for it is in the budgetary process that public policies are effectively prioritized. Coordination between planning and the budget is necessary for the coherent management of public policies. For governments, poor coordination is a barrier to overcoming the existing gaps between financing for development and comprehensive policies for the implementation of the 2030 Agenda. The adoption of the Agenda provided national and subnational governments an opportunity to link the objectives of their planning instruments (aligned with the SDGs) to the budget and national investment plans.

¹³ The first 14 countries to sign the Escazú Agreement were Antigua and Barbuda, Argentina, Brazil, Costa Rica, Dominican Republic, Ecuador, Guatemala, Guyana, Haití, Mexico, Panama, Peru, Saint Lucia and Uruguay.

Some of the main challenges in this area are related to limited fiscal space and the time gaps between plans and budgets. National development plans focus on medium- and long-term objectives, while public budgets are designed from a short-term perspective, except in the case of multi-year budgets. In this context, the question arises as to how to harmonize planning and the 2030 Agenda with the budgeting process. It is therefore important to have sustained political leadership at the highest level that steers the change process towards closer alignment of plans and budgets. This implies a shift in the distribution of each stakeholder's bargaining power in the budgeting process.

One technical aspect that should be borne in mind is the importance of building the capacity of staff working in the areas of planning, budgeting and management. It is also vital that they speak a common language and are equipped with information systems that enhance decision-making. Furthermore, tools which link the two processes, such as results-based management, results-based budgeting, medium-term fiscal frameworks and multi-year budgets, must be developed and strengthened. Institutional conditions, motivation, capacity and legislative support are the keys to results-based budgeting.

The reform of fiscal institutions has been ongoing in Latin America since 1990 (Filc and Scartascini, 2007). Several countries have introduced quantitative restrictions, stabilization funds, multi-annual frameworks and borrowing restrictions on subnational governments, as well as quantitative rules and measures to make the budgetary process more transparent. These changes have laid the foundation for further reforms. First, they have made budgetary processes even more centralized in ministries of finance, which have an incentive to improve the management of fiscal accounts. Second, they have given rise to rules and procedures that form the basis of results-based budgeting.

By applying the principles of open government —transparency, participation and collaboration— to budgeting, the region has also made progress in the development of open budget processes which foster public policy planning and the participation of various stakeholders. Brazil, Mexico and Peru are the highest ranked countries in the region in the Open Budget Index (Cetrángolo, 2018).

For its part, **Mexico** is making efforts to link its development plan with the budget and the 2030 Agenda. In fiscal year 2018, 80.7% of its budgetary programmes covered issues related to the achievement of the SDGs. In addition, 156 of the 169 SDG targets were linked with at least one budgetary programme (see diagrams II.2 and II.3).

The Secretariat of Finance and Public Credit (SHCP) describes the exercise in detail in the document *Vinculación del presupuesto a los Objetivos de Desarrollo Sostenible*, which notes that the country's institutional architecture is the result of the implementation of strategic planning, monitoring, evaluation and budget instruments in a results-based management approach. The main objective of the exercise was to determine how much of the budget is allocated to the achievement of the SDGs. As there is no direct link, the institutional architecture was used to identify the linkage with the Goals. The two-step process entailed: (i) linking the SDG targets with national planning and budget programmes and (ii) determining the contribution of each budget programme to the SDG targets.

One other notable example of linking the plan and budget to the 2030 Agenda is **Uruguay**, which, since 2010, has been organizing its budget by programmatic area in order to improve the monitoring of public spending in line with a results-based management approach (see diagram II.4). The Office of Planning and the Budget (OPP), which reports to the Office of the President of the Republic, has identified the goals and targets of the 2030 Agenda in programmatic areas, in an integrated approach to strategic planning through which public policy outcomes can be measured in terms of compliance with the SDGs. This effort to establish links is of utmost importance for incorporating the SDGs in public sector institutional mechanisms; the OPP's budget transparency portal allows users to see which programme area each goal is linked to and, consequently, to which part of the budget it corresponds.



Diagram II.2
Mexico: budgetary programmes linked to each Sustainable Development Goal
 (Number)



Source: Secretariat of Finance and Public Credit (SHCP), *Invertir para el desarrollo sostenible: cómo invierte México en los Objetivos de Desarrollo Sostenible*, 2017 [online] http://www.transparenciapresupuestaria.gob.mx/work/models/PTP/Presupuesto/Documentos_antiguos/mexico_ods.pdf.

Diagram II.3
Mexico: targets linked to budgetary programmes
(Percentages)



Source: Secretariat of Finance and Public Credit (SHCP), *Invertir para el desarrollo sostenible: cómo invierte México en los Objetivos de Desarrollo Sostenible*, 2017 [online] http://www.transparenciapresupuestaria.gob.mx/work/models/PTP/Presupuesto/Documentos_antiguos/mexico_ods.pdf.

Uruguay has made significant efforts to finance the implementation of the SDGs. Pilot activities related to SDGs 6 and 7 were conducted,¹⁴ first by identifying all the public bodies that contribute to the achievement of each SDG and subsequently defining:

- the objectives in the government's strategic planning that are related to the Goal;
- the budgetary programmes linked to the Goal;
- the operating and investment projects which specify project activities that contribute to achieving the SDGs;
- the financial resources allocated to these activities (annual execution);
- the sources of financing used; and
- evaluations of such programmes or projects (if any) that provide information on the efficiency of resource use.

¹⁴ The OPP Directorate of Management and Evaluation (AGEV) carried out this activity as part of a South-South cooperation project with Costa Rica. The preliminary findings have yet to be published.

Diagram II.4
Uruguay: programmatic areas of the national budget and associated Sustainable Development Goals

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
1. Administration of justice																		●
2. Legislative matters	●				●					●								●
3. Science, technology and innovation									●									●
4. Oversight and transparency																		●
5. Culture and Sport				●							●							
6. National defence																		
7. Production development		●						●	●			●		●	●			●
8. Education				●														
9. Infrastructure, transport and communications								●			●							
10. Environment and natural resources						●		●			●	●	●	●	●			
11. Social protection and security	●	●			●			●		●								
12. Registries and official information																	●	●
13. Health			●		●													
14. Public safety			●		●												●	
15. General public services								●		●							●	●
16. Labour and employment								●										
17. Housing						●					●							
18. Energy							●											

Source: Portal de Transparencia Presupuestaria, "Vínculos entre ODS y Áreas Programáticas", Office of Planning and the Budget, [online] <https://transparenciapresupuestaria.opp.gub.uy/inicio/objetivos-de-desarrollo-sostenible>.

This made it possible to detect challenges in determining the cost of the implementation of the SDGs, such as the inability to separate the resources earmarked for achieving a specific Goal from resources to be allocated to other issues, or the difficulty of separating the allocation of resources to each SDG because of the interdependence between them.

The VNR for 2018 submitted by Uruguay to the high-level political forum on sustainable development also provides information on the initiative related to national health accounts that is currently being carried out by the Ministry of Public Health, the Ministry of Economic Affairs and Finance and the Office of Planning and the Budget (Government of Uruguay, 2018).

Another noteworthy example is **Colombia**, which, in its latest voluntary national report (Government of Colombia, 2018), presented a new tool developed by the National Planning Department aimed at facilitating the allocation of resources to achieve the 2030 Agenda. The report details the limitations of the tool and the difficulties in identifying the resources allocated to each SDG, mainly due to the interdependence and cross-cutting nature of issues under the goals. The tool is used to track, collect and systematize budgetary information, using data analysis to identify, classify and quantify, for each

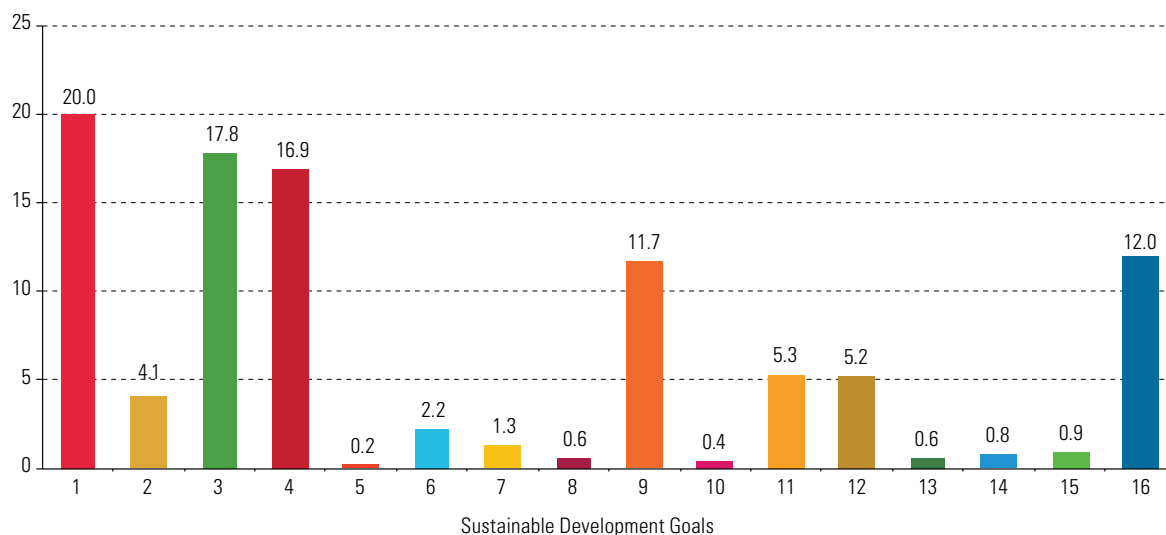
source of public expenditure, the resources that go towards implementation of the SDGs. The idea is to establish a baseline from which to monitor changes in resources set aside for achieving the SDG targets.

Using texts and resources from various sources (general national budget, general participation system, the general royalty system and international cooperation, as well as official documents referring to the SDGs), the National Planning Department filters and classifies texts by item and by investment project for each identified source.

Difficulties arise when the action planned for a given investment project is related to the terms found in more than one SDG. This limitation must be acknowledged when interpreting the results of the tool: because each unit of analysis is assigned only to the Goal with which it has the most in common, there is a chance that cross-cutting issues in SDGs that have not been identified could be overlooked and those issues would therefore not be as prominent as those which receive the most resources. This applies to SDGs 5, 8, 10 and 13.

Figure II.1 shows the share of total investment financed by general budget that was allocated for the implementation of the SDGs during the period 2015–2017. Investment was concentrated in SDGs 1, 3, 4, 9 and 16 and went mainly to infrastructure development, in particular the transport sector, to better connect the regions of the country. Special emphasis was also placed on resources for institution-building and peace negotiations.

Figure II.1
Colombia: distribution of total investment financed from the general budget towards implementation of the Sustainable Development Goals, 2015–2017
(Percentages)



Source: Government of Colombia, *Reporte nacional voluntario Colombia 2018* [online] https://sustainabledevelopment.un.org/content/documents/20338RNV_Versio769n_revisada_31.07.18.pdf

An analysis of the efforts by Mexico, Uruguay and Colombia to link their development plans with the budget and the 2030 Agenda shows the limitations and complexities of this integrative approach. In addition to the fact that budget and planning cycles are not synchronized, the comprehensive nature of the Agenda means that the cross-cutting effects of the Goals on budgets, projects and programmes must be identified. However, the emergence of this approach in planning calls for a complete shift in the current silo-based management of the various sectors, in which there is little intersectoral coordination. In this sense, the institutional framework for the implementation of the 2030 Agenda not only requires, but also enables new dialogues and forms of public management.

In the case of **Argentina**, with regard to the linking of the budget to the SDGs, the document *Informe país Argentina 2018* presented the work done by the Secretariat of Budget Evaluation, Public Investment and Public-Private Participation of the Head Office of the Cabinet of Ministers, which analysed the budget for the targets of the six SDGs prioritized by the United Nations for that year: SDGs 6, 7, 11, 12, 15 and 17 (Government of Argentina, 2018a). Joint efforts by all the government ministries and the Head Office of the Cabinet of Ministers led to the publication of the report *Vinculación de los Objetivos de Desarrollo Sostenible con el presupuesto nacional* (Government of Argentina, 2018b). In addition, the budget for 2019 sent by the Ministry of the Economy to Congress for consideration and adoption took into account each budget line's linkages with the respective SDGs.

F. A comprehensive approach to the challenge of inclusion

Committing to the 2030 Agenda enables countries to meet challenges with a renewed and inclusive outlook and with the recognition that any progress made must be extended to the millions of people left behind. The United Nations Sustainable Development Group for Latin America and the Caribbean proposes a list of approaches for a comprehensive response to the challenge of inclusion (UNSDG, 2018):

- (a) The gender approach facilitates the identification of cultural and social constructions that predispose society to naturalize situations of discrimination and exclusion. This is important because even today, how the feminine and the masculine is built contribute to exclusion, devaluing women versus men.
- (b) The intercultural approach favours integration and inclusion. This is particularly important when one considers that in all analyses of poverty and exclusion, regardless of the development indicator used, indigenous peoples appear to be behind. Furthermore, the consideration of issues faced by Afrodescendant populations (some 150 million people in the region) is also closely related to an intercultural approach that promotes coexistence.
- (c) The life cycle approach recognizes that human development depends on the interaction of different factors over the course of life, cumulative experiences and the situations of each individual influenced by their family, social, economic, environmental and cultural context. It should be borne in mind that investment in timely care for each generation will affect the next and that well-being in any given stage of life may depend on actions that were performed at an earlier stage.
- (d) The regional approach is also important given the uneven distribution of issues such as personal security, teenage pregnancy or child undernutrition across regions, countries and even cities. There are pockets of populations that have been left behind and that live in territories where an approach tailored to the specific realities is needed to address these problems.
- (e) Attention to the environmental dimension is essential. Among the many challenges the region faces in this regard, one of the most pressing is the need to promote multisectoral dialogues on the trade-offs of the 2030 Agenda and to establish common objectives for territorial development. Although progress is being made in these dialogues, much remains to be done to overcome inertia and change the way things have been done to date.
- (f) Lastly, with regard to the implementation of the 2030 Agenda, it is necessary to move from an exclusively government-centric approach towards the inclusion of stakeholders from civil society, academia and the private sector.

To implement the 2030 Agenda in line with the principles of the universal and integrated nature thereof and leaving no one behind, coherent policies, a multidimensional analysis of development challenges and cross-sectoral solutions are needed. This poses a great challenge in terms of horizontal coordination needed to break the culture of silos in the ministries and entities responsible for implementation. The very structure of ministries tends to hinder the formulation of comprehensive public policies that address the root causes and multiple dimensions of problems. The first step in overcoming this is to go beyond the notion of addressing gaps separately and understand that transformations are interlinked. It is not enough to define problems from multiple perspectives; it is necessary to create incentives to strengthen intersectorality, including in budget allocation, decision-making and measurement of the impact of initiatives.

The report *Environmental Governance and the 2030 Agenda: Progress and Good Practices in Latin America and the Caribbean* (UNEP/Cepei, 2018) shows how environmental policies and institutions are moving from highly centralized decision-making to more participatory approaches and from fragmented governance to more centralized coordination of regulatory resources, particularly in the Caribbean. Countries that have made progress in this regard have done so through the inclusion and coordination of a wide variety of economic and social stakeholders, taking action at all levels—from the highest echelons of government to working groups. They have also combined the response to development problems and environmental problems, or have developed instruments that link social and environmental vulnerability, such as the Climate Change Adaptation and Vulnerability Index (IVACC),¹⁵ and investment designed to improve the collection of environmental data for public policy management.

G. Concluding remarks

More than three years since the 2030 Agenda first began to be implemented, some trends in the development of the institutional framework for its implementation can be identified.

Institutions responsible for effective coordination must deal with the challenges of inclusion and horizontal and vertical coordination. To achieve progress in implementation, institutions have shifted from an approach addressing one problem at a time to one where development problems are seen to be multidimensional in nature and require multi-stakeholder responses. Progress has also been made regarding the need to create incentives for an intersectoral approach, in particular by linking national budgets to development outcomes in line with the SDGs.

Another trend that has been observed is that “leaving no one behind” means creating a favourable environment for the most vulnerable groups and territories, rather than simply bridging gaps. Understanding and addressing persistent exclusions—based on gender, ethnicity, race and migration status—would redefine the spaces where policy interventions can help to create equal opportunities, empowering traditionally excluded peoples and recognizing their rights. To this end, institutions have sought to identify the development issues in which these hard exclusions occur and to devise packages of multidimensional and multi-stakeholder solutions.

The institutional mechanisms for the implementation of the 2030 Agenda have moved forward in formulating and defining strategies to adapt the Agenda at the national and subnational levels. The United Nations system has contributed to this process by preparing guides, manuals and guidelines on the integrated nature of the Agenda and with a view to maintaining its coherence with planning instruments and processes. Furthermore, the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, which meets under the auspices of ECLAC, is a space for peer learning

¹⁵ See [online] <https://siuben.gob.do/ivacc/>.



that facilitates the exchange of experiences, the identification of good practices, the pursuit of common goals and capacity-building.

A comparison with past regional progress reports points to an increase in the number of national and subnational initiatives, especially in the Caribbean, in the form of conferences, seminars and exercises linking planning and the 2030 Agenda. There has been a notable improvement in the dissemination of the Agenda in South and Central America, often led by planning authorities, with a view to engaging territories through outreach campaigns. More in-depth studies such as system analysis exercises have also been carried out to identify critical areas that are common to the Agenda and national priorities.

Efforts to raise awareness and create linkages with planning requires the participation of multiple stakeholders. It is for this reason that the promotion of innovative public-private partnerships, leadership in participatory planning processes and open government initiatives have been included in this report as examples of practices that are taking place in the region and that will contribute to the achievement of the SDGs.

There is a new relationship between the State, the market and society, in which the State must face challenges that include creating the necessary financing conditions to promote and strengthen the implementation of the 2030 Agenda or strengthening coherence between public policies and budgets. This chapter has highlighted some regional efforts to link planning with budgeting and the Agenda, which brings with it challenges related to power dynamics, the disconnect between planning and budget schedules, and the integrated nature of the Agenda from the perspective of the means of implementation discussed in detail below.

Where the region has made the most progress in terms of follow-up mechanisms for the 2030 Agenda has been in aligning national development plans and the 2030 Agenda; awareness-raising and training activities to promote the Agenda and its links with national development objectives; the integrated nature of the Agenda and the synergies between the SDGs; the inclusion of territories and other development actors; and the challenge of financing, which calls into question traditional budgetary structures and fuels a transition to more integrated and coherent models.

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Annex II.A1

Coordination mechanisms and voluntary national reviews submitted

The experiences of some countries in developing coordination mechanisms for the implementation of the 2030 Agenda and the presentation of voluntary national reviews to the high-level political forum on sustainable development are set forth below.

In 2017, **Antigua and Barbuda** has an interim arrangement. Although the social development and SDG portfolio lies with the Ministry of Foreign Affairs, the Working Group operates from the Office of the Prime Minister as is chaired by a Senior Adviser to the Prime Minister. The Government also established a Cabinet Subcommittee on the SDGs chaired by the Minister of Foreign Affairs.

In **Argentina**, follow-up of the Sustainable Development Goals is the responsibility of the National Council for Social Policy Coordination, which was set up in 2002 to bring together the planning, coordination and follow-up of national social policies. In 2017, Argentina presented its coordination mechanism at the high-level political forum on sustainable development, specifying that 20 ministries coordinate in the framework of the Council, grouped in 6 commissions by priority strategic area: education; science and technology; sustainable agricultural production; housing, habitat, urban development and infrastructure; work and employment; and social protection. The main purpose of the commissions is to define and prioritize the objectives for each strategic area for subsequent systematization of the goals and targets, in coordination with the Council, with a view to producing a framework document compiling the set of adapted goals and indicators for formulating lines of work at the national level (Alonso, Huitrón and Santander, 2017).

The Council has worked with specific agencies on cross-cutting issues to ensure gender mainstreaming, the inclusion of persons with disabilities, indigenous peoples and other vulnerable population groups, a rights-based approach, a life-cycle approach and territoriality, and to ensure compliance with methodological standards for the development of indicators. Those agencies are listed below, by area of action:

- Rights-based approach: National Secretariat for Human Rights and Cultural Pluralism, Ministry of Justice and Human Rights.
- Gender mainstreaming: National Women's Council, National Council for Social Policy Coordination and Office of the President.
- Inclusion of indigenous peoples: National Institute of Indigenous Affairs, Ministry of Justice and Human Rights.
- Inclusion of persons with disabilities: National Advisory Commission for the Integration of Persons with Disabilities, National Council for Social Policy Coordination, Office of the President.
- Life cycle: National Institute of Statistics and Censuses (INDEC), Ministry of Finance and relevant ministries.
- Territoriality: relevant ministries.
- Statistical rigour: National Institute of Statistics and Censuses (INDEC) and Ministry of Finance.

In 2016, the **Bahamas** established a National Development Council to oversee implementation of the 2030 Agenda, comprising members of civil society, the private sector, academia, trade unions and political parties. The Economic Development and Planning Unit, which is located in the Office of the



Prime Minister, serves as secretariat for the Council and has the primary responsibility for implementing the National Development Plan (Vision 2040). In 2018, the Bahamas fine-tuned institutional arrangements between the Economic Development and Planning Unit in the Office of the Prime Minister and the Ministry of Foreign Affairs, as reflected in the country's first voluntary national review in 2018.¹⁶ It also recognized the need to strengthen institutional arrangements to ensure that all segments of society are involved in and responsible for the implementation of the SDGs. To that end, it was proposed to establish an interministerial group/agency to facilitate and coordinate the national response to the implementation of the Goals. This group seeks to strengthen the coordination mechanism for the implementation and follow-up of the SDGs, improve awareness of them and enhance their alignment with Vision 2040, as well as increase the technical capacity to produce quality data for monitoring the Goals.

In **Belize**, *Horizon 2030: National Development Framework for Belize 2010–2030*¹⁷ is the reference for long-term development planning. Its priorities include democratic governance for effective public administration and sustainable development, education, economic resilience, health and the environment. Based on this plan and to facilitate its implementation, the *Growth and Sustainable Development Strategy, 2016–2019* (GSDS 2016–2019) was adopted in line with the 2030 Agenda. To include a wide range of perspectives with a view to achieving long-term objectives, the institutional mechanisms provide for participation by public and private stakeholders, academia, advocacy groups, non-governmental organizations, rural communities, political parties and groups focusing on women, youth and populations at risk of exclusion. Institution-building is fortified by the experience gained from previous development plans and strategies that informed the current Strategy which, for the first time ever, incorporates all the pillars of sustainable development.

The institutional mechanisms for the implementation and follow-up of the Strategy include a coordination unit in the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce—under the authority of the Cabinet, which is the final-instance decision-making body—and wide interministerial participation. Five technical committees coordinate the actions of several ministries with a view to achieving the five critical success factors. For example, the Social Cohesion and Resilience Committee comprises the Ministries of Education, Science and Technology, Culture, Youth and Sports; Human Development; Social Transformation and Poverty Alleviation; Health; and Home Affairs.

In terms of institutional structure, the Cabinet is the ultimate decision-making body and the Ministry of Economic Development serves as the coordinating unit. The Horizon 2030 Commission, a multisectoral body which reports to the Cabinet, comprises representatives of companies, trade unions and non-governmental organizations. The coordination unit advises other ministries on strategic policies and plans of action, prepares annual reports for the Commission, and organizes consultations every three or four years for the implementation of Horizon 2030. The district committees, which represent the ministries and departments, have a mandate and structure that facilitate interministerial and intersectoral planning.

Brazil set up the National Commission for the Sustainable Development Goals, a collegiate body of a consultative nature forming part of the structure of the Government Secretariat of the Office of the President. It comprises representatives of that Secretariat, the Office of the Chief of Staff of the Office of the President (*Casa Civil*) and representatives of four portfolios, namely the Ministry of Foreign Affairs, the Ministry of Citizenship, the Ministry of Economic Affairs and the Ministry of the Environment, together with representatives of the state, district and municipal levels and civil society. The Commission's responsibilities include preparing an action plan for implementation of the 2030 Agenda; proposing strategies, instruments, actions and programmes; carrying out follow-up and producing progress reports;

¹⁶ Government of the Bahamas, *Voluntary National Review on the Sustainable Development Goals 2018*, June 2018 [online] https://sustainabledevelopment.un.org/content/documents/19874VNR_document_03.07.18_master_document.pdf.

¹⁷ See Government of Belize, "National Development Framework for Belize 2010–2030" [online] <http://www.cdn.gov.bz/belize.gov.bz/images/documents/NATIONAL%20DEVELOPMENT%20FRAMEWORK%202010-2030%20USER%20FRIENDLY%20VERSION.pdf>.

disseminating best practices; and ensuring coordination with public agencies and other bodies at the national and subnational levels.

As indicated in the second annual report, 16 representatives of the federal government, state and municipal governments, and civil society were selected to form part of the National Commission for the Sustainable Development Goals during its first mandate, so that the different sectors and segments would be represented.

The Government of **Chile** set up its National Council for Implementation of the 2030 Agenda for Sustainable Development in 2016, chaired by the Ministry of Foreign Affairs and comprising representatives of ministries of the economy, development and tourism, environment and social development, with the last of these acting as the technical secretariat of the Council. This Council's main functions are to advise the President on implementation and follow-up of the 2030 Agenda, act as a coordinating body within Chile for processes carried out internationally, and coordinate with governmental, international, private sector and civil society organizations.

In the annual report on regional progress and challenges of 2017, it was reported that the Council's work was organized in three commissions —social, economic and environmental— with working groups created to deal with cross-cutting issues. The committees and working groups involve representatives of civil society, foundations, corporations, non-governmental organizations, residents' associations and universities, among others.

Colombia was one of the first countries in the world to create an inter-institutional commission at the highest level, and since then has taken major strides in the implementation of the SDGs, as reflected in the first voluntary national review presented in 2016 and included in the first annual report on regional progress and challenges.¹⁸ The purpose of the High-level Inter-Agency Commission for the Preparation and Effective Implementation of the Post-2015 Development Agenda and its Sustainable Development Goals is to implement the Goals by means of: (i) public policies, plans, actions and programmes; (ii) prospective planning; and (iii) monitoring, follow-up and evaluation of the Goals and their respective targets.

The Commission is composed of the Ministries of Foreign Affairs; the Ministry of Finance and Public Credit; and the Ministry of the Environment and Sustainable Development; in addition to the Administrative Department of the Office of the President, the Director of the National Planning Department (as Chair), the Director of the National Administrative Department of Statistics and the Director of the Administrative Department for Social Prosperity.

The High-level Inter-Agency Commission can set up sectoral or territorial technical committees and working groups, for which it is empowered to invite ministers, other authorities representing official national or territorial bodies, and members of civil society, academia or the private sector, among others.

In 2018, Colombia updated its practice, mainly to take into account the changes arising from the signing of the peace agreement. Aligning the efforts of Agenda 2030 with the peace process should underpin progress in building stable and lasting peace.¹⁹ In order to make progress in this regard, a national policy has been drawn up: "Estrategia para la Implementación de los Objetivos de Desarrollo Sostenible (ODS) en Colombia".²⁰

¹⁸ Economic Commission for Latin America and the Caribbean (ECLAC), *Annual report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean* (LC/L.4268(FDS.1/3)/Rev.1), Santiago, June 2017.

¹⁹ Government of Colombia, *Reporte nacional voluntario Colombia 2018* [online] https://sustainabledevelopment.un.org/content/documents/20338RNV_Versio769n_revisada_31.07.18.pdf.

²⁰ National Council on Economic and Social Policy (CONPES), "Estrategia para la Implementación de los Objetivos de Desarrollo Sostenible (ODS) en Colombia", *Documento CONPES*, N° 3918, Bogotá, 15 March 2018.



In September 2016, **Costa Rica** concluded its National Covenant for Fulfilment of the Sustainable Development Goals, the first of its kind in the world. The Covenant is an interinstitutional instrument, with the three branches of the State working in coordination and on an equal footing. The government and its ministries commit themselves to working with other arms of the State and other relevant stakeholders in society, including non-governmental and non-State actors, on decision-making in relation to the 2030 Agenda. One practical implication of this is that the Covenant transcends administrations: future governments remain bound by the commitment to implementing the 2030 Agenda in the terms of the Covenant, regardless of their political orientation.

The members of the High-Level National Coordinating Committee for the Sustainable Development Goals (political coordination) are the Office of the President of Costa Rica and the Ministries of National Planning and Economic Policy, Foreign Affairs, and the Environment and Energy. Below the Committee are the municipalities; the technical secretariat, whose members are the Ministry of National Planning and Economic Policy and the Statistical Advisory Agency; and other stakeholders including academia, civil society and the private sector. It is the responsibility of the Technical Committee for the Sustainable Development Goals and the working groups to coordinate implementation of the Goals, advised by the National Institute of Statistics and Censuses (INEC) on the preparation of indicators.

Cuba created, in September 2015, an inter-agency working group for follow-up to the implementation of the 2030 Agenda for Sustainable Development, which is led by the Ministry of Economy and Planning, as the lead agency of the country's National Economic and Social Development Plan for 2030 (PNDES).

In Cuba, the adoption of the 2030 Agenda 2030 is a State commitment and a national priority reflected in the incorporation of the 17 SDGs into the National Economic and Social Development Plan for 2030.²¹ Cuba has ratified its commitment to the implementation of the 2030 Agenda and the SDGs in the framework of the United Nations, and in 2017 updated the composition of the National Group for the Implementation of the 2030 Agenda. Under the leadership of the Ministry of the Economy and Planning, the national mechanism for the implementation of the 2030 Agenda comprises agencies from the State central administration, national bodies and stakeholders from wider society. The substantive members of the National Group are four key bodies:

- (i) Ministry of the Economy and Planning: chairs the National Group and oversees incorporation of the components (Goals and targets of the 2030 Agenda for Sustainable Development) into plans and strategies of the national economy.
- (ii) Ministry of Foreign Affairs: responsible for the political pillar. Supports the Ministry of the Economy and Planning in coordinating the information in this sphere.
- (iii) Ministry of Foreign Trade and Foreign Investment: deals with matters relating to international cooperation and development.
- (iv) National Office of Statistics and Information: responsible for the information pillar. It compiles the statistical information for fulfilment of the 2030 Agenda.

The economic and social objectives of PNDES and the 2030 Agenda are also enshrined at the provincial and municipal level, since the targets directly affect local government responsibilities. The annual economic plan and budget identify the resources and capacities needed to implement the SDGs, as well as other sources, such as international cooperation, local development projects and grants, and ensure the participation of all stakeholders. The political will of the State to implement the Agenda is materialized in the financing allocated in the budget to policies, programmes and projects.

²¹ The bases for PNDES were adopted at the third plenary session of the Central Committee of the Communist Party of Cuba, in May 2017.

In **Dominica**, the government established the SDG National Committee in May 2018 as an interim mechanism for coordinating implementation of the Sustainable Development Goals in the country. Dominica is now taking concrete steps to formally establish an institutional arrangement for SDG implementation that would include a National SDG Oversight Coordinating Committee as the decision-making body, together with an advisory, technical and evaluation body (headquartered in the Ministry of Planning and Economic Development) and a Monitoring and Reporting Mechanism (headquartered at the Central Office of Statistics). The institutional arrangement will include three working groups—focusing on the economic, social and environmental dimensions of sustainable development, respectively—and several public and private stakeholder groups that include government departments, municipalities, the private sector, civil society and academia.

As reported in the first annual report on regional progress presented to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, in 2016 the **Dominican Republic** set up the High-level Inter-Agency Commission for Sustainable Development, led by the Ministry of the Economy, Planning and Development as technical secretariat and comprising representatives of the Ministries of the Presidency, Foreign Affairs, Finance and Public Credit, the Environment and Natural Resources, Agriculture, Industry and Commerce, and Energy and Mines. Also part of the Commission are the Social Policy Coordination Cabinet of the Office of the President, the National Bureau of Statistics, the National Council on Climate Change and the Clean Development Mechanism, along with three representatives of civil society, including one from business.

The goal of the Commission is to integrate the SDGs into all planning instruments and the National Development Strategy. The Commission is innovative compared to other mechanisms as it coordinates the senior leadership of the executive branch of government.

In 2018, the Dominican Republic presented its voluntary national review,²² in which it collates the efforts of several years. Significant changes have been made regarding the institutional processes reflected two years earlier, with a twofold purpose. First, processes have been linked to the formation of a national mechanism for review and follow-up of the 2030 Agenda. Second, progress has been made in the design, coordination and implementation of policies and programmes geared towards achieving sustainable development.

According to the voluntary national review, the High-level Inter-Agency Commission for Sustainable Development (established by Presidential Decree in 2016) is organized into four subcommissions linked to the sustainable development pillars (people, prosperity, planet and institutions), a statistics committee and a technical secretariat. It is also planned to create a cross-cutting Financing for Development Committee to work with all the subcommissions.

Ecuador presented its first voluntary national review at the high-level political forum in July 2018. The report, prepared by the National Secretariat of Planning and Development (SENPLADES), in its capacity as technical secretariat of the national decentralized system of participatory planning and in coordination with the Ministry of Foreign Affairs and Human Mobility, sets forth the alignment of the 2030 Agenda with the National Development Plan “A whole life 2017–2021”.²³

In Executive Decree No. 371 of April 2018, the President declared that the adoption of the 2030 Agenda for Sustainable Development was a public policy of the national government, aimed at the fulfilment of the Goals and targets of the Agenda in alignment with national planning and development.²⁴ Article 3 of the Executive Decree entrusts SENPLADES with planning, follow-up and evaluation of the SDGs.

²² Government of the Dominican Republic, *Informe nacional voluntario 2018: compromisos, avances y desafíos hacia el desarrollo sostenible*, June 2018 [online] https://sustainabledevelopment.un.org/content/documents/19710INV_RD_2018_V2.pdf.

²³ See [online] https://www.cancilleria.gob.ec/wp-content/uploads/2018/02/plan_estrategico_institucional_2017_2021.pdf.

²⁴ See article 1 [online] http://www.ecuadorinmediato.com/modules/umFileManager/pndata/2018-04/decreto_371_71305.pdf.



The National Statistics and Census Institute (within SENPLADES) is responsible for implementing the Statistical Development Plan for reporting on the indicators. The Ministry of Foreign Affairs and Human Mobility is the body responsible for coordinating State relations and presence in the international bodies related to the 2030 Agenda.

Ecuador has also brought in other actors with a prominent place in the SDG coordination process. For example, on 20 July 2017 the National Assembly²⁵ adopted a binding resolution making the 2030 Agenda and the SDGs a mandatory point of reference for the work of the National Assembly and its standing legislative committees, parliamentary groups and other legislative and administrative authorities.²⁶

The main activities undertaken by the National Assembly include the establishment of the Parliamentary Group for the Eradication of Poverty and the fulfilment of the Sustainable Development Goals; outreach and positioning of the 2030 Agenda, such as a forum on the challenge of implementing the Goals and sustainable development and a workshop on elements for the construction of laws that promote the SDGs.

Finally, during the process of adoption of the General State Budget, the National Assembly was involved in determining the funds to be allocated to the Sustainable Development Goals. Thus, the pro forma budget for 2018 identified SDG-related expenditure of US\$ 16.92 billion, equivalent to 48.5% of the pro forma and 16.3% of GDP (National Assembly 2018).²⁷

With regard to the engagement of other stakeholders, the government has encompassed civil society, local governments, the private sector, academia, and international entities and non-governmental organizations in a national dialogue, with the aim of generating commitment and aligning them with the Agenda so as to guide the country along the path of sustainability.

In **Grenada**, the Department of Economic and Technical Cooperation in the Ministry of Finance, Planning, Economic Development and Physical Development is tasked with the responsibility of coordinating SDG activities in the country pending the establishment of a formal mechanism.

In **Guatemala**, the coordinating body for the 2030 Agenda is the National Council for Urban and Rural Development (CONADUR), which is making use of existing institutions and continuing with the role it played in following up the Millennium Declaration. The Secretariat for Planning and Programming of the Office of the President (SEGEPLAN) is in charge of implementing the 2030 Agenda. CONADUR is coordinated by the President of Guatemala, with the Secretary of Planning and Programming of the Office of the President carrying out secretariat functions. Its membership also includes ministries and secretariats of State and representatives of municipal corporations, the Maya, Xinka and Garifuna peoples and civil society organizations, business and academia, among others.

Guyana appointed a high-level Millennium Development Goals steering committee consisting of permanent secretaries and senior technical officials to oversee the implementation in the country of the United Nations Millennium Project commissioned in 2002. The government anticipates re-establishing this body as the statutory high-level steering committee for the Sustainable Development Goals, with representation from related sectors and led by the Ministry of Finance. The Ministry of the Presidency is leading the development of the Green State Development Strategy, which is aligned with the Sustainable Development Goals.

²⁵ National Secretariat of Planning and Development (SENPLADES), *Examen nacional voluntario: Ecuador 2018*, June 2018, p. 23 [online] <https://sustainabledevelopment.un.org/content/documents/19627EcuadorVNRReportENVE2018.pdf>.

²⁶ Resolution of the National Assembly of Ecuador 20 July 2017, article 2.

²⁷ See National Secretariat of Planning and Development, "Examen nacional voluntario: Ecuador 2018" [online] <https://sustainabledevelopment.un.org/content/documents/19627EcuadorVNRReportENVE2018.pdf>.

In **Honduras**, achievement of the SDGs is seen as a challenge to be met by incorporating multisectoral, multidimensional and comprehensive approaches as a matter of priority. The Office of the President designated the General Coordination Secretariat of Government as focal point for the 2030 Agenda —thus making it lead agency for national ownership of the Agenda— to ensure that all levels of the central government (sector-specific cabinets, State secretariats and centralized and decentralized agencies) meet their commitments with regard to achieving the SDGs. On this basis, the Secretariat has spearheaded institutional systems, involving key stakeholders, in support of the Goals and has linked the 2030 Agenda with the national planning system, monitoring and evaluation systems and the national budget.

Two bodies have been established to integrate key stakeholders into the implementation of the 2030 Agenda, composed of stakeholders from the public sector, private companies, workers' and campesino organizations, academia, organized civil society and representatives of municipalities:

- (i) The High-level Commission, which is the formal instance for decision-making and follow-up with regard to the implementation of the 2030 Agenda, by means of public policies, plans, strategies, programmes and projects. It comprises representatives of central, municipal and local governments, civil society organizations, the private sector and workers' organizations.
- (ii) The Technical Committee, which is responsible for developing an operating system for the analysis and formulation of thematic proposals and suggestions on which the High-level Commission takes decisions. The Committee is made up of technical officials from the entities that form the Commission and from the National Institute of Statistics.

Coordination for both bodies is performed by the General Coordination Secretariat of Government, through the State secretariat. The Presidential Directorate for Strategic Planning, Budget, Public Investment and External Cooperation serves as the technical secretariat and monitors compliance of the activities to be implemented to achieve the Goals of the 2030 Agenda.

In **Jamaica** the coordination mechanism comprises the National 2030 Agenda Oversight Committee (NAOC), the Thematic Working Groups of Vision 2030 Jamaica; and the 2030 Agenda SDGs Core Group. The National 2030 Agenda Oversight Committee was set up in 2017 and reports to Cabinet and Parliament. The Core Group comprises the Planning Institute of Jamaica, the Statistical Institute of Jamaica and the Ministry of Foreign Affairs and Foreign Trade.

The report prepared for the first meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development indicated that in **Mexico**, the 2030 Agenda had been assumed as a State commitment, with its implementation being spearheaded by the Office of the President. Initially, the Specialized Technical Committee for the Millennium Development Goals Information System was adapted to create the Specialized Technical Committee for the Sustainable Development Goals (CTEODS), which reported to the Office of the President and provided support for the adoption, follow-up and reporting of indicators, and coordination of the 2030 Agenda. Later, on 26 April 2017, the decree creating the National Council for the 2030 Agenda for Sustainable Development was issued. The Council, headed by the President, is a collegiate body involving all State secretariats, in which subnational governments, civil society organizations, the private sector, academia and international agencies implementing the SDGs may be invited to participate. The Chief of Staff of the Office of the President serves as technical secretary of the National Council. The Council may also set up permanent or temporary committees to address specific matters.

Mexico has submitted two voluntary national reviews to the high-level political forum (2016 and 2018); on the second occasion, it showed the progress made in consolidating national and subnational structures for coordinating the Agenda and on the location and inclusion of all stakeholders in a “whole-of-society” approach. As at June 2018, under the coordination of the National Conference of



Governors (CONAGO) 31 of the 32 states had a legal basis for establishment of follow-up mechanisms to the Agenda at the state level and 29 such mechanisms had been formally established. In addition, more than 300 municipalities have taken steps to set up mechanisms for achieving the 2030 Agenda.²⁸

In 2018, Mexico completed its National Strategy for the Implementation of the 2030 Agenda, with the participation of different stakeholders involved in defining priorities, goals, indicators and challenges to be met. Progress was also made in mainstreaming the SDGs into national and subnational planning and budget frameworks, and in integrating all stakeholders more fully. The Planning Act was reformed in February 2018,²⁹ and addresses the three dimensions of sustainable development and the principles of equity, inclusion and non-discrimination to guide the implementation of long-term national projects, and includes the concept of sustainability in the form of clarifications to ensure the human right to a healthy environment.

As noted in the first annual report on regional progress presented to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, by 2016 **Panama** had adopted the SDGs as frame of reference for development and established the Inter-Agency and Civil Society Commission for the Support and Follow-up of the Sustainable Development Goals,³⁰ attached to the Social Cabinet. The Commission members are the Minister of Social Development in his or her capacity as coordinator of the Social Cabinet, the Executive Secretary of the Secretariat for Presidential Targets and the Chair of the Council of the National Alliance for Development. As part of the alignment of the SDGs with the government's strategic plan and with the priorities of the National Concertation for Development, the Inter-Agency Commission has worked on the development of the National Strategic Plan with a State Vision "Panama 2030".

Also in 2016, **Paraguay** set up the Inter-Agency Coordinating Committee for the Implementation, Follow-up and Monitoring of the International Commitments Accepted by the Country in the Framework of the United Nations Sustainable Development Goals. The Committee members are the Technical Secretariat for Economic and Social Development Planning, the Ministry of Trade, the Ministry of Foreign Affairs (coordinator) and the Social Cabinet of the Office of the President.

The Commission planned to empower 17 institutions to each take responsibility for the SDGs. The first step was to work with a framework of strategic policies and then with the data and measures each agency would take to meet the Goals. This institutional arrangement, as reflected in the first annual progress report, was revised after two years as outlined in the voluntary national review Paraguay submitted in July 2018.³¹ Salient features of the new arrangements are the "SDG Paraguay 2030" Commission and efforts made at all levels of government to include all stakeholders in order to fulfil the mandate to "leave no one behind". Accordingly, Paraguay has established an operational secretariat (attached to the Ministry of Foreign Affairs), a Technical Committee for Implementation responsible for monitoring implementation, under the Technical Unit of the Social Cabinet of the Office of the President of the Republic and a Technical Committee for Statistical Monitoring responsible for statistical coordination. This last Committee is accountable to the Department of Statistics, Surveys and Censuses (DGEEC) and comprises institutions that produce SDG-related information.

The organizational provisions envisage the establishment of three working groups to coordinate implementation of the economic, social and environmental pillars of the 2030 Agenda. These will be coordinated by the Ministry of Finance, the Ministry of Social Action and the Environment Secretariat, respectively.

²⁸ Government of Mexico, Informe nacional voluntario de México, 2018, p. 31 [online] https://sustainabledevelopment.un.org/content/documents/20125INFORME_NACIONAL_VOLUNTARIO_060718.pdf.

²⁹ Published in the Official Gazette the reform of the Planning Act, 16 February 2018.

³⁰ See Executive Decree No. 393, 14 September 2015 [online] https://www.gacetaoficial.gob.pa/pdfTemp/27870_B/GacetaNo_27870b_20150917.pdf.

³¹ Government of Paraguay, Informe Nacional Voluntario sobre la implementación de la Agenda 2030 para el Desarrollo Sostenible: Paraguay 2018, June 2018 [online] https://sustainabledevelopment.un.org/content/documents/19877IVN_ODS_PY_2018_book_Final.pdf.

Each working group will set up subgroups to coordinate implementation of the different SDGs, engaging strategic partners to fulfil the commitments made by the country in the framework of the 2030 Agenda and public stakeholders from the different branches of government at the central and local levels, as well as civil society, the private sector and international agencies.

Peru presented its voluntary national review in July 2017. The review showcased the country's strategy at the institutional level as well as its strategy for monitoring policies and indicators for the implementation of the 2030 Agenda. The institutional mechanism has been built on existing agencies. The process began in September 2016, when nationwide sectoral policies were rapidly brought into line with the 2030 Agenda. Intergovernmental coordination was facilitated with a view to updating policies and plans by institutionalizing dialogue and coordination mechanisms at multiple levels. The Centre for Strategic Planning (CEPLAN), which reports directly to the Office of the President of the Council of Ministers, was responsible for establishing the institutional framework.

CEPLAN, which existed previously, is the specialized technical agency that serves as the governing body that guides and coordinates the National System for Strategic Planning (SINAPLAN); the latter brings together all the entities and partner agencies responsible for national planning for development. CEPLAN is thus the focal point for the implementation of the 2030 Agenda, coordinating with the national government, subnational governments, autonomous constitutional bodies and the Forum of the National Agreement to implement the 2030 Agenda within the framework of SINAPLAN.

The Forum of the National Agreement provides for dialogue and consultation on strategic national planning: in addition to representatives of the State, it involves political parties represented in Congress and representative organizations of civil society.

Lastly, mention should be made of the work done by the National Institute of Statistics and Informatics (INEI) and the Round Table for Poverty Reduction (MCLCP) —established in 2001 pursuant to an agreement between the State and civil society and now present in 26 regions of Peru— which draws on the rights-based approach and the commitments undertaken by Peru in the framework of the United Nations, in particular those assumed in conferences prior to the Millennium Summit. This mechanism drives the implementation and monitoring of SDGs and collates data to assess the progress made.

In **Saint Kitts and Nevis**, the Ministry of Sustainable Development has assumed the role of coordinating SDG activities through its focal point for the Goals.

Saint Lucia established its Sustainable Development Goals National Coordinating Committee (SDGNCC) in 2017 with the mandate to guide and coordinate the implementation and monitoring of actions towards the achievement of the Goals in the country. This is a multisectoral committee, co-chaired by the Department of Sustainable Development and the Department of Economic Development, Transport and Civil Aviation. As authorized by Cabinet Conclusion 202 of 2017, the Committee comprises representatives of the Office of the Prime Minister and other key government ministries and departments, including the Central Statistical Office. The private sector, civil society organizations and academia are also represented. The work of the Committee is facilitated through working groups of stakeholders that report to it and liaise with other agencies that are not represented on the Committee.

In **Trinidad and Tobago**, the Ministry of Planning and Development, which has responsibility for national sustainable development, has assumed the role of coordination of the SDGs.

In **Uruguay**, Presidential Resolution No. 988/16 of 14 December 2016 established the institutional mechanism for the implementation and follow-up of the 2030 Agenda and the Council of Ministers approved the designation of three institutions, selected on the basis of their previous experience, to implement the 2030 Agenda and ensure compliance with cross-cutting mandates. The Office of Planning



and the Budget (OPP) is responsible for monitoring and coordinating SDG-related actions, the Uruguayan Agency for International Cooperation (AUCI) handles matters relating to international cooperation and the National Institute of Statistics is responsible for developing indicators and collecting data.

In 2018, Uruguay included all stakeholders in the government's public policies, on the basis that there is not a single objective of the 17 that can be tackled by the government alone and the fact that the path towards the SDGs involves the active participation of all citizens, social organizations, the business and production sector, and workers, among others. The report also states that the SDGs are not an exclusive responsibility of the State, but a responsibility of the country.³² Uruguay's voluntary national review for 2018 gives an overview of the participation of all stakeholders in public policy development processes, while the Office of the President of the Republic fostered social dialogues for society to discuss and share points of view in order to generate inputs for the sustainable development strategy.

As reported in the first annual report on regional progress presented to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, since 2016 the **Bolivarian Republic of Venezuela** has had a high-level body called the Council of Vice-Presidents, which is headed by the country's Executive Vice-President and includes all six sectoral vice-presidents (those responsible for the planning, policy, social, economic and territorial areas in addition to the Executive Vice-President), who analyse intersectoral and cross-cutting aspects of the development policies applied under the nationwide 2013–2019 Development Plan and their compatibility with the 2030 Agenda. The Ministry of Foreign Affairs oversees coordination of the competent departments and agencies of the central administration in their implementation of the 2030 Agenda through an interministerial coordination group.

³² Government of Uruguay, *Informe nacional voluntario: de Uruguay 2018* [online] https://sustainabledevelopment.un.org/content/documents/203232018_Informe_Nacional_Voluntario_Uruguay_ODS_1.pdf.



CHAPTER III

Progress in statistics for monitoring the Sustainable Development Goal indicators in Latin America and the Caribbean

Introduction

A. Actions at the global level

B. Actions at the regional level

C. Concluding remarks

Bibliography

Annex III.A1

Introduction

One of the pillars of implementation of the 2030 Agenda for Sustainable Development is monitoring progress towards achieving the Sustainable Development Goals (SDGs). As shown throughout this document, almost four years after the 2030 Agenda was adopted, much of the statistical information needed to assess progress towards targets has yet to be produced.

The demand for information from a broad and ambitious development agenda such as the 2030 Agenda pushes statistical information systems to produce data in areas where no demand had existed previously. In addition, it underscores the need to highlight inequalities between different social groups by generating disaggregated data and to focus analysis on the most vulnerable.

Although the overall situation does not yet reflect the efforts of national, regional and global bodies to improve production of statistical information to develop SDG indicators, it would not be accurate to say that there has been no progress in this area as significant achievements have been made on various fronts. In fact, at the regional level there has been noteworthy progress in many areas.

Unfortunately, the results of the implemented changes are not immediate, and it will take time for efforts to translate into production of more and better statistics. For example, the broad support provided to the countries of the region to implement and improve population and housing censuses, or the inclusion of new modules and questions to meet 2030 Agenda information requirements, will become visible only once countries have completed the 2020 census round and the data have been processed and validated. Similarly, a reasonable time will be needed for the technical cooperation activities aimed at improving household surveys to be apparent in results. In addition, many countries of the region still face challenges regarding the institutional framework for statistics: progress in this area will depend not only on the efforts of regional bodies and national statistical offices but also on the political will to implement legal changes that lay the foundation for proper functioning of national statistical systems.¹

As a result of the global statistical community's greater awareness of the need for data, and the unequivocal call of the 2030 Agenda to improve systems for monitoring targets, there has been an increase in the resources available to continue processes that promote greater data production. This has given rise to new projects implemented specifically to meet the statistical requirements of the global agenda.

Since the Member States of the United Nations adopted the 2030 Agenda, the system's funds, programmes and specialized agencies, regional offices and ECLAC have embarked on activities to improve the statistical capacity of countries, with a view to measuring, monitoring and reporting on progress towards the achievement of SDG targets. Actions have ranged from the establishment of conceptual frameworks for generating new indicators to analysis and reporting of progress towards achieving targets at different territorial levels.

This chapter describes the progress made in the creation and consolidation of the global indicator framework for monitoring the SDGs and short-term development plans. The second section describes the actions implemented at the regional level with respect to the assessment of national statistical capacities for the production of global indicators, as well as the outcomes of the process to prioritize indicators at the regional level conducted by the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean of the Statistical Conference of the Americas of ECLAC. The last section offers a description of the efforts and actions aimed at the generation of official statistics by statistical stakeholders in the United Nations system in the region and an account of the support provided to member States.

¹ See ECLAC, 2018, chapter V.

A. Actions at the global level

The international statistical community linked to the production of official statistics —composed of the national agencies of Member States— has prioritized the development of statistics within the United Nations Statistical Commission, to monitor progress towards the targets of the 2030 Agenda. To this end, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators was created. It comprises countries representing all regions of the world, and for the 2017–2019 period, the member countries representing Latin America and the Caribbean are Brazil, Colombia, Grenada, Mexico and Trinidad and Tobago. This group is continuing its work reviewing the global indicator framework for monitoring the SDGs. Meanwhile, the High-level Group for Partnership, Coordination and Capacity-Building for Statistics for the 2030 Agenda for Sustainable Development, in which the region is represented by Argentina, Costa Rica, Ecuador, Saint Vincent and the Grenadines, and Suriname, is developing strategic plans to strengthen capacities. The aim of these activities is to improve the preparation and dissemination of indicators, with a view to obtaining data on the global situation of the 2030 Agenda targets.

In accordance with its mandate, and as reported to the United Nations Statistical Commission, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators works in five strategic areas:

- (i) Tier classification updates and the methodological development of tier III indicators.
- (ii) Definition of criteria for the implementation of the guidelines on data flows and global data reporting for the Sustainable Development Goals.
- (iii) Proposal of proxy indicators for some of the tier III indicators to be used for immediate monitoring.
- (iv) Activities within the work stream on data disaggregation and the working groups on interlinkages, statistical data and metadata exchange and geospatial information.
- (v) Annual refinements of the indicators and plan for the 2020 comprehensive review.

In turn, the funds, programmes or specialized agencies that are designated custodian agencies for the indicators of the global indicator framework for the SDGs have worked with members of the Inter-Agency and Expert Group on SDG Indicators to update the indicator framework annually, to ensure comparability between national data, and to generate regional and global aggregates for reporting at the global level.

A description of the work carried out to update the tier classification, and of the methodological development of tier III indicators, follows later in the chapter.

The Inter-Agency and Expert Group on SDG Indicators, with the support of the United Nations Statistics Division as technical secretariat, is continuing to review the methodological aspects of global indicators. One of its objectives is to gradually reduce the number of indicators still classified as tier III,² with the support of international bodies and of United Nations funds, programmes and specialized agencies that act as custodian agencies for the production of global indicators. Accordingly, the proposals of the custodian agencies are analysed and the member States of the Inter-Agency and Expert Group determine whether they should be adopted. The milestones of this review and discussion work are the biannual face-to-face group meeting and virtual meetings that enable faster progress. In line with the conclusions of the last meeting, held in Stockholm in November 2018, the number of indicators remained at 232 at the time of preparation of this report; some of them are shared by more than one SDG (see table III.1).

² Since their conception in 2016, the indicators of the global indicator framework for monitoring the SDGs have been classified according to data availability and the methodological standards for their production. This classification comprises three tiers: (i) tier I (indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50% of countries and of the population in every region where the indicator is relevant; there are proposals with an established methodology and available data); (ii) tier II (indicator is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries); (iii) tier III (no internationally established methodology or standards are yet available for the indicator, but methodology/standards are being, or will be, developed or tested).



Table III.1
Number of indicators included in the global indicator framework for the Sustainable Development Goals

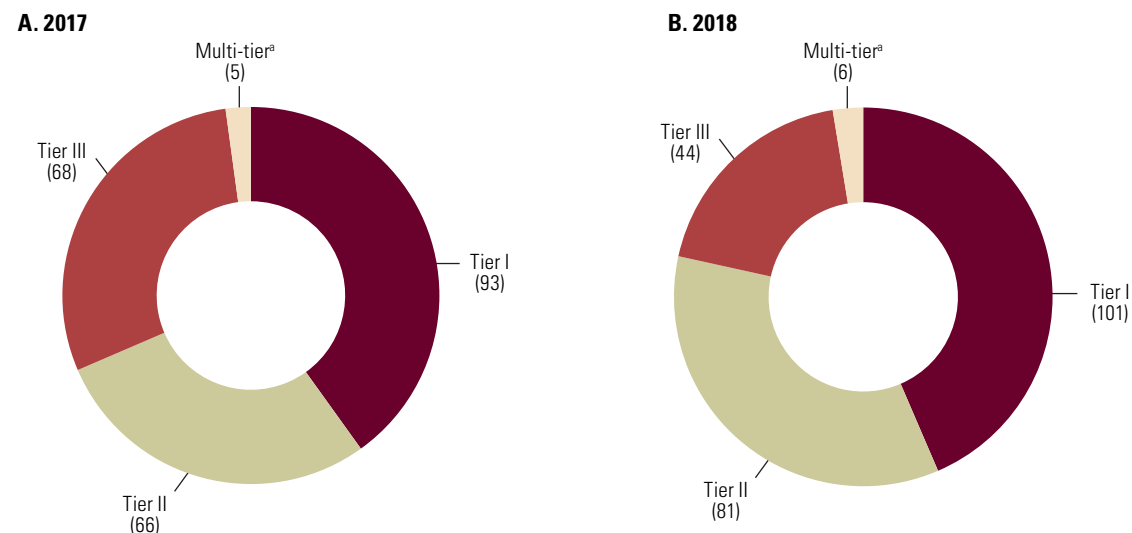
Sustainable Development Goal	Number of indicators
Goal 1: End poverty in all its forms everywhere	14
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	13
Goal 3: Ensure healthy lives and promote well-being for all at all ages	27
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	11
Goal 5: Achieve gender equality and empower all women and girls	14
Goal 6: Ensure availability and sustainable management of water and sanitation for all	11
Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	6
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	17
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	12
Goal 10: Reduce inequality within and among countries	11
Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	15
Goal 12: Ensure sustainable consumption and production patterns	13
Goal 13: Take urgent action to combat climate change and its impacts	8
Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	10
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	14
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	23
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	25

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, "Annex IV: final list of proposed Sustainable Development Goal indicators", *Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators. Note by the Secretary-General (E/CN.3/2016/2/Rev.1)*, New York, 2016.

Note: Some Goals share the same indicators; hence, the total for the 17 Goals is 244 indicators, rather than 232.

As regards progress in the availability of international standards and data in the current global indicator framework, at December 2018 the number of tier I indicators had increased (from 93 to 101) and the number of tier III indicators had decreased by 24 (see figure III.1). These changes reflect the work of the Inter-Agency and Expert Group to address the least developed indicators, in conjunction with the international agencies responsible for their preparation, as requested by the Statistical Commission.

Figure III.1
Number of Sustainable Development Goal indicators by tier, 2017 and 2018



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators. Note by the Secretary-General (E/CN.3.2019/2)*, New York, 19 December 2018.

^a There were five multi-tier indicators in 2017 and six in 2018 (the different components of the indicators are classified into different tiers).

This situation reflects the commitment of Member States to improving metrics for statistical monitoring of the 2030 Agenda. However, the capacity to produce the basic statistical information required to calculate the indicators varies greatly between countries. National statistical systems face many challenges regarding their capacity to respond appropriately and in a timely manner to data requests for SDG monitoring, as will be seen later.

At the global level, actions have also been taken to consolidate and refine the indicators and workplan for the 2020 comprehensive review. According to the plan, the revision of the global indicator framework will entail a major update by 2020, with the addition of new indicators, replacements and the development of indicators similar to those originally proposed, to provide more and better information relating to the targets of the 2030 Agenda.

The 2020 comprehensive review will seek to update the indicator framework, improve the monitoring of SDGs at the global level and provide better inputs and standards to member countries in the implementation of their national reporting mechanisms. This review should allow for some adjustments and updates without changing the scope or size of the original framework, take into account investments already made at the national and international level, and ensure that there is no increase in the reporting burden on national statistical system. The Inter-Agency and Expert Group on SDG Indicators also agreed that these modifications would include the replacement, deletion, refinement or adjustment of some indicators, and in a few selected cases, additional indicators when:

- The current indicator does not map well to the target or track the target well.
- The methodological development of a tier III indicator has stalled or cannot be reclassified as tier II or tier I.
- A crucial aspect of a target is not being monitored by the current indicators. The new indicators must have an agreed methodology and available data, and be suitable for global monitoring.

This process comprises several stages, to be completed in 2019:

- Preparation of a review framework containing possible deletions, replacements, adjustments and additions (November 2018–March 2019).
- Progress review of tier III indicators to determine whether they can be maintained in the list or deleted (March–April 2019).
- An open consultation on the preliminary list of possible deletions, adjustments, replacements and additions (May–July 2019).
- Review of the results of the consultations (September 2019).
- Preparation of the final proposal for the 2020 review and submission to the United Nations Statistical Commission for its consideration in March 2020.

B. Actions at the regional level

The United Nations regional commissions and other regional bodies play a fundamental role in the monitoring of the SDGs, as they are better positioned to act at the national level and have an impact on countries' statistical output, offer training and promote the adoption of recommendations arising at the global level. Regional bodies also have a greater capacity to work in a coordinated manner, organized around regional mechanisms to monitor and review implementation and follow-up of the 2030 Agenda. This allows them to link the national and global levels, while considering the specific characteristics and priorities of each region.



In Latin America and the Caribbean, the regional bodies are organized under the Forum of the Countries of Latin America and the Caribbean on Sustainable Development. The institutional base of statistical activities is the Statistical Conference of the Americas of ECLAC, the framework within which the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean was established. This Group comprises representatives of the national statistical offices of Argentina, Brazil, Colombia, Costa Rica, Ecuador, Grenada, Mexico, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago, with Chile and Cuba as observer States. The Statistics Division of ECLAC has been invited to serve as technical secretariat. This architecture is complemented by the statistical counterparts of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF), on behalf of the regional statistical coordination mechanism for Latin America and the Caribbean for the United Nations funds, programmes and specialized agencies.

This institutional framework has improved the coordination of the statistical activities performed by United Nations funds, programmes and specialized agencies in the region, contributing to the harmonization of strategic support by strengthening the national capacities needed for the implementation of the 2030 Agenda.

Since its creation in 2016, the Statistical Coordination Group has focused on coordinating capacity-building activities based on the specific needs of the region. To this end, and in order to identify inputs for the formulation of a focused regional strategy, the Group decided (within its terms of reference) to prepare an assessment of national statistical capacities for the production of global indicators, and to define a core set of priority indicators for the region that would focus efforts on technical assistance and the establishment of a common regional framework to measure the issues of interest to the group.³ In 2018, the Group focused on the following tasks:

- Updating the assessment of statistical capacities.
- Prioritizing indicators for regional monitoring of the SDGs.
- Preparing a detailed inventory of statistical capacity-building activities carried out by cooperation agencies operating in the region.

The following sections provide details of the findings from these activities.

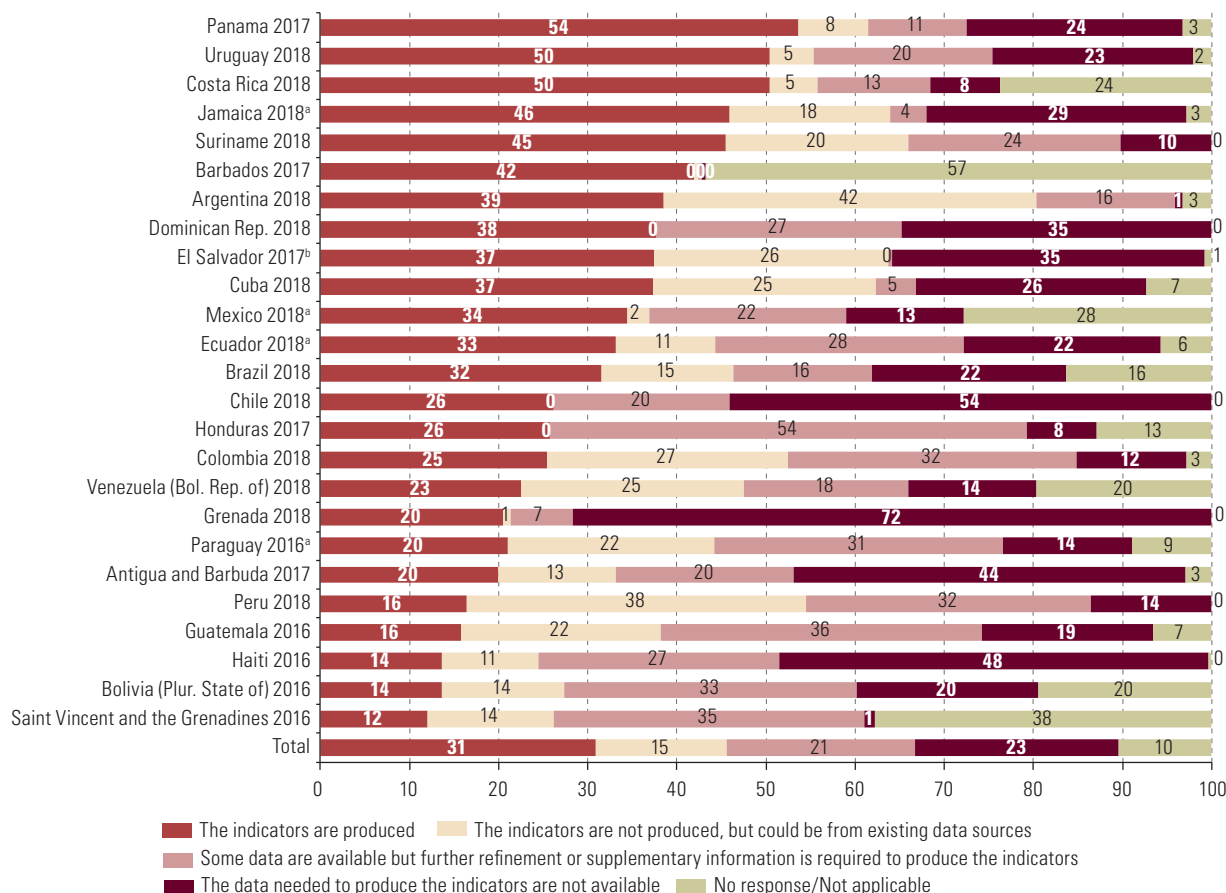
1. Updating the assessment of countries' capacities

Statistical capacities were assessed using a questionnaire sent to national statistical offices in 2016, enabling a detailed description of the statistical capacities of the countries of the region to produce the 2030 Agenda indicators. Since then, two updates have been completed, disclosing progress on SDGs by country and at the regional level.

At December 2018, regional production capacity had increased compared to the end of 2017, demonstrating countries' gradual and sustained progress in the production of basic statistical information to calculate global indicators. On average, 31% of the indicators included in the global framework are being produced by countries in Latin America and the Caribbean. The percentage rises to 46% with the inclusion of indicators that are not currently produced but for which primary information exists (see figure III.2), although there are significant differences between countries and subregions, ranging from 25% for Haiti or 26% for Saint Vincent and the Grenadines, to 71% for Argentina or 65% for El Salvador. In any case, only three countries in the region (Costa Rica, Panama and Uruguay) report producing more than 50% of the indicators included in the global framework.

³ See ECLAC (2016).

Figure III.2
Latin America and the Caribbean (25 countries): production of Sustainable Development Goal indicators by country, 2018
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).
^a Indicators that do not apply at the national level have been included in the “No response/Not applicable” category.
^b Indicators identified by the country as additional have not been included.

Broadly speaking, analysis of production capacity at the country level reveals that most nations have increased the average percentage of indicators they are able to calculate with respect to 2017. This is the case of Costa Rica and Panama, which have increased their indicator production capacity by an average of 20%, while Argentina, El Salvador and Grenada show average increases of 5% to 10%. Results vary from country to country; at first sight it could be assumed that only a few have improved their production capacities, above all because in some countries production capacity percentages decreased compared to 2017. However, unlike the assessment in 2016, a country’s progress or improvement does not necessarily imply an increase in the percentage of production capacity. This is because many countries have undertaken statistical strengthening by performing national feasibility analyses, enabling them to determine proper coverage of indicators and not just approximations. In this regard, Chile and the Dominican Republic addressed the evaluation instruments in a more detailed and in-depth manner, in keeping with their specific circumstances, and also undertook national classifications that provided them with statistical data according to their needs and priorities.

Although Ecuador, Mexico and Peru show reductions in the percentage of indicators they can produce, the availability analysis was based on the indicators they had prioritized for their national frameworks or that appear in their voluntary national reviews. Indicators that did not apply at the national level were therefore included in the “No response/Not applicable” category.

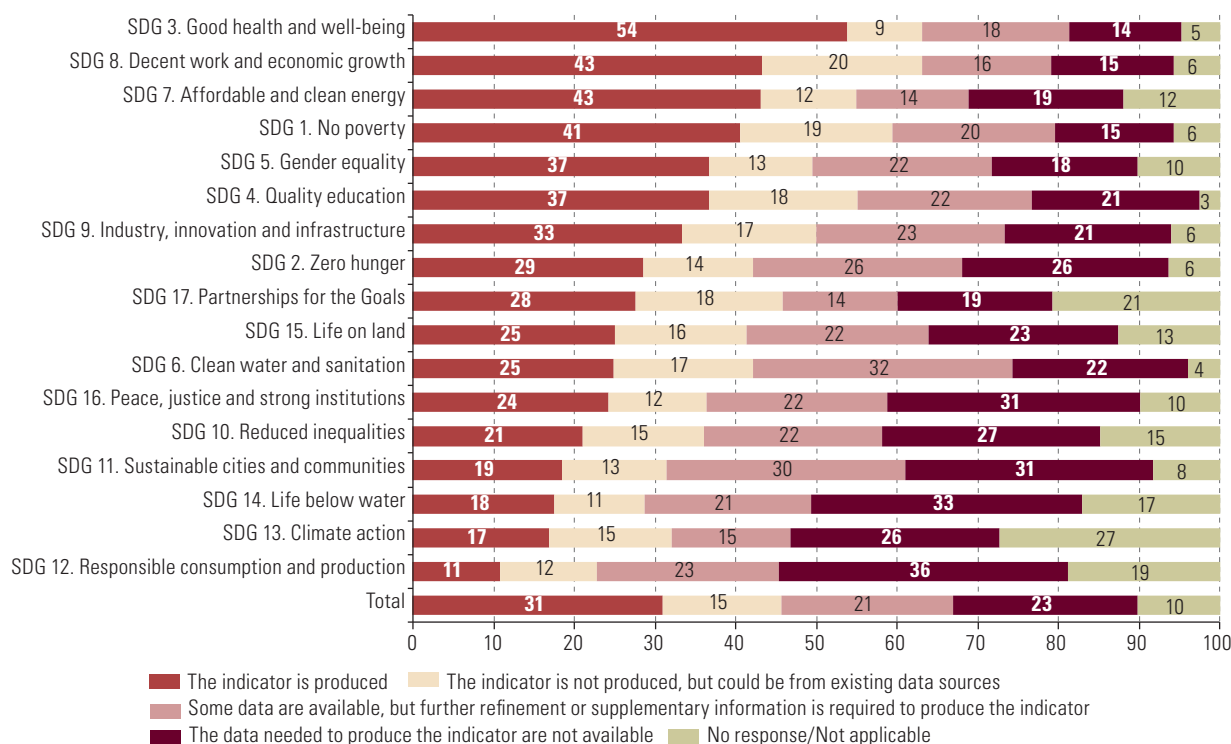


Although the updates to the assessment in 2016 have provided a useful overview of regional progress in production capacity and have served as a baseline for national assessments that countries have adapted to their needs, these results indicate that new analysis is essential to further clarify the heterogeneity in statistical production capacities between countries. The results also reflect countries' capacity to implement the SDG indicator methodologies proposed at the global level, and to report similar indicators adapted to their circumstances and priorities.

A more detailed overview of the progress made by the countries would make it possible to: (i) identify the information gaps that necessitate strengthening of data sources, taking into account all the series and disaggregations proposed in the global framework; (ii) highlight requirements for training in the implementation of the specific methodologies; (iii) promote horizontal cooperation and the transfer of experience and knowledge when methodologies and tools applied at the national level fill information gaps—including at the global level—as part of the necessary activities related to tier III indicators in the global framework.

Production percentages by SDG vary, reflecting the different degrees of statistical development in the sectors involved in the 2030 Agenda. The SDGs with the highest output are those related to good health and well-being (Goal 3), decent work (Goal 8), energy for all (Goal 7) and poverty (Goal 1). In these cases, the indicators produced at the national level average more than 40%. There are still gaps in information for monitoring SDGs that address responsible consumption and production patterns (Goal 12), climate action (Goal 13), life below water (Goal 14) and sustainable cities and communities (Goal 11) given their low levels of production—below 35% on average with the inclusion of those already produced and those that could be produced with existing sources of information (see figure III.3).

Figure III.3
Latin America and the Caribbean (25 countries):^a Sustainable Development Goal indicators
by level of production, 2018
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a The 25 countries are: Antigua and Barbuda, Argentina, Barbados, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Saint Vincent and the Grenadines, Suriname, Uruguay and Venezuela (Bolivarian Republic of).



The overall results of the updated assessment continue to show the urgent need to build inter-institutional mechanisms for statistical monitoring of the SDG indicators, and for technical assistance and horizontal cooperation accompanied by stable sources of financing that structurally improve the production of official statistics.

As will be seen below, actions have been taken in the region to improve the generation of the basic statistics that will enable production of the indicators in question. However, in many cases this entails the implementation of new procedures, statistical operations and collection instruments, involving institutional and investment processes that take time to consolidate and to produce baseline information with adequate quality standards.

These actions have required coordinated work from all actors operating in countries to produce official statistics, resulting in the establishment of institutional mechanisms and architectures—in various modalities and formats—which have revitalized the national statistical system concept. This allows the development of synergies as part of a new discussion agenda that includes the review of roles, responsibilities and definitions of the guiding principles for the production of official statistics, in processes that guarantee the quality of the information generated.

2. Prioritization of Sustainable Development Goal indicators

As mentioned in ECLAC (2018) and in accordance with the request made by the member States at the ninth meeting of the Statistical Conference of the Americas,⁴ the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean examined the proposal of ECLAC⁵—in its capacity as technical secretariat—for a framework of indicators for regional monitoring of the Goals and targets of the 2030 Agenda, to be presented to the Executive Committee of the Conference at its seventeenth meeting, and taking into account the situations, emphases and shared challenges of the countries of the region, in keeping with the provisions of General Assembly resolution 71/313.

In 2018, the member countries of the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean reviewed the proposal—under the coordination of the technical secretariat, with the support of the observer countries and representatives of the regional statistical coordination mechanism for Latin America and the Caribbean for the United Nations funds, programmes and specialized agencies. They also reviewed the global framework indicators not included in the proposal, in order to agree upon a core set of prioritized indicators for monitoring the 2030 Agenda from a regional perspective, which would: (i) take into account regional specificities, thereby complementing the global indicator framework for the SDGs, and (ii) contribute to prioritizing measurement efforts and to effectively coordinating horizontal, regional and international cooperation efforts towards closing gaps in statistical capacities.

The review and assessment of the indicators included the analysis of lists of indicators for monitoring other commitments adopted by member States of the region and thematic indicators regularly used by funds, programmes and specialized agencies of the United Nations, as well as availability of data at the national, regional and global levels, and expert opinions.

The inclusion (or not) of indicators in the prioritized set was based on the regional relevance of the indicator, its inclusion in other monitoring frameworks and the feasibility of its production at the regional and national levels. Although the availability of information was an important consideration, the prioritized indicators are not necessarily the ones for whose calculation the information already exists. Many of them reflect areas in which efforts must be pooled to make progress in developing methodologies, promoting technical assistance and fostering horizontal cooperation.

⁴ See ECLAC (2017a).

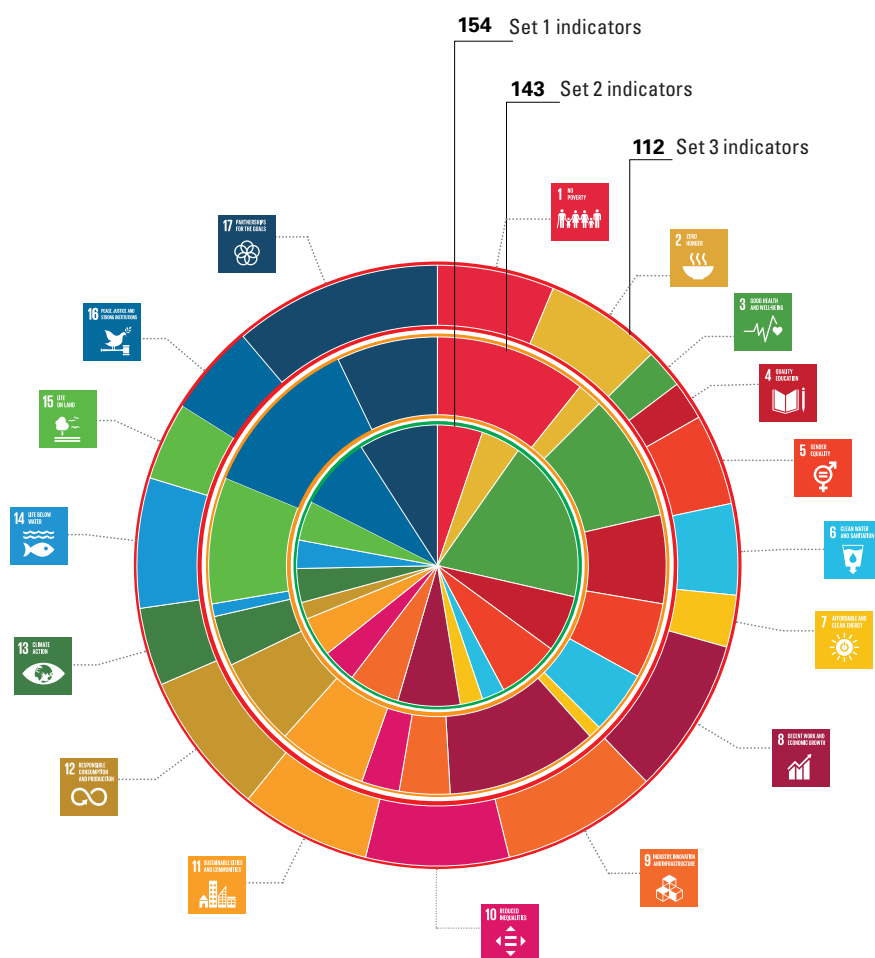
⁵ See ECLAC (2017b).



The outcome of the process was a prioritized set of 154 indicators, based on the regional relevance of the indicator, its inclusion in other monitoring frameworks and the feasibility of its production by the countries. Establishing a particular set of indicators does not mean that other indicators established at the global level for follow-up to the 2030 Agenda will not be included. Rather, it places them in a second and third order of priority (143 and 112 indicators, respectively), with a view to addressing them later, sequenced according to the considerations of the member countries of the Statistical Conference of the Americas.

The prioritized set of 154 indicators comprises 120 indicators from the global framework, 30 complementary indicators and 4 proxy indicators originally proposed by the technical secretariat of the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean. The 154 indicators cover the 17 SDGs and 94 of the 169 targets included in the global indicator framework (see figure III.4). With respect to tier classification based on the availability of methodologies and international standards, and of comparable data, of the 120 indicators from the global framework, 69 are classified as tier I, 43 as tier II, 5 as tier III and 3 as multi-tier.

Figure III.4
Sets of regional indicators for follow-up to the 2030 Agenda for Sustainable Development by prioritization and correspondence with the Sustainable Development Goals



Source: Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean, *Report on the prioritization of indicators for regional statistical follow-up to the Sustainable Development Goals in Latin America and the Caribbean (LC/CE 17/3)*, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2018.

The results of this process were analysed at the first face-to-face meeting of the Statistical Coordination Group, held in Buenos Aires in June 2018, and presented at the seventeenth meeting of the Executive Committee of the Statistical Conference of the Americas,⁶ at which the countries endorsed the *Report on the prioritization of indicators for regional statistical follow-up to the Sustainable Development Goals in Latin America and the Caribbean*.⁷ Thus began a refinement process based on methodological considerations defined by the technical secretariat at the Group's request. For this reason, recommendations are sometimes made to consider the progress of specific countries of the region in terms of the production of certain indicators, to promote horizontal cooperation, and to facilitate the expansion of capacities to other countries of the region, incorporating the issues addressed by the communities of national experts within the framework of the workplan of the Statistical Conference of the Americas, with the support of the funds, programmes and specialized agencies of the United Nations system that would facilitate the relevant methodological considerations in their capacity as custodian agencies.

This report is a first step towards producing a guide for the regional statistical community to prioritize measurement work, address operational methodological challenges and coordinate horizontal cooperation efforts, and to progress towards closing gaps in statistical capacities between countries.

3. Actions to improve statistical production

To provide a detailed account of the activities carried out by the main regional statistical bodies and to report to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, the statistical entities of the organizations included in the regional coordination mechanism for Latin America and the Caribbean for the United Nations funds, programmes and specialized agencies, in conjunction with ECLAC, developed an instrument to compile and systematize a list of actions aimed at improving statistics in the countries. This instrument made it possible to record the activities relating to each SDG indicator by agency and to identify the beneficiary countries. Records were also made of the activities carried out by each fund, programme and specialized agency or by ECLAC to support the development of statistical operations and the improvement of other information sources. A compilation was also made of general actions carried out in relation to targets 17.18 and 17.19, which aim to increase the availability of timely, reliable, high-quality and disaggregated data, and to build on existing initiatives to prepare these indicators and support statistical capacity-building in the countries (see annex III.A1).

According to the information gathered through this instrument and complementary materials provided by the relevant regional stakeholders, the main actions carried out in the region are:

(a) Development of national capacities for the calculation of indicators

This is the main action carried out by regional bodies. The funds, programmes and specialized agencies of the United Nations system, together with ECLAC, are working to strengthen national capacities for 51% of the indicators of the global framework (125 indicators). SDG 4 is the most widely addressed, and the United Nations Educational, Scientific and Cultural Organization (UNESCO) carries out subregional activities to train government officials in the calculation of the global indicators for which it serves as a

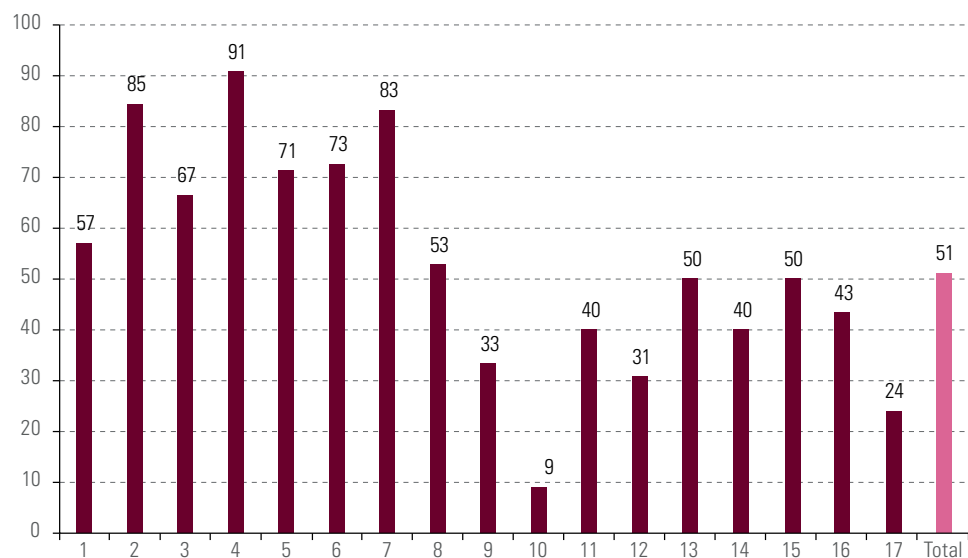
⁶ See the agreements of the seventeenth meeting of the Executive Committee in ECLAC (2019).

⁷ See Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean (2018).



custodian agency. Other regional bodies also promote this SDG. ECLAC supports 'capacity-building to allow countries to disaggregate education indicators in order to account for indigenous peoples and Afrodescendants, and strengthening of censuses to incorporate indicators that can provide information on education. Meanwhile, the International Labour Organization (ILO), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) provide specific assistance on some of the indicators included in this SDG (see figure III.5).

Figure III.5
Latin America and the Caribbean (33 countries): indicators of the global indicator framework for monitoring the Sustainable Development Goals receiving national capacity-building support, by Goal
(Percentages)



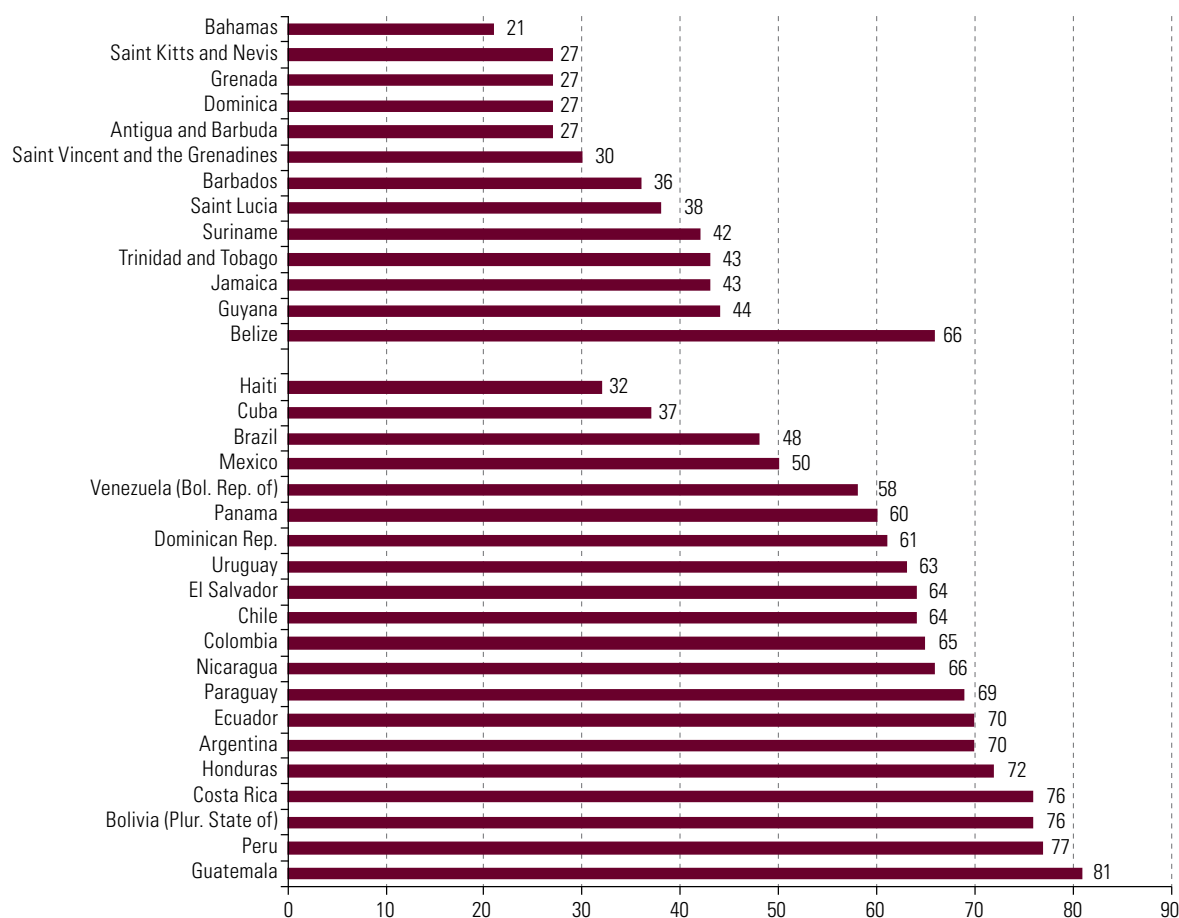
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

The SDGs targeted by the fewest national capacity-building actions are SDG 10 (only 1 indicator addressed) and SDG 17, for which capacities are being strengthened in just 6 of its 25 indicators.

Most capacity-building actions are carried out within the framework of regional and subregional workshops, and to a lesser extent through direct assistance or other types of training programmes such as online courses or webinars. The national statistical offices and ministries responsible for producing sectoral statistics are the main counterparts in the countries. The meetings focused on promoting the implementation of guidelines and manuals prepared by the statistical units of the custodian agencies at the global level, and on discussing adaptations to regional and national realities.

The countries that benefit most from these actions are Guatemala, Peru, the Plurinational State of Bolivia and Costa Rica, and noteworthy support is provided to Central American countries in general. By contrast, with the exception of Belize, Caribbean countries receive the least capacity-building support for the calculation of indicators, on average (see figure III.6).

Figure III.6
Latin America and the Caribbean (33 countries): capacity-building actions by country
(Number of actions)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(b) Conceptual and methodological revision of indicators according to the needs and capacities of the region and its countries

Regional statistical offices support the regional implementation and harmonization of the systems for monitoring the 2030 Agenda that highlight the importance of the challenges facing the region and the specificities of its countries. This process has involved, in many cases, the conceptual revision of global indicators and methodological adjustments to recommendations defined at the global level. Various agencies promote the calculation of proxy indicators or work on methodological development for indicators that are still classified as tier III at the global level. This is the case, for example, of the work of ILO with the World Bank on measurement of the impact of labour migration. These bodies have developed guidelines that are being examined by national statistical offices in the region and other research institutions with a view to producing indicator 10.7.1, classified as tier III (Recruitment cost borne by employee as a proportion of yearly income earned in country of destination). Similarly, in 2019 the Pan American Health Organization (PAHO) will define and collect data at the regional level to produce indicator 3.5.1 (Coverage of treatment interventions (pharmacological, psychosocial and rehabilitation and aftercare services) for substance use disorders), drawing on the measurement experiences of Chile, Costa Rica and Uruguay.



With regard to tier II indicators, actions include those of the United Nations Development Programme (UNDP) and United Nations Children's Fund (UNICEF) to conceptually refine indicators relating to multidimensional poverty and the incorporation of the child and gender dimensions (1.2.2); the work carried out by ECLAC—in conjunction with the United Nations Statistics Division and the Food and Agriculture Organization of the United Nations (FAO)—on methodological considerations of asset ownership statistics (1.4.2); the technical input provided by the ILO regional office to conceptually define labour productivity statistics (10.4.1) and child labour statistics (8.7.1); and actions taken by the United Nations Office on Drugs and Crime (UNODC) to generate statistics on violence (16.1.3, 16.2.2), quantify victims of human trafficking (16.2.2) and produce corruption indicators (16.5.1, 16.5.2).

In addition to tier II and III indicators, the funds, programmes and specialized agencies are working on the regional adaptation of tier I indicators. Actions include the work of the United Nations Environment Programme (UNEP) on the adaptation of SDG indicators to the Latin American and Caribbean Initiative for Sustainable Development (ILAC) and the methodological revision of this initiative to adapt it to the regional reality, as well as training activities carried out by ECLAC on gender-sensitive, environmental and poverty indicators.

(c) Support for the development of national and regional monitoring frameworks

Several countries in the region have developed their own SDG monitoring frameworks adapted to their development plans and budgets. Regional bodies and, in some cases, their national offices, have helped the countries to select and develop indicators to better capture the phenomena they want to monitor. These bodies have also worked on adapting the global list of indicators to the region and on the inclusion of SDG indicators in other monitoring frameworks relevant to the countries' progress towards sustainable development. For example, during the process of determining the indicators for the regional follow-up of the Montevideo Consensus on Population and Development, and in order to generate synergies with the 2030 Agenda, the SDG indicators of the global framework and the prioritized indicators for the region were reviewed and analysed in detail to decide whether to include them in this specific framework.

(d) Pilot studies of methodologies for indicators classified as tier III

As shown in box III.1, international agencies carried out activities to develop methodologies for indicators and reclassify them, including pilot studies of the new methodologies. Several countries in the region participated in these studies, with the support of regional offices. A notable example is the assistance provided by the UNFPA Regional Office for Latin America and the Caribbean to validate the methodology for indicator 5.6.2 (Number of countries with laws and regulations that guarantee full and equal access to women and men aged 15 years and older to sexual and reproductive health care, information and education). Pilot studies for this indicator, which is classified as tier III and for which methodology is currently being developed, were carried out in five countries, including Mexico. The UNFPA Regional Office provided support for the pilot study in that country by helping national institutions and representatives of the United Nations country office and of civil society to review and validate the methodology. Other bodies such as UNICEF did the same, providing assistance in the collection, compilation, validation and analysis of data obtained from pilot studies. This was the case for the pilot study carried out in Mexico for indicator 4.2.1 (Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being, by sex).

Box III.1**Activities of custodian agencies relating to the reclassification of global indicators**

In recent years, the funds, programmes and specialized agencies of the United Nations system have worked on the methodological development of indicators that were initially classified as tier II or III. In order to reclassify them, global bodies and custodian and partner agencies have undertaken activities and submitted supporting documents to the Inter-Agency and Expert Group on Sustainable Development Goal Indicators.

Supporting documents for reclassification of tier III indicators include: (a) background information and rationale for indicator reclassification; (b) metadata and a full description of methodological development, indicating how the proposed methodology has become an international standard; and (c) pilot studies that test the methodology in various countries, including the list of countries, data and other results, and that indicate how national statistical systems and national statistical offices are involved in data collection and validation. Under the guidelines of the Inter-Agency and Expert Group on SDG Indicators, it is essential that national statistical systems, in particular the national statistical offices of countries that are regionally representative, participate in methodological development. These processes are meant to be participatory, involving experts from international agencies and representatives from the academic sector, civil society and public bodies of the countries. Groups of experts have been convened and specific groups formed to examine and refine methodological aspects, and to correctly align the indicator with the corresponding target and Goal.

The processes also include consultations with countries and pilot studies in countries of the different regions, which have made it possible to refine methodologies, identify sources of information and propose new operations or modules to be included in the statistical operations being implemented by the countries. The methodologies have also been reviewed by national committees.

Countries have also participated in the process through regional workshops to strengthen capacities in indicator measurement. National statistical offices have been invited to participate in expert meetings and in national validation committees.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), based on United Nations, *Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators. Note by the Secretary-General (E/CN.3.2019/2)*, New York, 19 December 2018.

(e) Support for the implementation and improvement of data collection operations

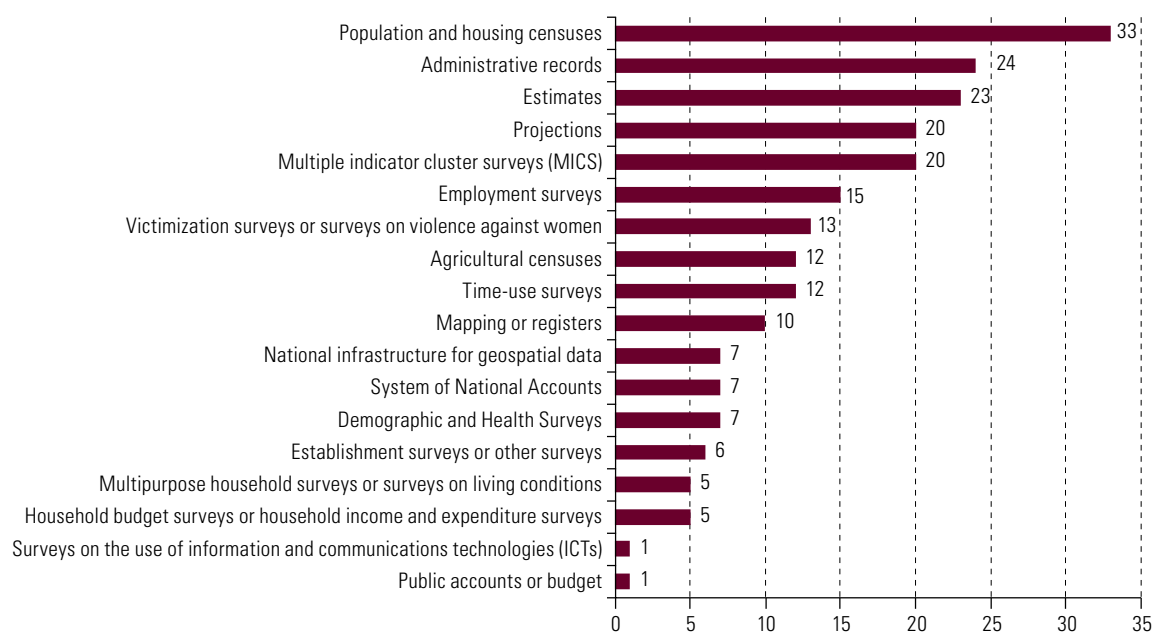
The production of SDG indicators often requires the implementation or improvement of new statistical operations, and the design of collection instruments to produce baseline information according to suitable quality standards. It also entails the adoption of new statistical procedures that allow more effective use of administrative records or the formulation of estimates that enable the generation of data for smaller geographical areas, for instance. Providing support to the countries of the region in this type of activity is an essential function of the regional offices (see figure III.7).

The main initiatives were support for the improvement of population and housing censuses, administrative records and estimates. With regard to censuses, 33 countries in the region currently receive or will soon receive technical support for the development of their census operations. The main bodies providing assistance in this area are ECLAC and UNFPA, through the organization of regional seminars, participation in advisory or expert councils, inclusion of new modules or specific questions to account for phenomena that have not been measured previously and direct technical assistance for the development of entire census projects, among other notable actions. Support in the definition of the stages of census operations includes methodological, conceptual, operational, budgetary and financial assistance to carry out a population and housing census in a national territory and to determine the content of the census, which implies the inclusion or exclusion of specific questions. Other entities have also participated in this effort, for example UNICEF, which collaborates with some countries on the inclusion of questions on children in the census questionnaire,



or ILO, which is helping Brazil to design the labour and income module of its census questionnaire. ECLAC and UN-Women are assisting some countries in the inclusion of the ethnicity and gender perspectives, respectively, in censuses. Countries also notably receive support in census data processing, dissemination and analysis. One example is assistance from UNFPA in the digitalization of census mapping in several countries.

Figure III.7
Latin America and the Caribbean (33 countries): countries receiving support in the implementation and improvement of statistical data collection and other statistical data sources in 2017–2019 or due to receive support in 2020–2022
(Number of countries)



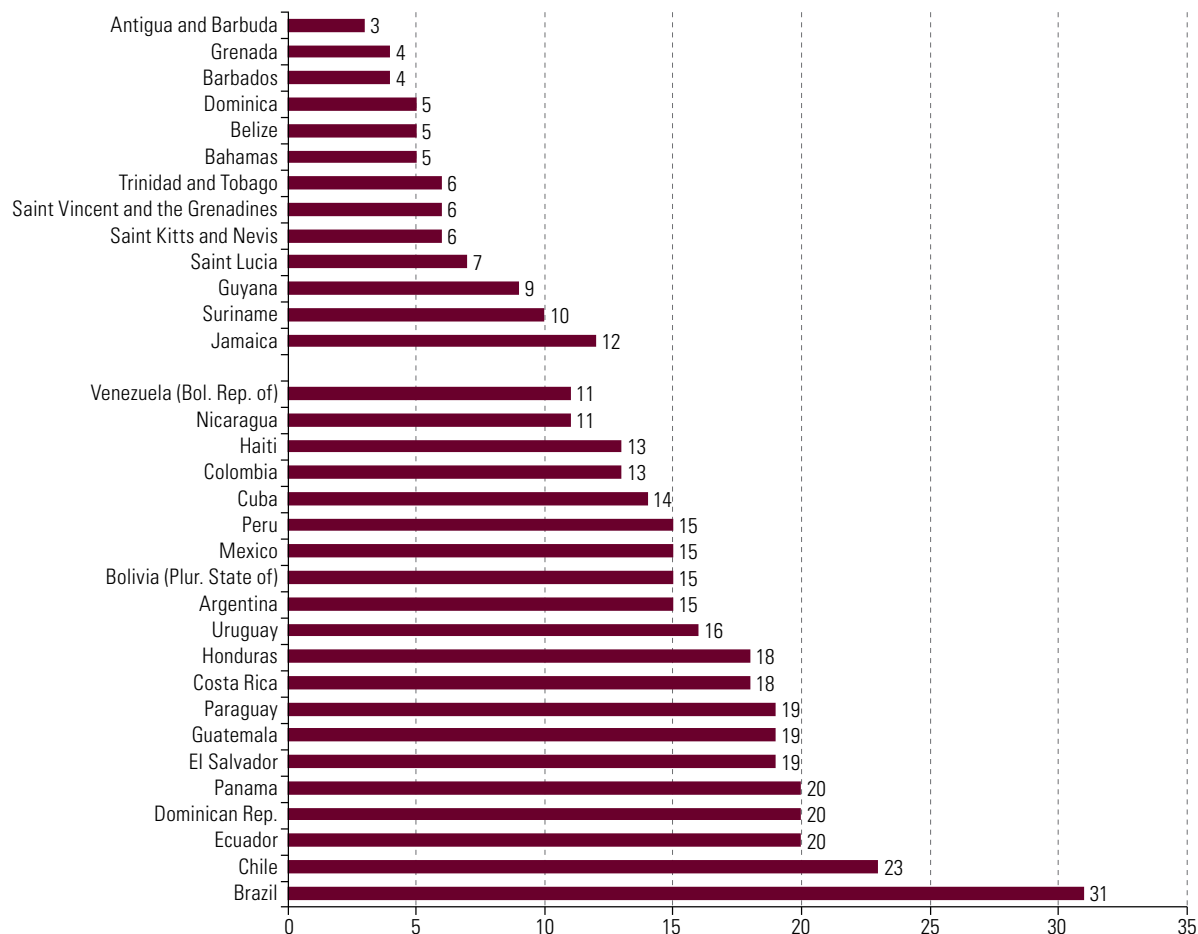
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Activities to provide technical assistance to countries are likely to increase in 2020–2022, and to cover additional areas of the census process. For example, there could be an increase in the number of countries requiring support for the development of coverage and quality control systems and for the inclusion of new data capture technologies, which are two of the technical assistance requirements prioritized by the countries of the region in a 2016 ECLAC survey.

Actions were taken in 24 countries of the region to improve administrative records on education, disability, labour, judicial affairs, gender violence, and health and vital statistics, among others.

With regard to household surveys, technical cooperation activities carried out by ECLAC, UNICEF and other entities targeted the inclusion of new modules, the use of new data collection instruments (e.g. mobile phones, tablets and GPS), support in the use of administrative records and estimation methods for small areas. ECLAC deserves a special mention for its work in strengthening national statistical capacity in the design and implementation of time-use surveys and their use to generate statistics that take into account gender mainstreaming and the gender perspective. An analysis of these activities by country shows, once again, that the countries of Latin America benefit the most from support from regional bodies (see figure III.8).

Figure III.8
Latin America and the Caribbean (33 countries): activities to support countries in the implementation and improvement of statistical data collection and other statistical data sources, 2017–2022
(Number of support activities per country)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(f) Support for the follow-up of the 2030 Agenda and presentation of voluntary national reviews by the countries

Some regional bodies have also focused their efforts on improving the dissemination and presentation of reports on countries' progress. In this way they help to develop common data platforms at the country level to disseminate the relevant SDG indicators produced by the national entities responsible for doing so. They also collaborate on the preparation of voluntary national reviews to ensure that they include the required official statistical data.

The Pan American Health Organization (PAHO) is working to strengthen information systems for health (IS4H) to support evidence-based policymaking and decision-making which are essential to the measurement and follow-up of inequalities in population health and to the achievement of universal health access and coverage. Information systems for health represent an integrated effort to combine interconnected and interoperable data systems (including health and vital statistics), knowledge,



processes, regulations, people and institutions. These are supported by information and communications technologies that help to generate, detect, collect, process and store quality data and strategic information, which is made available to the public free of charge, for the improvement of policymaking and the monitoring of international commitments.

The focus of PAHO is to help countries to develop the necessary coordination mechanisms and to avoid creating new platforms and databases that would duplicate work already done. Thus, it prioritizes attention to management and governance, information- and knowledge-sharing, and technology and innovation.

(g) Strengthening of and support for statistical institutions and coordination of national statistical systems, including the revision of legal frameworks

Regional bodies have not only carried out activities to strengthen technical capacity for greater and better statistical production of the SDG indicators. As mentioned previously, they have worked to improve the institutional, organizational and legal aspects of statistical production and dissemination in countries to coordinate and guarantee responses from national statistical systems in the follow-up of the SDGs, with reliable and quality official statistical data.

Notable examples are the support provided by UNFPA and other regional bodies to the inter-agency teams of Mainstreaming, Acceleration and Policy Support (MAPS) missions in statistical capacity-building and measurement of the 2030 Agenda in the Dominican Republic, El Salvador and Haiti, and in the activities leading up to these missions in Guatemala. Moreover, UNFPA participates in or manages data groups of teams in the United Nations offices of various countries —the Bolivarian Republic of Venezuela, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico and the Plurinational State of Bolivia. These teams facilitate inter-agency support for capacity-building within the United Nations system.

In its capacity as technical secretariat of the Working Group on Institution-building of the Statistical Conference of the Americas, ECLAC has developed activities focused on strengthening and coordinating national statistical systems and on revising legal frameworks in the countries. It has worked to coordinate the activities of entities operating in the region and focused on these areas, including joint activities with the United Nations Statistics Division, the Partnership in Statistics for Development in the Twenty-first Century (PARIS21), the Inter-American Development Bank (IDB) and the Statistical Office of the European Union (Eurostat). These efforts encourage compliance with the Fundamental Principles of Official Statistics and the regional Code of Good Practice in Statistics for Latin America and the Caribbean.

The activities led by ECLAC also include the strengthening of regional and national data ecosystems, enhancing innovation and technology networks —with private sector and civil society participation— to promote data openness and incorporate non-conventional data, administrative records, big data and data from civil society, in collaboration with United Nations agencies. Another important initiative is the collaboration with the Global Partnership for Sustainable Development Data (GPSDD) and the Centre for International Strategic Thinking (CEPEI) on the strengthening of data ecosystems and the coordination of stakeholders in the implementation of the 2030 Agenda at the national level, establishing a road map to generate more and better data to measure countries' progress.

The United Nations Environment Programme (UNEP), through PARIS21, promotes better use and production of statistics and, in particular, helps countries to design, implement and monitor National Strategies for the Development of Statistics (NSDS). PARIS21 is developing and testing the Advanced Data Planning Tool (ADAPT) designed to help countries to meet the data demands of the SDGs through a process of national consultation on development monitoring frameworks, estimating the cost of data production and drawing a road map to address data gaps.



(h) Analysis, reporting and dissemination of indicators

The objectives of the funds, programmes and specialized agencies operating in the region include disseminating and publishing statistical information to follow up various international commitments. For this reason, they have assessed data availability, which in many cases involves collecting baseline information in countries for comparative analysis at the regional level. This is the case of the annual PAHO publication *Health Situation in the Americas: Core Indicators*, which groups indicators for the countries into the following categories: demographic-socioeconomic, health status, risk factors, service coverage and health systems. The most recent edition of this publication includes information relating to 22 SDG indicators. The *Thematic Labour Overview* published by ILO in July 2018 analyses social protection in the region and presents indicators on this subject (1.3.1). ECLAC, meanwhile, reports on the region's progress in the achievement of the SDGs in the annual report presented to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, in addition to publishing annual analytical reports and maintaining thematic and strategic observatories and statistical databases to provide a broad and comprehensive picture of the regional reality.

C. Concluding remarks

The countries of Latin America and the Caribbean have demonstrated a strong commitment to producing quality statistics to monitor SDG indicators. This commitment is evident in the actions carried out since the entry into force of the 2030 Agenda, which range from the review of institutional architectures and the regulations governing the production of official statistics, to the organization of training activities and methodological development in areas where information tends to be scarce, if not null, given the emerging nature of this theme within national statistical systems. The need to generate the indicators adopted by the United Nations General Assembly for the follow-up of the proposed targets has given rise to an agenda of intense and fruitful cooperation among peers and with the different stakeholders of the international statistical community.

The statistical challenges related to the SDGs have permeated the regional statistical agenda at each level of definition and development, from the reworking of national statistical development strategies, through the national intersectoral work agenda within national statistical systems—and the preparation of sectoral statistical development plans—and their inclusion as a central pillar of development in the Strategic Plan, 2015–2025 of the Statistical Conference of the Americas.

As has been shown, the United Nations system in the region supports the strengthening of national statistical capacities as a complement to the actions undertaken at the global level by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators and the High-level Group for Partnership, Coordination and Capacity-building for Statistics for the 2030 Agenda for Sustainable Development, through direct interaction with member States or through regional inter-agency mechanisms, more precisely within the framework of the Statistical Conference of the Americas. At the request of its Executive Committee, the working groups of the Conference—composed of experts in various themes from the countries with specialized agencies acting as technical secretariats—have adapted their work plans to the statistical challenges of the 2030 Agenda.

The countries have begun to implement an agenda of horizontal cooperation among peers based on some of their strengths. Innovation in the production of basic statistics for the development of SDG indicators creates opportunities for cooperation and knowledge-transfer that address unresolved issues in global statistics.

The analysis of possible uses of non-conventional information sources is becoming a recurrent theme in the work agendas of the countries of the region, and is also driven by regional bodies that see



this alternative as a broad development field that should be incorporated into the fixed set of official statistics. Thus, for example, the irruption of satellite image use to produce indicators related to territory incorporates new perspectives of public statistics production, either to complement or replace existing mechanisms. The utilization of private sources of information related to the use of electronic devices and social networks is also increasingly present in the work agendas of national statistical offices and of the governing bodies of national statistical systems. Progress must be made in including big data in the work methodologies of these institutions. Moreover, it is still necessary to promote dialogue among relevant stakeholders on these issues so that they harmonize processes and conform to the Fundamental Principles of Official Statistics. The data revolution is a reality in several countries of the region and has driven institutional changes with the creation of innovation and study groups within governments' statistical institutions. It has enabled progress in the research and development of new instruments, mechanisms and methods of producing official statistics. Thus, the support of national authorities through the provision of budgets and financing adapted to innovation needs, and with legislation that facilitates data access and use through partnership agreements with the academic and private sectors, is fundamental.

The efforts undertaken are focused on producing more and better statistical information, not only at the national level but also at the regional and global levels. They must be sustainable over time and trigger processes that can then be led by countries without international assistance, as far as possible. Nonetheless, these efforts will not produce immediate results. Progress in statistics leads to results and improvements in the availability of more and better data in the medium and long term.

The dizzying demand for statistical information for public management —particularly the indicators needed to monitor international commitments such as those deriving from the 2030 Agenda— requires the adoption of actions that run counter to the traditional consolidation processes of official statistics. The design, collection, processing, consistency and convergence of a new metric are based on periods of stabilization that are not adaptable to the deadlines of political agendas. Insufficient institutional frameworks for processes, high turnover of expert staff in statistical offices and limited public budgets make it difficult to consolidate sustainable processes and robust statistics and indicators.

Nevertheless, countries are moving in the right direction, towards the production of quality official statistics. In this context, the very mixed trends reflected in the countries of the region cannot be overlooked. The results presented show a region with varied performances in statistical development that call for the definition of a work agenda focused on common challenges and priorities. This agenda must not only foster specific support from specialized agencies, but should also take advantage of the progress made by the countries that have begun to close the gaps in their statistical processes. On average, the countries of the region are able to produce about half of the global framework indicators, but the situation is very mixed among countries and depending on the SDGs. Although most countries have made progress in choosing their national priorities and indicators to account for progress towards the goals of the 2030 Agenda, they have also focused on the regional dimension as a space for reflection and shared support. In order to advance with a common regional agenda, the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean of the Statistical Conference of the Americas has promoted the selection of actions based on the identification of common challenges and shared priorities, embodied in the set of priority indicators for the region presented to the Executive Committee of the Conference. This creates a new and focused collaborative space for methodological development and the review of information sources, resulting in improved national statistical capacities for the production of SDG indicators by the specialized agencies of the United Nations system in the region. It will be accompanied by improvements in the institutional frameworks of statistical processes and strengthening of national statistical systems.

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Annex III.A1

Activities carried out by funds, programmes and specialized agencies

The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)

UN-Women is the United Nations entity dedicated to gender equality and women's empowerment. It was established to accelerate progress in improving women's living conditions and meeting their needs. On a global scale, with a view to monitoring the 2030 Agenda, UN-Women works at the global, regional and national levels to support the production of SDG 5 indicators. It serves as the custodian agency for seven indicators and as a partner agency for five SDG 5 indicators on issues related to the end of poverty, quality education, sustainable cities and communities, and peace, justice and strong institutions. Another objective is mainstreaming the gender perspective in all the targets and indicators of the 2030 Agenda.

The UN-Women Regional Office supports country and cluster offices in the region, as well as countries where UN-Women has a more limited programmatic presence. In States where it does not have an on-the-ground presence, it supports programme implementation through partnerships with the United Nations system, governments and civil society.

At the regional level, part of its work is to support national statistical offices and systems. Activities include support for training in gender statistics; promotion of the production, analysis and use of gender-sensitive data; support for gender analysis and mainstreaming in the voluntary national reviews of the SDGs presented to the high-level political forum on sustainable development; generation of statistics on economic empowerment and violence, among other themes; support for the identification of the SDGs and their adaptation to the regional context; and promotion of South-South and triangular cooperation.

United Nations Children's Fund (UNICEF)

UNICEF works in 190 countries and territories to save children's lives, to defend their rights and to help them fulfil their potential. It focuses on issues such as child protection and inclusion, child survival, education, gender, innovation for children, supply and logistics and research and analysis.

On a global scale, it has been assigned the role of supporting national statistical systems in monitoring the SDGs of the 2030 Agenda. It serves as the custodian agency for 10 indicators and as a co-custodian agency for another 6 indicators.

UNICEF supports States in the identification of appropriate data sources for the collection of data on indicators relevant to children, young people and adolescents, and for the integration of SDG monitoring into national statistical strategies and systems. At the regional level, it has supported the collection of disaggregated data on children through the Multiple Indicator Cluster Survey (MICS) programme, providing technical assistance for its implementation and the use of specific MICS modules in other household surveys. As a result, this programme has become the main source of disaggregated data on children and adolescents in the region and contributes to the establishment of baselines for various SDG indicators.

In order to address the new information needs of the 2030 Agenda, in the last three years, UNICEF has carried out intense methodological work aimed at developing and refining standard methodologies

for measuring SDG indicators related to children, in order to improve their quality and comparability. In collaboration with statistical offices, international agencies and the academic sector, it has developed new measurement methodologies in areas such as water quality, early childhood development, violence against children, multidimensional poverty and child disability measurement.

These methodological advances have been incorporated into the new round of MICS to be carried out between 2017 and 2020. In this round, the questionnaires have been aligned with the new information demands of the 2030 Agenda, improving the timeliness of information and incorporating innovative measurement tools, such as water quality testing, tests to assess the quality of learning or the measurement of child disability.

In addition to providing technical assistance in the implementation of household surveys, UNICEF actively advocates for States to increase their investment in the generation and dissemination of data on children through child-specific surveys or by strengthening their administrative records and vital statistics. In recent years, great progress has been made and several countries are incorporating initiatives related to improving statistics on children into their national statistical plans and budgets.

United Nations Population Fund (UNFPA)

UNFPA is responsible for sexual and reproductive health. Its work focuses on reproductive health care for women and young people; the health of pregnant women; reliable access to modern contraceptives; training of health workers to help ensure that at least 90% of all births are supervised by skilled attendants; prevention of gender-based violence; abandonment of female genital mutilation; prevention of teen pregnancies; delivery of safe birth supplies; and censuses, data collection and analyses essential for development planning. On a global scale, within the framework of the classification of SDG indicators, UNFPA is a partner of the custodian agency (United Nations Statistics Division) for indicators 17.18.1 and 17.19.2.

At the regional level, with a view to following up and reporting on the 2030 Agenda, UNFPA supports applications derived mainly from three data sources: population and housing censuses, birth records and death records.

Furthermore, UNFPA focuses on related actions including promotion, building of technical capacity and knowledge-management processes that facilitate South-South cooperation, at the national and regional levels. It also helps national statistical offices and other actors in the national statistical system to disaggregate population-based resources, adjusts national statistical strategic plans for the medium term (2030) and analyses national legal frameworks in the context of their adaptation to the Fundamental Principles of Official Statistics. UNFPA also provides support for the improvement of population data systems to identify and locate inequalities; better use of population data to inform the design and implementation of public policies; and collaboration with the inter-agency teams of MAPS missions on the statistical capacity-building and measurement components of the 2030 Agenda.

UNFPA leads the data groups of United Nations country teams in several countries in the region, and is co-coordinator of the regional statistical coordination mechanism for Latin America and the Caribbean of United Nations funds, programmes and specialized agencies, which in turn coordinates the actions of the United Nations system at the regional level. In partnership with ECLAC, it provides technical assistance for the 2020 round of censuses and supports the improvement of the quality and coverage of birth and death registration systems.



United Nations Office on Drugs and Crime (UNODC)

UNODC is the agency in charge of the fight against illicit drugs and international crime, in addition to the implementation of the main United Nations programme against terrorism. The work of UNODC is to educate people about the dangers of drug abuse and to strengthen international interventions against the production and trafficking of illicit drugs and drug-related crime.

On a global scale, it contributes to the implementation of the SDGs through its work to improve crime prevention and assist criminal justice reform in order to strengthen the rule of law, promote stable and viable criminal justice systems, and combat the growing threats of international organized crime and corruption. Under these guidelines, it is directly linked to the strengthening of some indicators of SDGs 3, 5, 6, 8, 10, 11 and 16, in addition to serving as the custodian agency for 12 SDG indicators.

At the regional level, UNODC has contributed to the strengthening of capacities to produce statistical information on security and justice in the region through the Centre of Excellence for Statistical Information on Government, Public Security, Victimization and Justice of the Liaison and Partnership Office of Mexico. The Centre of Excellence serves as the technical secretariat of the Working Group on Statistics on Public Security and Justice through the leadership of the National Institute of Statistics and Geography (INEGI) of Mexico, within the framework of Statistical Conference of the Americas of ECLAC. Its main objective is to strengthen statistical, analytical and monitoring capacities in the areas of government, victimization, public security and justice. Its main activities include providing technical assistance to countries in the region to improve the quality and quantity of crime, public security, corruption, government and justice statistics through surveys and administrative records. Its main tasks in this area are to promote international methodological standards; develop new methodologies and tools for the analysis and measurement of phenomena related to conventional and emerging crime (organized crime), public security, victimization, justice and government; contribute to the development and implementation of the International Classification of Crimes for Statistical Purposes and actively promote the development and improvement of institutional capacities with respect to victimization surveys in Latin America.

United Nations Development Programme (UNDP)

UNDP helps governments to integrate SDGs into their national development plans and policies. This work is being undertaken to consolidate the progress made in the pursuit of the Millennium Development Goals.

On a global scale, within the framework of the 2030 Agenda, UNDP serves as the custodian agency of three indicators for SDG 16 (relating to the quality of public services, including decision-making) and two for SDG 17 (relating to cooperation for effective development). In addition, UNDP partners with agencies to support specific indicators of SDG 1 (multidimensional poverty) and SDG 5 (gender-based violence), and also to contribute in other areas through various inter-agency networks, in particular on water and sanitation, and disaster risk reduction.

Aside from its support for specific indicators, UNDP plays a fundamental role in strengthening statistical capacity and in analytical reporting at the national, subnational and sectoral levels. On the basis of its experience in supporting Millennium Development Goal reports, UNDP led, jointly with the United Nations Statistics Division, the United Nations Development Group task force that developed guidelines for producing national SDG reports.

At the regional level, it has promoted the capacity-building of national and regional institutions for the collection, analysis, use and dissemination of gender-sensitive data on citizen security, and the strengthening of regional and national coordination, as well as the promotion of networks for the coordination and participation of governments and civil society in the formulation of evidence-based policies. In addition to promoting bridge-building between public institutions, the academic sector and civil society organizations, it has supported the generation of data for the design, implementation and monitoring of public policy and has assisted in government efforts on national and regional multidimensional information and analysis relating to public policy; understanding and use of information; coordinated work on information management at the national and regional levels; and simultaneous work throughout the information management chain (production, analysis, use and dissemination).

United Nations Environment Programme (UNEP)

The United Nations Environment Programme (UNEP) is the world's leading environmental authority. It sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment. On a global scale, within the framework of the 2030 Agenda, UNEP has strengthened the implementation of the indicators of SDGs 6, 7, 11, 12 and 15, for which it serves as a custodian agency.

At the regional level, it has strengthened SDG indicators through a project on South-South cooperation and capacity-building for the GEO-6 process in Latin America and the Caribbean. In that project, the countries of Latin America and the Caribbean defined two basic sets of indicators to measure environmental progress. With a view to strengthening and developing countries' statistical capacities, UNEP has developed and distributed educational materials with a permanent presence on the Internet to facilitate the training or retraining of the region's environmental statistics teams. It has also produced webinars on environmental issues by experts from the region explaining the activities needed to produce the indicators, presenting exercises of their own experiences and sharing national technical documents.

In addition, UNEP provides technical assistance within the Driver-Pressure-State-Impact-Response (DPSIR) framework and communication strategies for the production of reports on the state of the environment in Caribbean countries, incorporating the core set of indicators of the Latin American and Caribbean Initiative for Sustainable Development (ILAC), and working to establish a set of indicators that can be monitored on a regular basis and that help in decision-making and orientation of public policies.

International Labour Organization (ILO)

As the only "tripartite" United Nations agency, ILO brings together governments, employers and workers. Its objectives are to promote labour rights, promote decent work opportunities, improve social protection and strengthen dialogue on work-related issues. On a global scale, with a view to monitoring the 2030 Agenda, it is the custodian agency for 14 indicators and acts as a partner agency for 4 indicators of SDG 7 on issues related to poverty reduction; quality education; gender equity; decent work and economic growth; reduction of inequalities; marine life; and peace, justice and institution-building.

The mission of the ILO Regional Office for Latin America and the Caribbean is to contribute to the primary objective of the Organization by taking the following actions: technical and policy support; programming and control of resources; relations, partnerships and cooperation for development; knowledge management and sharing; advocacy and communication activities; governance and oversight; and support in administration and management, including of financial, human and other resources. The regional office focuses on conceptual and methodological revision to meet the needs of statistical



institutions and ministries in statistics on work, employment and labour underutilization (Nineteenth International Conference of Labour Statisticians (ICLS)). The ILO also builds capacities for measuring informality in accordance with the latest standards of the Delhi Group on Informal Sector Statistics and of ICLS/ILO, taking into account the challenges for the future of work in the region. Of particular importance is the estimation of SDG indicators for which ILO serves as a custodian or partner agency, and which targets three areas: (i) research and direct technical assistance; (ii) strengthening of the knowledge base through workshops, seminars and training activities and (iii) promotion and facilitation of horizontal and South-South cooperation. Moreover, within the framework of discussions on the future of labour statistics, it addresses how to use administrative records for the proper extraction of further labour variables that complement household and establishment surveys (reinforced and modernized by the use of new technologies).

Food and Agriculture Organization of the United Nations (FAO)

FAO is the United Nations agency leading the international effort to end hunger. Its aim is to achieve food security for all, while at the same time ensuring regular access to sufficient and good quality food for an active and healthy life. On a global scale, with a view to monitoring the 2030 Agenda, it has been designated as the custodian agency for 21 indicators of the global framework for monitoring the SDGs and acts as a partner agency for 4 indicators of nine SDGs on issues relating to the end of poverty, zero hunger, gender equality, clean water and sanitation, life below water, responsible production and consumption, and life on land.

The FAO Regional Office for Latin America and the Caribbean supports countries by monitoring food security, assisting in the formulation and implementation of strategies, laws and programmes to eliminate hunger, and promoting family farming, agricultural and rural development and climate change adaptation. This office implements two subregional projects: “Capacity-building in the measurement and reporting of the SDGs in the countries of South America” and “Capacity-building for the follow-up of SDG 2 targets in the countries of Mesoamerica”. It also helps countries to design agricultural censuses, considering gender and indigenous peoples in data collection and analysis. Moreover, it provided technical assistance and individual training to 17 countries in the region on the methodology of agricultural and food security statistics, in order to strengthen the capacity to monitor the indicators for which FAO acts as a custodian agency.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

UNESCO works to ensure that each child and adult has access to quality education, strengthens bonds among nations by promoting cultural heritage and equality of all cultures, and fosters scientific programmes and policies as platforms for development and cooperation. On a global scale, it contributes to the implementation of the SDGs through its work in education, natural sciences, social and human sciences, communication and information, focusing on the targets and indicators of SDGs 4, 5, 8, 9, 11, 12, 13, 14, 16 and 17. It serves as a custodian agency for most SDG 4 indicators.

The functions of the UNESCO Regional Office include the generation and dissemination of information and knowledge, the development of guidelines to define public policies, the provision of advice and technical support to countries and the promotion of dialogue, exchanges and cooperation among stakeholders, governments, universities and research centres, civil society, the private sector and international bodies. This work is done in collaboration with the cluster and national offices of UNESCO in the region, as well as with national commissions for cooperation with UNESCO, with a presence in each member State, and with the UNESCO Institute for Statistics on statistical matters.

At the regional level, it has developed standardized instruments to evaluate the availability of national data to produce SDG 4 indicators and the quality of relevant information sources. It also organizes subregional workshops to provide training in the production of SDG 4 indicators and in the application of classifications and standards to generate internationally comparable indicators.

It provides training in the production of primary information for indicators 4.1.1, 4.2.2, 4.a.1 and 4.c.1, and coordinates the implementation of regional studies of the quality of education within the framework of the Latin American Laboratory for Assessment of the Quality of Education (LLECE), in which all Latin American countries participate. Lastly, it provides information for components a and b of indicator 4.1.1 of the global indicator framework.

Pan American Health Organization (PAHO)

PAHO is the specialized health agency of the inter-American system and serves as Regional Office for the Americas of the World Health Organization (WHO) promoting the right to health for all. It provides technical cooperation in health to its member countries, fights communicable and chronic diseases and their causes, strengthens health systems, and responds to emergencies and disasters.

PAHO recognizes the need for timely, accurate and quality information to evaluate and monitor the performance of public policies in the field of population health and to develop indicators to monitor international agreements. In this area, PAHO prioritizes support to countries in the design and implementation of information systems for health that allow for monitoring and reporting on progress towards the achievement of national, regional and global health goals, including the health-related SDGs. It also seeks to strengthen the capacity for analysis and the use of information for decision-making at the national and subnational levels.





CHAPTER IV

Leave no one behind: the challenge of inclusive development

Introduction

- A. Latin America and the Caribbean, the world's most unequal region
- B. Poverty trends
- C. Hunger, malnutrition and the right to health
- D. Gender equality and women's empowerment
- E. Inclusive, high-quality education and learning opportunities
- F. Inequalities in the labour market and decent work
- G. Violence: a cross-cutting issue for inclusive development
- H. Migration and the implementation of the targets of the 2030 Agenda
- I. Concluding remarks

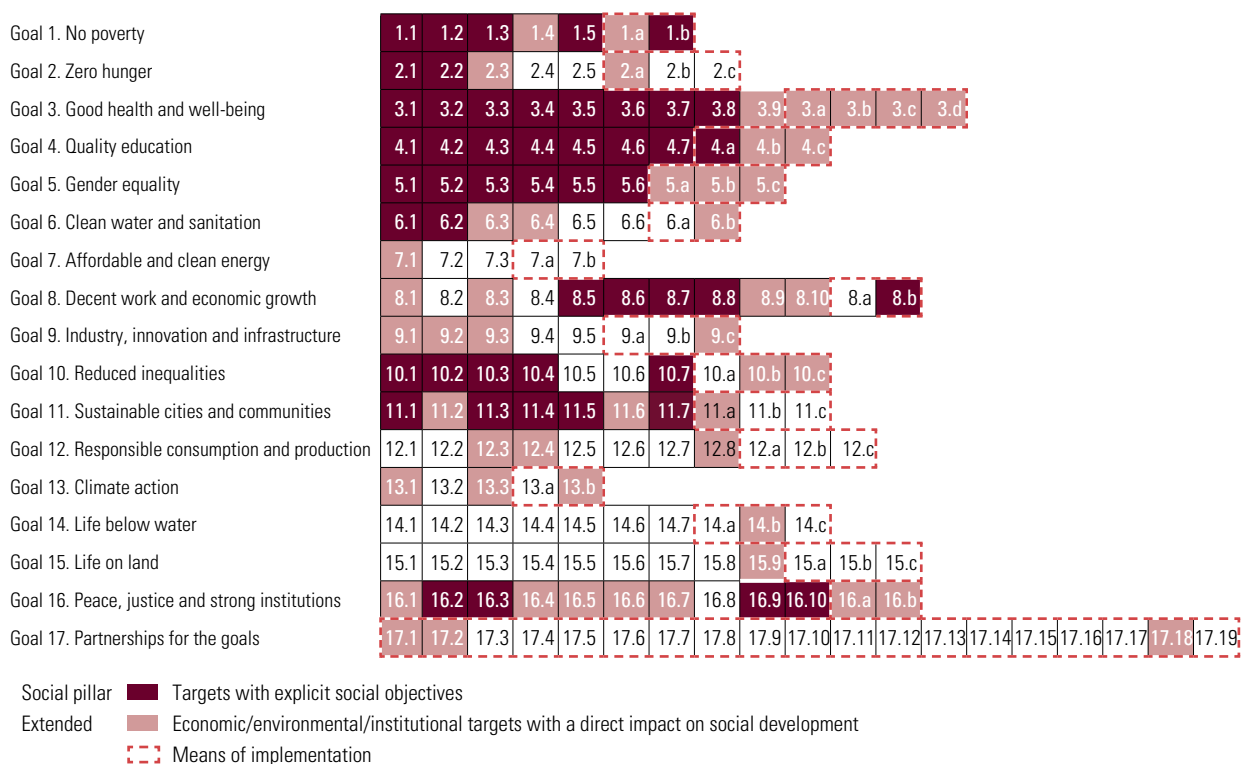
Bibliography

Introduction

The comprehensive vision of the 2030 Agenda for Sustainable Development emphasizes that making progress on the social indicators depends not only on social policies, but also on changing production patterns, which is a necessary condition for reducing poverty, promoting equality and protecting the environment. At the same time, the resources invested in social issues help to build human capacities throughout the life cycle, with positive effects on productivity and growth. This concept, expressed through the different dimensions of the 2030 Agenda, is central to reducing the social footprint of the current development model. That social footprint is evidenced by the persistence of poverty and high levels of inequality (ECLAC, 2016b, 2017b and 2018c).

This chapter focuses on the social pillar of the 2030 Agenda, which includes targets with explicit social objectives, as well as an extended social pillar (see figure IV.1) with economic, environmental and institutional targets that have a direct impact on social development, in line with the indivisible nature of the Sustainable Development Goals (SDGs).

Figure IV.1
The extended social pillar of the 2030 Agenda for Sustainable Development^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Linkages between the social and production spheres: gaps, pillars and challenges* (LC/CDS.2/3), Santiago, 2017.

^a Updated version.

The progress made in the region is analysed below in relation to some of the main Goals of the 2030 Agenda. This chapter focuses on Goals 1, 2, 3, 5 and 8. While the production base for inclusive development are discussed in chapter I of this document (based on the concept of genuine competitiveness and closing technology and production gaps), its environmental dimension will be discussed in chapter V. The present chapter examines social variables and indicators, without losing sight of the fact that inequality is inefficient and that these indicators interact with production patterns, creating either virtuous or vicious circles of growth in terms of GDP, productivity, employment and equality.

A. Latin America and the Caribbean, the world's most unequal region

Inequality is a cross-cutting issue in the 2030 Agenda that is explicitly addressed in SDG 10. It is evidenced by wide disparities in income distribution, the distribution of assets and political and economic power, and multiple gaps in economic, social and cultural rights (UNDG, 2018; ECLAC, 2018b and 2018c). The high levels of inequality in Latin America and the Caribbean mean that SDG 10 presents a particularly serious challenge for the region. As discussed in chapter I, globalization in trade and finance, technological change, the restricted role of trade unions, and the limited redistributive power of taxes and social policies have, in some cases, helped to reinforce and, in other instances, to perpetuate very high levels of inequality, even with the reductions achieved (Atkinson, 2015).

Income distribution can be illustrated by examining households' share of total income. The highest-income quintile (quintile V) accounts for about 45% of total household income, while the lowest-income quintile (quintile I) receives, on average, just 6%. The gaps between income groups are particularly pronounced at the higher end of the distribution, with the richest decile receiving 30% of total income, or twice the share captured by decile IX and five times that of quintile I (see table IV.1).

Table IV.1
Latin America (18 countries): share of total income, by income quintile, most recent year^a
(Percentages)

Country	Year	Quintile I	Quintile II	Quintile III	Quintile IV	Quintile V	
						Decile IX	Decile X
Argentina ^b	2017	10	16	17	22	14	21
Bolivia (Plurinational State of)	2015	5	12	18	25	16	25
Brazil	2017	5	10	12	20	15	38
Chile	2017	8	12	15	20	14	31
Colombia	2017	5	11	15	21	15	33
Costa Rica	2017	5	10	15	22	17	31
Dominican Republic	2016	7	11	16	21	15	30
Ecuador	2017	7	12	17	23	15	27
El Salvador	2017	8	13	18	23	15	24
Guatemala	2014	5	10	14	20	16	35
Honduras	2016	5	10	15	22	16	31
Mexico ^c	2016	6	11	15	21	15	33
Nicaragua	2014	5	10	16	21	14	34
Panama	2017	5	10	16	22	15	32
Paraguay	2017	5	10	15	21	14	35
Peru	2017	5	11	17	24	16	27
Uruguay	2017	10	14	17	22	14	23
Venezuela (Bolivarian Republic of)	2014	8	14	19	23	14	22
Latin America (simple average)		6	11	16	22	15	30

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago, 2019.

^a Household income deciles ranked by per capita income.

^b Urban areas.

^c Figures for Mexico for 2016 were estimated on the basis of the 2016 statistical model for MCS-ENIGH continuity, prepared by the National Institute of Statistics and Geography (INEGI) to mitigate the lack of comparability between the 2016 survey and the 2008–2014 series (see [online] <http://www.beta.inegi.org.mx/proyectos/investigacion/eash/2016/>).

To reduce inequality, the complex social processes —linked to the heterogeneity of the production structure— that cause it must be understood and a broad notion of equality must be adopted, which goes beyond equality of opportunity and includes equality of means (income and access to income-generating assets), effective equality of rights and treatment and, in general, personal autonomy and mutual recognition of persons (United Nations, 2018; Bárcena and Prado, 2016).

Inequality is evident in several areas, as shown in table IV.2. The ability of individuals to exercise their rights effectively in these areas depends on a number of variables that form structural axes of inequality, for which specific policies must be adopted to disrupt how they work. The persistence and reproduction of inequality are associated with a culture of privilege in which differences are normalized as justified inequalities, in line with a common mindset built on hierarchies of socioeconomic status, race, culture, gender, populations or peoples, which are propagated through actors, institutions, rules and practices. Therefore, the culture of privilege is central to the reproduction of inequalities, as it “leads inexorably to asymmetries in numerous aspects of collective life, such as access to privileged positions in business and finance, decision-making and deliberative power, greater or lesser presence in the channels through which ideas, ideologies and political agendas are conveyed, the appropriation of public resources for private benefit, special conditions in matters of justice and taxation, contacts for accessing better jobs and services, and ease in securing the best places to dwell, acquire supplies and receive schooling and care” (ECLAC, 2018b, p. 27).

Table IV.2
The social inequality matrix

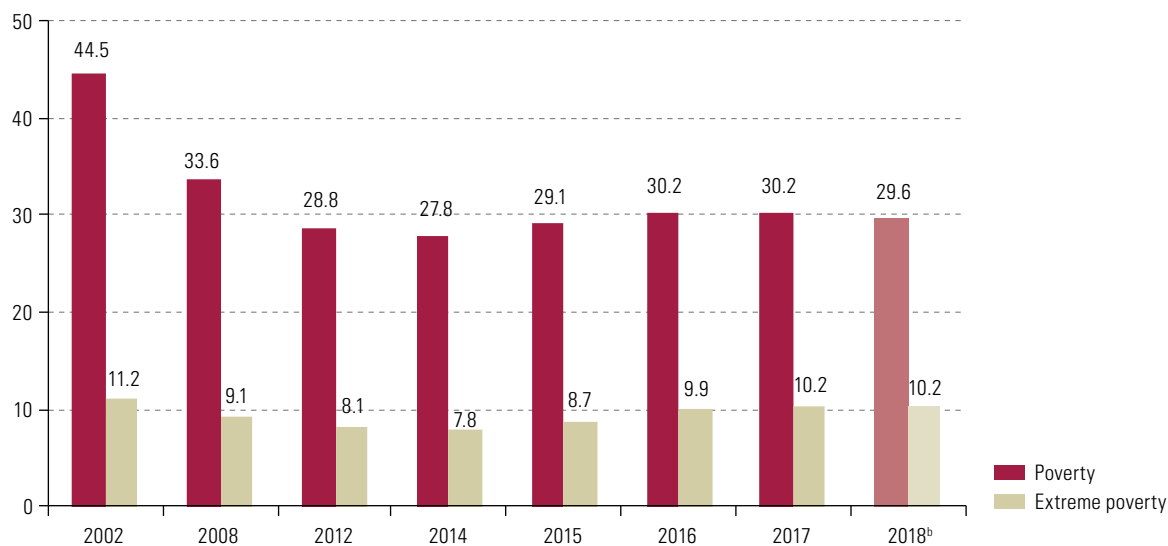
Theoretical approaches	The social inequality matrix	
	Structuring axes	Areas of human rights that are affected
<ul style="list-style-type: none"> – Rooted in the production matrix (structural heterogeneity) and a culture of privilege – The concept of equality: <ul style="list-style-type: none"> – Equality of means (income and productive resources) – Equal rights – Equality of capacities – Autonomy and mutual recognition 	<ul style="list-style-type: none"> – Socioeconomic stratum – Gender – Race and ethnic origin – Age – Territory Other factors of inequality: <ul style="list-style-type: none"> – Disability – Migratory status – Sexual orientation and gender identity 	<ul style="list-style-type: none"> – Income – Work and employment – Social protection and care – Education – Health and nutrition – Basic services (water, sanitation, electricity, housing, transportation, information and communications technology) – Public security and violence-free life – Participation and access to justice and decision-making

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards a regional agenda for inclusive social development: Bases and initial proposal* (LC/MDS.2/2), Santiago, 2018.

B. Poverty trends

After more than a decade of falling poverty and extreme poverty rates in most of the countries of the region, this positive trend began to be reversed in 2015. Between 2002 and 2014, the proportion of people living in poverty declined by more than one third, and extreme poverty by more than a quarter, but both increased from 2015, stabilizing at around 30% and 10%, respectively (see figure IV.2). It is estimated that 182 million people were living in poverty and 63 million in extreme poverty in 2018 (ECLAC, 2018a). Thus, the chances of meeting the targets of SDG 1, to end poverty in all its forms everywhere, become increasingly remote.

Figure IV.2
Latin America (18 countries): poverty and extreme poverty rates, 2002–2018^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago, 2019.

^a Weighted average for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

^b The data for 2018 are projections.

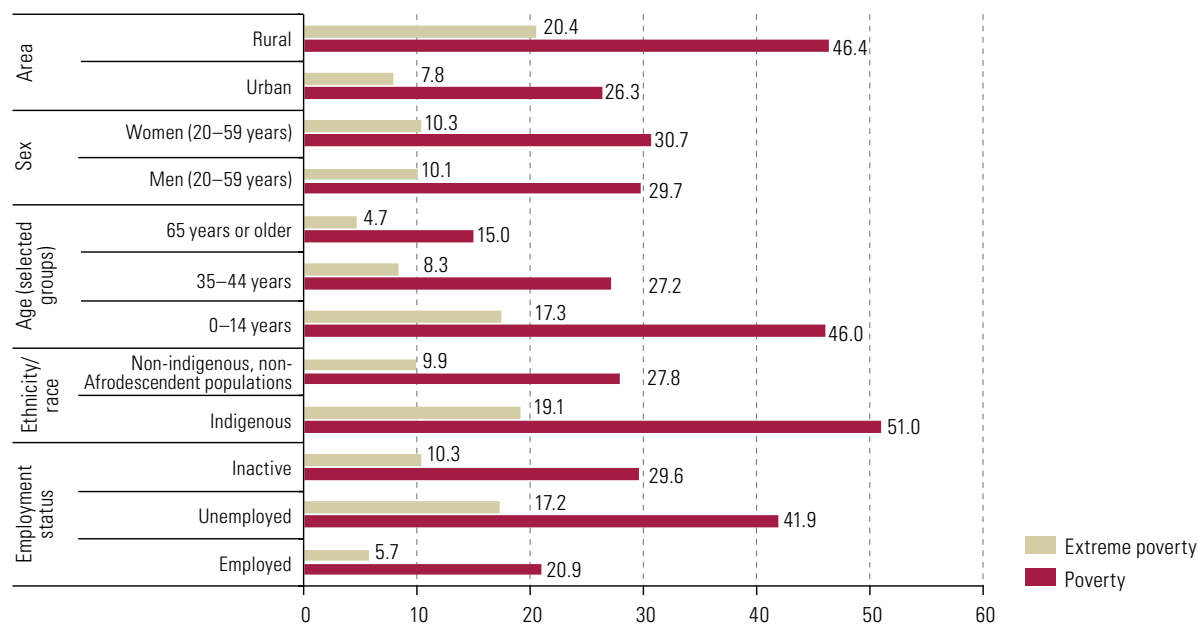
Labour policies and labour market institutions have been central to reducing poverty, leading to a decline in unemployment, increased formalization of employment (with its positive effects on workers' health and pension rights), better labour income and a higher minimum wage in many countries (see section F). There is a risk that this progress may be reversed in the current economic climate, marked by weak growth, labour market deterioration and tighter fiscal space in a large number of countries (ECLAC, 2016b and 2017a).

In light of the challenge of inclusion, it is important to bear in mind that the incidence of poverty and extreme poverty is higher among children, adolescents and youth, women, populations living in rural areas, indigenous peoples and Afrodescendants. This has not changed over the period under consideration and points to the aforementioned structural dimensions of inequality (see figure IV.3).

Poverty reduction has not benefited men and women equally. Women make up a higher proportion of those living in poor households. In Latin America, the femininity index of poverty remained stable and high between 2012 and 2017, at around 113.¹

¹ The femininity index of poverty reflects the percentage of women aged 20–59 years living in poverty compared with the proportion of men living in poverty in the same age group, adjusted by population structure.

Figure IV.3
Latin America (18 countries):^a poverty and extreme poverty by area of residence, age, ethnicity and race, and employment status, 2017
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household survey data bank (BADEHOG).

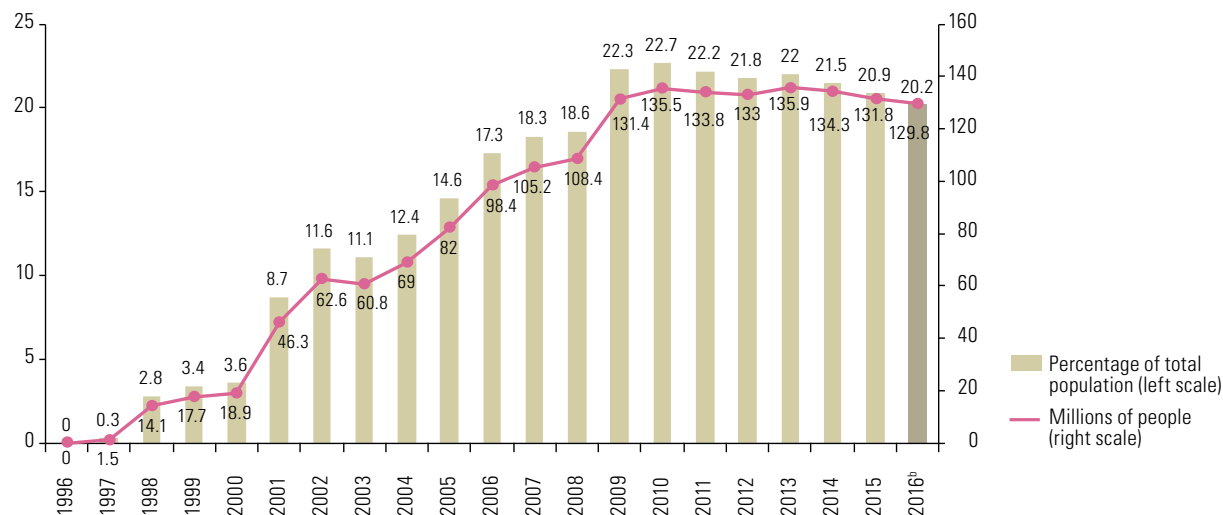
^a The countries are: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Overall, significant progress has been made in the region with regard to SDG 1 (end poverty in all its forms everywhere), but there is a long way to go before poverty and extreme poverty are completely eradicated. SDG 1 should be linked to SDG 10 (reduced inequalities), through sustained economic growth, efforts to reduce informality and redistributive policies, such as promoting decent work (SDG 8) and comprehensive social protection systems.²

Within the social protection systems in the region, conditional cash transfer programmes have played an important role over the last 20 years in reducing poverty and extreme poverty in Latin America and the Caribbean, with positive effects on indicators of income poverty, as well as on education, health and nutrition (Cecchini and Madariaga, 2011). This is reflected in the number and scope of these programmes. The region went from having a single programme in 1996 to 30 programmes in 20 countries by 2013, which is still the case today. The coverage of these programmes and their budgets expanded considerably over the 2000s, but they have been declining since 2010. In 2015, 20.2% of the region's population benefited from a conditional cash transfer programme (reaching 129.8 million people and 29.3 million households), with spending equivalent to 0.33% of regional GDP (US\$ 153 per capita) (see figure IV.4). The recent decline in coverage and spending on these programmes is a cause for concern, as may jeopardize the achievement of SDG 1 (ECLAC, 2016b and 2017a).

² See section F.

Figure IV.4
Latin America and the Caribbean (20 countries):^a people in households participating in conditional cash transfer programmes, 1996–2016^b
(Percentages of the total population and millions of people)



Source: S. Cecchini and B. Atuesta, "Conditional Cash Transfer Programmes in Latin America and the Caribbean: Coverage and investment trends", *Social Policy series*, No. 224 (LC/TS.2017/40), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2017.

^a The countries are: Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

^b Preliminary data.

As part of labour policies and efforts to promote decent work, strengthening the minimum wage has been one of the engines driving the reduction of poverty and inequality in the region. The minimum wage has benefited the most disadvantaged groups, such as Afrodescendent or indigenous women, who are proportionally overrepresented at the bottom of the wage pyramid (ECLAC, 2014 and 2016b).

Labour formalization is central to the promotion of decent work and the sustainability of contributory social protection systems. Non-agricultural informal employment in the region fell from 52.1% in 2005 to 46.8% in 2015, but it ticked up to 49% in 2016, mainly as a result of the economic slowdown that began in 2013 and the subsequent downturn in 2015 and 2016 (ILO, 2018a). Informality has been a persistent phenomenon, linked to a production structure composed mostly of own-account workers (28%) and employment in microenterprises (28%) (ILO, 2015a).

Pension systems play a key role in promoting the full exercise of the right to social security and protection amid accelerating population ageing in the region. According to estimates based on data from 18 Latin American countries from 2016, without the pensions of those in the over-65 age group, poverty in that group would increase from 15.2% to 46.7%, while extreme poverty would rise from 4.3% to 24.2%. Despite the undeniably significant progress made in the coverage of contributory pension systems (an additional 58.7 million people received coverage between 2000 and 2014), there are still 142 million economically active persons who are not covered, which is more than half of the economically active population. In light of the exclusion and inequality typical of contributory systems, the expansion of non-contributory pension systems in Latin America and the Caribbean has been one of the most notable trends in social protection over the last two decades. Between 1990 and 2016, the number of countries with some form of non-contributory pension system jumped

from 8 to 26, of which 11 have extended coverage to persons with disabilities. Thus, the coverage of these systems for persons aged 65 years or over rose from 3.7% to 23.8% between 2000 and 2015, with 11 million recipients. Coverage of persons in quintile I increased by 30 percentage points and of those living in rural areas by 33 percentage points. However, despite the widening of coverage, the average amount of non-contributory pensions is only equivalent to between 12.1% and 38.5% of the minimum wage in 8 of the region's countries (ECLAC, 2018a).

Resilience (understood as the ability of a community to resist, absorb, adapt to and recover from various adverse effects) should be incorporated into social protection systems, in order to address the effects of climate change and natural and human-made disasters on human security and poverty. As stated in the 2015 Global Assessment Report on Disaster Risk Reduction (UNISDR, 2015a), risk reduction in the Americas pose a direct threat to national policies aimed at reducing poverty. The likely economic losses in some cases are double the budget allocations for social spending in many countries of the region. Between 1990 and 2014, disasters caused almost 43,000 deaths, affected 13 million people, destroyed 1.2 million homes and damaged 6 million more. Disaster risk management must therefore be considered as part of social protection systems in response to factors such as seismic threats, floods, soil erosion and environmental degradation (UNISDR, 2015b).

C. Hunger, malnutrition and the right to health

1. End hunger and all forms of malnutrition

Even though the region produces more foodstuffs than are needed to meet the food security needs of its entire population, it has failed to eradicate child undernutrition; there are still countries where a significant percentage of children suffer from this scourge. Meanwhile, overnutrition has been increasing not only among children, but also among adolescents and the adult population, coupled with micronutrient deficiency. The objectives in relation to ending all forms of malnutrition, in line with the right to food security,³ pose an ongoing challenge for the region.

Malnutrition has a high cost for countries, with consequences throughout the life cycle. Undernutrition affects children's cognitive development in the early years, leading to learning deficits in the future. Malnutrition (undernutrition and overnutrition) increases the risk of contracting certain diseases, of death and of worker absenteeism. The economic impact of this double burden should be taken into account when designing preventative and remedial measures to reduce all forms of malnutrition (Martínez and Fernández, 2007 and 2009; Fernández and others, 2017; UNDG, 2018).

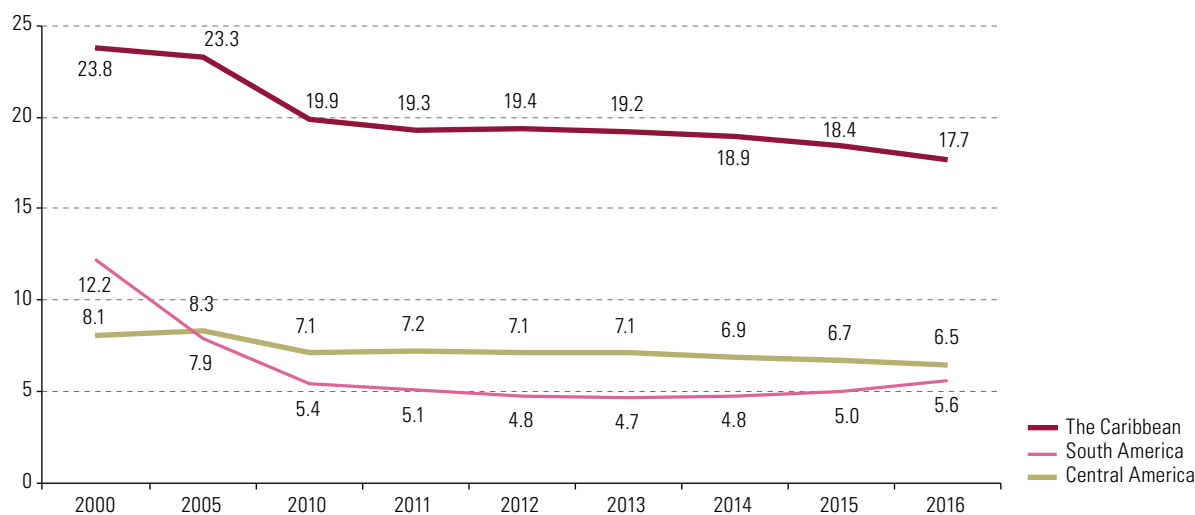
The Food and Agriculture Organization of the United Nations (FAO, 2017) reports that hunger is increasing in Latin America and the Caribbean, which implies an unacceptable backsliding with regard to the progress made in recent decades. The number of undernourished people in the region increased by 2.4 million between 2015 and 2016, reaching a total of 42.5 million, equivalent to 6.6% of the population. Undernourishment is most prevalent in Antigua and Barbuda, Haiti and the Plurinational State of Bolivia, where more than 20% of the populations are undernourished. It is estimated that 38 million people in the region suffered from severe food insecurity in 2016.⁴

³ See Food and Agriculture Organization of the United Nations (FAO) "Food security and the right to food" [online] <http://www.fao.org/sustainable-development-goals/overview/fao-and-the-post-2015-development-agenda/food-security-and-the-right-to-food/en/>.

⁴ Measured according to the food insecurity experience scale (FIES) (see FAO/PAHO, 2017).

Looking at undernourishment rates between 2000 and 2016 from a subregional point of view shows how, since 2013, hunger rates in Central America and the Caribbean have continued to decrease, while in South America they have ticked up slightly (see figure IV.5). The main reasons for this were the subregion's poor economic performance since 2015 and the drop in commodity prices—which are its main export products—coupled with political instability and uncertainty.

Figure IV.5
Latin America and the Caribbean: undernourishment in the subregions, annual figures, 2000–2016
(Percentages)



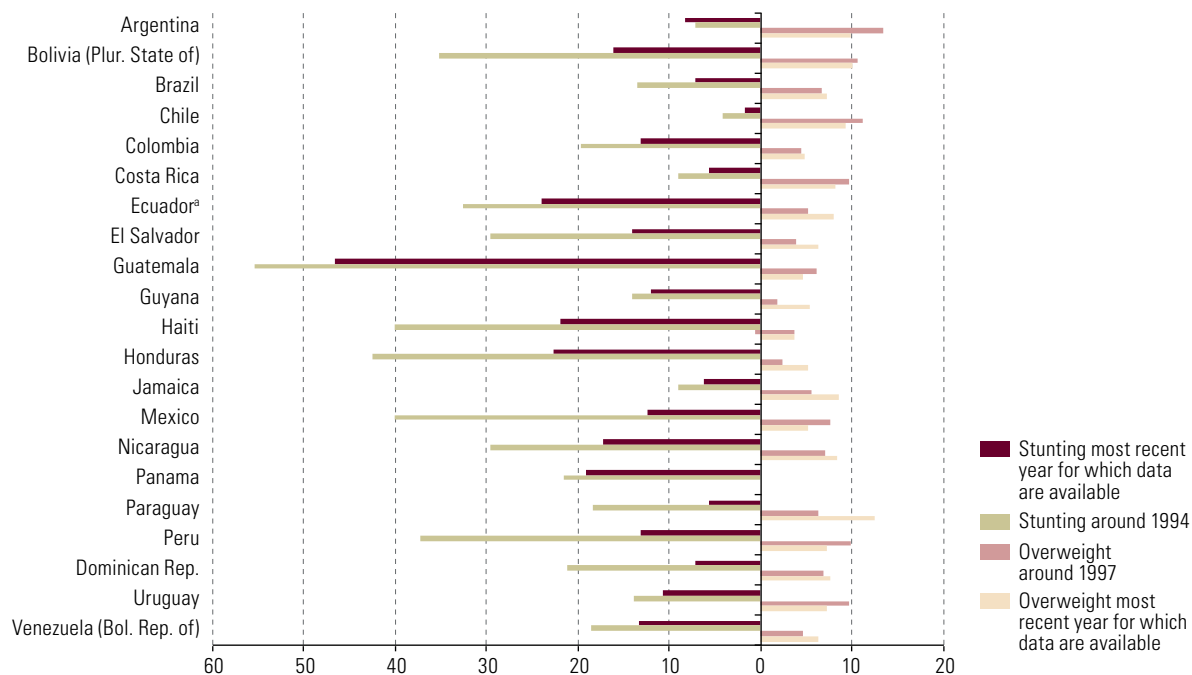
Source: Food and Agriculture Organization of the United Nations (FAO), *The State of Food Security and Nutrition in the World 2017*, Rome, 2017.

Without significant changes in this trend or faster progress, the region will not be able to eradicate hunger by 2025, which is the aim of the Hunger-Free Latin America and the Caribbean 2025 Initiative (HFLAC) and the CELAC Plan for Food Security, Nutrition and Hunger Eradication 2025, nor by 2030, as proposed under SDG 2.

With regard to malnutrition,⁵ significant progress has been made in reducing malnutrition in children in the region since 1990, particularly in El Salvador, Mexico, Peru and the Plurinational State of Bolivia (see figure IV.6). Weight-for-age analysis shows that the prevalence of acute malnutrition or wasting is low in the region, affecting less than 2% of children on average. Nevertheless, that still means that more than 7 million children suffer from malnutrition. Meanwhile, there was a slight increase in the prevalence of overweight and obesity in children. The prevalence of overweight rose in the general population in Chile, Costa Rica, Guatemala, Haiti, Mexico, Peru and Uruguay, but the number of overweight and obese children under 5 years of age fell.

⁵ The official follow-up indicators for target 2.2 are: the prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age, and the prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight).

Figure IV.6
Latin America and the Caribbean (11 countries): prevalence of stunting and overweight
in children under 5 years of age, around 1990 and most recent year
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the World Health Organization (WHO) and official statistics.
Note: Prevalence of stunting is the percentage of children under the age of 5 years whose height for age is more than two standard deviations below the median for the international reference population 0–59 months. Prevalence of overweight and obesity is the percentage of children under the age of 5 years whose weight for height is more than two standard deviations above the median.
^a The data on overweight and obesity for Ecuador are from 2004.

2. Universalization of health care

The definition of health has evolved from the absence of disease to a multidimensional concept, which covers individuals’ interactions with their sociocultural and environmental context. One of the central commitments of SDG 3 is to extend the right to health to all, through universal health coverage that is sensitive to differences, avoiding the perpetuation of gaps in access and quality (Horton and Das, 2015). Over the past 15 years, various health system reforms —underpinned by higher spending on health, up from 1.4% of GDP in 2000 to 2.2% in 2015 in Latin America and reaching an average of 3.0% in five Caribbean countries—⁶ have made it possible to expand coverage and ensure equity in access (ECLAC, 2017e). However, health systems still have highly varied characteristics —in terms of investment, out-of-pocket costs, integration of the public health and social security systems, health-care coverage and outcome indicators— that reflect differences in the historical evolution of the welfare State (Acosta and Cecchini, 2016). The progress made (and pending challenges) with regard to various health indicators is summarized below.

Infant mortality, as a summary indicator of the population’s health, reflects the overall economic and social conditions facing mothers and their newborn children, as well as the sociopolitical context and the state of the health system itself. Infant mortality fell substantially in all the countries of Latin America and

⁶ Specifically, the Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago.

the Caribbean between 2000 and 2015, down by a regional average of 36.3%. However, in line with the region's inequality problems, national averages mask large gaps. For example, the infant mortality rate of the indigenous population in 11 countries of the region is 1.8 times that of non-indigenous people.⁷ These inequalities persist even when area of residence is controlled for (ECLAC, 2017e and 2017f).

Despite the steep decline in fertility in Latin America and the Caribbean in recent decades, it remains high among adolescent girls, a worrying situation given the adverse impacts of early motherhood on children born to adolescent mothers and their families. Young women living in rural areas are more likely to be adolescent mothers than those in urban areas and, within each area, those in the lowest income quintile are more likely to become mothers, perpetuating the cycle of poverty and worsening education gaps. Meanwhile, although the incidence of motherhood among indigenous adolescents has fallen in most countries of the region (ECLAC, 2014), it is still double that of non-indigenous adolescents in some countries (Del Popolo, 2018; ECLAC, 2016a).

Access to adequate sexual and reproductive health services is crucial to moving towards achieving target 3.7 of the 2030 Agenda and the commitments of the Regional Gender Agenda.⁸ In most Latin American countries, such services are guaranteed by a law or decree, or even under the national constitution. In many cases, this right was recognized following the International Conference on Population and Development in 1994.

With regard to access to contraceptives, their prevalence is high in most of the countries of the region, more so in some cases than in developed countries. Emergency contraception is legal in all the region's countries except Honduras. Although emergency contraception has recently begun to be used more widely, there are formidable barriers to accessing it in the public sector in several countries.

With respect to the incidence of human immunodeficiency virus (HIV) infections, progress was made between 2010 and 2015, with an average of 0.17 new cases per 1,000 uninfected population, with a marked difference between women and men (0.10 and 0.29, respectively) and age groups (0.02 among those aged under 15 years and 0.25 among those aged over 15).⁹ The progress made in reducing the incidence among children was due to greater prevention of mother-to-child transmission and actions for the dual elimination of transmission of HIV and syphilis (PAHO, 2017). It is estimated that the number of new infections among adult men in the region has increased recently. Furthermore, young people aged 15–24 continued to account for a third of all new HIV infections in 2016, and there were 120,000 new HIV infections in the region that year. The spread of HIV is particularly serious in prisons in Latin America and the Caribbean (UNODC, 2012).

Countries are committed to achieving the 90-90-90 target by 2020: that 90% of all people living with HIV will know their HIV status; that 90% of all people diagnosed with HIV will receive sustained antiretroviral therapy; and that 90% of all people receiving antiretroviral therapy will achieve viral suppression. Between 2013 and 2016, the region made major progress towards achieving this target, reaching rates of 81%, 72% and 58% in the respective targets (and 64%, 81% and 67% in the Caribbean). Efforts need to be stepped up to reach those who are still not receiving treatment because they do not know their HIV status and those groups whose retention in services is low owing to stigmatization and discrimination (UNAIDS, 2017).

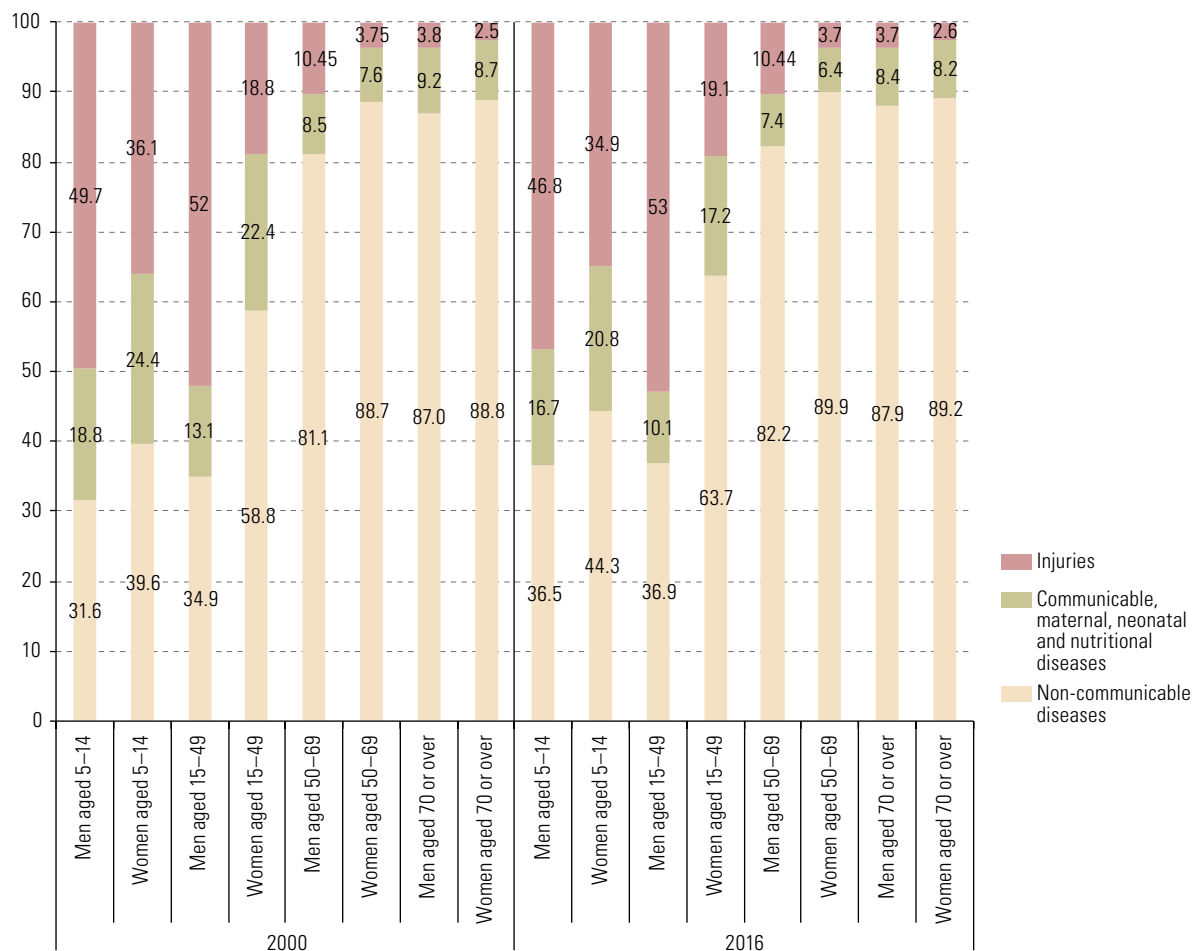
⁷ Simple average for the following countries: Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Plurinational State of Bolivia and Uruguay.

⁸ The commitments of the Regional Gender Agenda on implementing comprehensive, timely and high-quality policies on sexual and reproductive health for adolescents and youth, and on launching comprehensive sexuality education programmes serve as a road map for achieving SDG targets 5.6, 3.7, 3.1 and 3.3.

⁹ See United Nations, "SDG Indicators Global Database" [online database] <https://unstats.un.org/sdgs/indicators/database>.

Together with the increase in life expectancy, the epidemiological transition in the region is reflected in the higher incidence of non-communicable chronic diseases, both among older adults and in the earlier stages of the life cycle (see figure IV.7), which is putting pressure on health and social security systems. The work of those systems is made more complex by the fact that many countries have to cope with the challenges still posed by communicable diseases such as cholera, dengue and Chagas disease, as well as some emerging threats, such as the Zika and chikungunya viruses (ECLAC, 2018c).

Figure IV.7
Latin America and the Caribbean (34 countries): cause-specific mortality, by age group and sex, 2000 and 2016
 (Percentages)

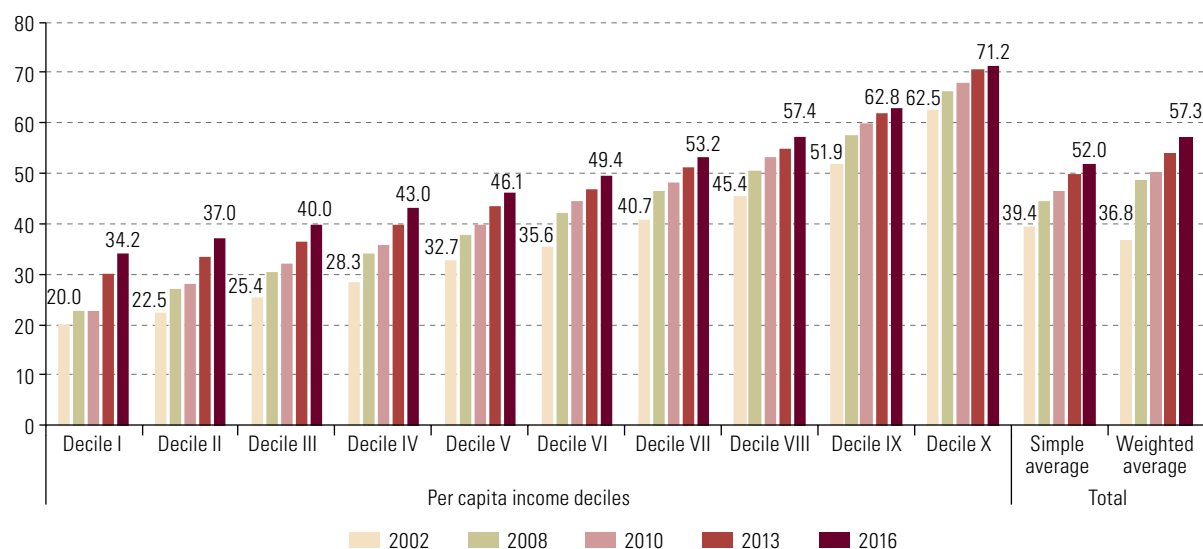


Source: Institute for Health Metrics and Evaluation (IHME).

In order to reduce inequalities in the health domain, progress must be made in universalizing coverage and access to quality services, so that all people can prevent, detect and treat their health problems. Health systems in Latin America are generally organized through public sector services for people living in poverty, social security services for formal workers and private services for those who can afford them (Titelman, Cetrángolo and Acosta, 2015). Few countries have universal health systems that can be accessed independently of employment status, as is the case of Brazil's Single Health System (SUS).

Although employment-related affiliation or contribution to health systems has increased and socioeconomic gaps have narrowed, there is still a long way to go before more equitable access levels are attained. Figure IV.8 shows access to health systems by the employed or wage earners (excluding access through student insurance or unrestricted public health care) by income decile. Between 2002 and 2016, there was a substantial increase in coverage, especially in the first few deciles. Although this meant a narrowing of the gaps between the deciles, a 37 percentage-point difference persists between decile 1 and decile 10.

Figure IV.8
Latin America (14 countries): affiliation or contribution to health systems by employed persons aged 15 and over, by income deciles, national totals, 2002–2016^{a b}
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (CEPAL), *Social Panorama of Latin America*, 2018 (LC/PUB.2019/3-P), Santiago, 2019.

^a In Argentina, the figures represent wage earners aged 15 or older. The data for Mexico in 2016 are not strictly comparable to those of previous years owing to changes in the wording of some of the questions on social security access. Further details of these changes, their effects on the estimation of social security coverage (health and pensions) and procedures to adjust the estimation, are provided in CONEVAL (2017).

^b Simple average for the countries by deciles. The countries included are: Argentina (urban areas), Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, Plurinational State of Bolivia and Uruguay (urban areas).

The fact that benefits and coverage remain highly segmented in the region, as shown by the large differences in the quality of services accessed by different population groups, is worrying and acts as an obstacle to progress on equality.

Another variable to bear in mind at the regional level is drug use. The drug-related mortality rate in Latin America and the Caribbean reached 14.9 per 1 million inhabitants in 2015 (UNODC, 2012). In this regard, drug abuse trends remain relatively stable, with cannabis and cocaine the most commonly used substances and for which treatment programmes are most commonly used (UNDG, 2018).

D. Gender equality and women's empowerment

In line with the aim of the 2030 Agenda for Sustainable Development to put an end to all forms of violence and discrimination against women and girls (targets 5.1, 5.2, 5.3, 10.2, 10.3, 16.1, 16.2 and 16.3), the governments of the region have adopted regulations to eradicate violence against women and eliminate patriarchal practices, discourse and cultural patterns that limit women's autonomy and the full exercise of their rights (see box IV.1). To date, 13 countries have comprehensive laws to prevent,

punish and eradicate gender-based violence¹⁰ that expand the frontiers of gender policies by involving parliaments, courts, the police, prosecutors and the health, education and labour sectors at national and subnational levels. Moreover, 18 countries adopted laws or criminal code reforms which codify the murder of women as femicide or femicide (a separate crime from others already covered in criminal legislation), or qualify gender as an aggravating factor in a murder.

Box IV.1

The Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030: regional progress towards attaining the SDGs

The implementation of the measures of the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030^a is key to creating the structural conditions, mechanisms and resources needed to guarantee women's rights and advance towards gender equality, serving as a road map for achieving the 2030 Agenda for Sustainable Development.

At the national level, governments are using the Montevideo Strategy as a tool for formulating gender equality policies as part of sustainable development strategies. In 2017, 14 countries submitted voluntary reports on their progress in adapting and implementing the Strategy at the national level and its link with the SDGs.^b In January 2019, 20 countries submitted their voluntary reports.^c

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a See Economic Commission for Latin America and the Caribbean (ECLAC), Report of the thirteenth session of the Regional Conference on Women in Latin America and the Caribbean. Montevideo, 25–28 October 2016 (LC/CRM.13/6/Rev.1), 2017.

^b In May 2017, the following countries submitted voluntary reports: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Honduras, Mexico, Panama, Paraguay, Suriname and Uruguay. See the reports submitted by governments [online] <https://www.cepal.org/en/eventos/quincuagesima-quinta-reunion-la-mesa-directiva-la-conferencia-regional-la-mujer-america>.

^c In January 2019, the following countries submitted voluntary reports: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Vincent and the Grenadines, Suriname and Uruguay.

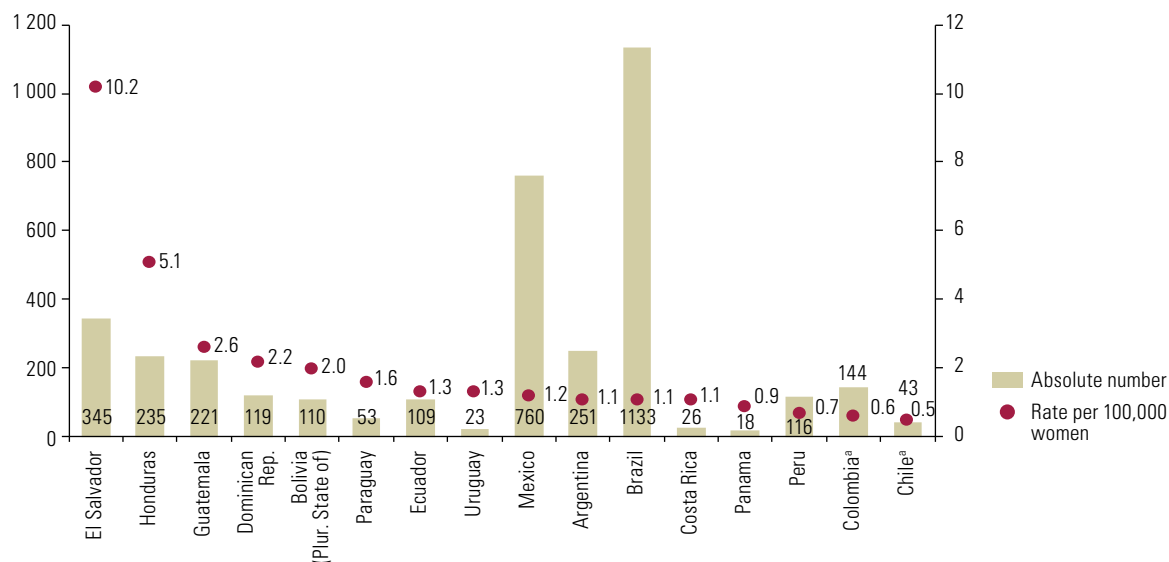
Legislative progress has not been sufficient to eradicate gender-based violence. According to data from the Gender Equality Observatory for Latin America and the Caribbean, more than 15,000 women in 16 countries have been victims of femicide in the past five years, most of them at the hands of their partners (intimate femicide). At least 3,790 women from 23 Latin American and Caribbean countries were victims of femicide in 2017. As shown in figure IV.9, the rate of femicide per 100,000 women was 10.2 in El Salvador and 5.1 in Honduras.

In the Caribbean, nine countries reported femicide data for 2017, totalling 84 deaths of women linked to gender-based violence in the subregion. Among these countries, Guyana and Jamaica only have data on intimate femicide, with 34 and 15 victims, respectively. Belize (9 victims), the British Virgin Islands (1), Saint Lucia (4) and Trinidad and Tobago (21) are the other Caribbean countries where femicides were recorded in 2017, unlike Grenada, Montserrat and Saint Kitts and Nevis, which reported zero cases in the same year.

Four out of 10 adolescents between the ages of 15 and 19 who are in some form of union have experienced violence at the hands of their partners. In addition, the United Nations Children's Fund (UNICEF) reports that 1.1 million adolescent girls between the ages of 15 and 19 have suffered sexual violence or a forced sexual act, with 80% of the aggressors being members of the family group or known to the victims (UNICEF, 2018).

¹⁰ Argentina (2009), Bolivarian Republic of Venezuela (2007), Colombia (2008), Ecuador (2018), El Salvador (2010), Guatemala (2008), Mexico (2007), Nicaragua (2012), Panama (2013), Paraguay (2016), Peru (2015), Plurinational State of Bolivia (2013) and Uruguay (2017–2018) (ECLAC, 2019b).

Figure IV.9
Latin America (16 countries): femicides, 2017
(Absolute numbers and rates per 100,000 women)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean [online] <https://oig.cepal.org/en>.

^a Colombia and Chile record information only in cases of intimate femicide, that is, committed by the woman's partner or former intimate partner.

At the global level, 19%, or one in five women, have experienced physical or sexual violence at the hands of a partner in the last 12 months. In Latin America and the Caribbean that proportion is 21%, so the region is slightly above the global average. Analysis of indicators linked to SDG 16 shows that it is also the region with the highest incidence of femicide, led by countries in Central America and the Caribbean (UN-Women, 2018a).

With regard to women's economic autonomy, the 2030 Agenda calls for unpaid care and domestic work to be recognized and valued through public services, infrastructure and social protection policies (target 5.4). Promoting shared responsibility between men and women in the home is fundamental in a region where the sexual division of labour is one of the structural constraints preventing gender equality. Time-use surveys from 18 countries of the region show that women spend between one fifth and one third of their time on unpaid domestic and care work, compared with about 10% for men (see figure IV.10).

Women's participation in the labour market increased by 5.3 percentage points between 1997 and 2007, but since then this uptrend has slowed. Female participation averaged 50.2% in the third quarter of 2017, compared with a male participation rate of 74.4% (UN-Women, 2018b, p. 109) (see figure IV.11).¹¹

While the female labour force participation rate has improved in recent decades, putting the region above the world average (48.5% according to ILO, 2018b), this has not been matched by an increase in time spent by men on unpaid work (owing to discriminatory social, cultural and demographic factors, as discussed above). There are women who are unable to participate in the labour market because of family situations, in particular because they care for dependants (between 12% and 66% of women who are not employed, depending on the country, compared with a figure of less than 6% for men who are outside the labour market because of family situations) (ECLAC, 2016d; ECLAC, 2019).

¹¹ For analysis of women's labour market participation in the Caribbean, see Wiltshire (2015).

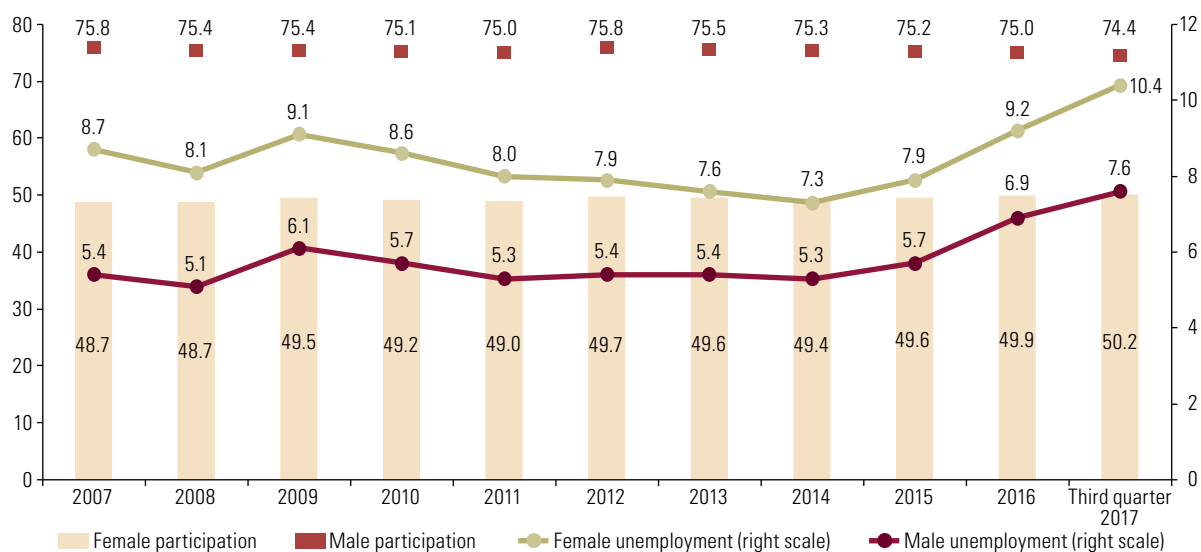
Figure IV.10
Latin America (18 countries): proportion of time spent on unpaid domestic and care work
(indicator 5.4.1 of the Sustainable Development Goals), by sex, 1998–2017
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the time-use surveys of the respective countries; for Brazil: Brazilian Institute of Geography and Statistics (IBGE) “Pesquisa Nacional por Amostra de Domicílios Contínua–PNAD Contínua”, 2018; for Colombia: National Administrative Department of Statistics (DANE) “Cuenta Satélite de Economía del Cuidado–CESC”, 2018; for Costa Rica: National Institute of Statistics and Census (INEC) “Encuesta Nacional de Uso del Tiempo 2017: resultados generales”, 2018; for Cuba: National Office of Statistics and Information (ONEI) “Encuesta sobre el Uso del Tiempo”, 2001; for Nicaragua: National Institute of Statistics and Censuses (INEC) “Uso del tiempo de las y los nicaragüenses”, 1998.

Note: The data refer to the national total except for Cuba (Old Havana). The population examined was 15 years and older, except in Argentina (18 years and older) Brazil (14 years and older), Colombia (10 years and older), Costa Rica (12 years and older), and Nicaragua (6 years and older).

Figure IV.11
Latin America and the Caribbean (weighted average for 24 countries): activity and employment rates,
by sex, 2007–2017
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America*, 2018 (LC/PUB.2019/3-P), Santiago, 2019.

Low labour market participation is compounded by the fact that many women who do enter the labour market looking for work do not find it or obtain only low-quality jobs. In recent years, the slower rate of job creation has resulted in an increase in female unemployment, which is still higher than male unemployment. In 2012, average unemployment rates in Latin America and the Caribbean were 7.9% for women and 5.4% for men. By 2017, these rates had risen to 10.4% and 7.6%, respectively, so that the gap between the two was still over 2.8 percentage points.

Women's labour force participation and their access to any form of income remain highly stratified among women of different socioeconomic levels (ECLAC, 2019; UN-Women, 2017). Moreover, almost a third of women in the region do not have their own income, a situation that makes them vulnerable and economically dependent (in 2017, the regional average of women with no income of their own reached 29.4%, while for men it was 10.7%).¹²

Although 15 countries have adopted a series of measures to address wage inequality (ECLAC, 2017i), the average hourly wages of men are higher than those of women. "The greatest difference is found among service workers, with women having hourly wages 19.8% lower than men's —this being precisely the occupation that accounts for the largest proportion of women in the labour market" (ECLAC, 2019, p. 193).

With regard to women's participation in business, the proportion of women in managerial positions increased between 2013 and 2017 by approximately 1 percentage point,¹³ up from 34.3% to 35.4%.¹⁴ Thus, there is still a long way to go before women are fully integrated into economic life in the region.

Meanwhile, gender gaps persist in the financial system.¹⁵ For example, studies carried out in recent years in Chile, where information on this gap is available, highlight that, even though women are more creditworthy, they are given smaller loans and, in some cases, with higher interest rates than men (SBIF, 2018). Costa Rica and Guatemala have begun to disaggregate financial system data by sex, which will support the production of indicators of gender inequalities in access to credit and the use of financial services.

With regard to decision-making autonomy, most Latin American and Caribbean countries have adopted quota and parity laws in the last two decades in an effort to reduce gender inequalities in politics, by narrowing the political participation gap between women and men.¹⁶ Between 1997 and 2018, women's participation in parliaments in the region increased from 12.1% to 30.7%.¹⁷ On average, women are underrepresented in ministerial cabinets in the region. Female ministers tend to be given portfolios linked to social issues, rather than those on political, economic and production matters (ECLAC, 2019b). According to the most recent data available, on average, women hold 25.7% of ministerial offices and the number of female ministers has decreased in seven Latin American and two Caribbean countries compared to the previous government (ECLAC, 2019b).

The Plurinational State of Bolivia is one of only two countries in the world where women occupy more seats than men and has one of the highest percentages of female representatives in the world (53.1%). Meanwhile, at the other end of the spectrum is Haiti, with only 2.5% of parliamentary seats held by women, the lowest in the region (ECLAC, 2019b). On average, women continue to be highly underrepresented within the region at the local and subnational levels, as they account for just 14.6% of mayors and 29.5% of representatives in local legislative bodies (ECLAC, 2019b).

¹² See [online] Gender Equality Observatory for Latin America and the Caribbean, <https://oig.cepal.org/en/indicators/people-without-incomes-their-own>, [date of reference: February 2019].

¹³ See International Labour Organization (ILOSTAT). "SDG labour market indicators" [online database] <https://www.ilo.org/ilostat/>.

¹⁴ Data refer to Argentina, Brazil, Chile, Costa Rica, Ecuador, Mexico, Panama and Uruguay.

¹⁵ Target 5.a is to "undertake reforms that give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws" (United Nations, 2015).

¹⁶ See repository of quota legislation of the Gender Equality Observatory for Latin America and the Caribbean, "Laws" [online]: <https://oig.cepal.org/en/laws/quota-legislation>.

¹⁷ See CEPALSTAT [online database] <http://interwp.cepal.org/sisgen/ConsultaIntegrada.asp?idIndicador=178&idioma=e> [date of reference: 1 February 2019].

Lastly, despite the increase in the number of women on the boards of directors of central banks in Latin America, they still did not account for more than 25% of board members in 2017 (8.7% in 2013 and 25% in 2017).¹⁸ Women are needed on these boards in greater numbers if progress is to be made towards pro-gender-equality macroeconomic policies and towards breaking down the barriers that prevent women enjoying autonomy.

E. Inclusive, high-quality education and learning opportunities

Increased levels of education in a population are linked to improvements in key factors for development and well-being, such as productivity, social mobility, poverty reduction and health. Education is a cross-cutting issue, given that it is linked to several SDGs, and its importance tends to increase exponentially, in light of the challenges imposed by the technological revolution. While education has always been a fundamental component of inclusive development, this revolution means that it is even more urgent to expand education services, reduce the quality gaps and adapt curricula to the demand from the production system for new skills.

In recent decades, the region of Latin America and the Caribbean has made significant progress in expanding access to and coverage at all levels of education (United Nations, 2010; ECLAC, 2008). However, the education system has not become a powerful mechanism for ensuring equal opportunities. A limiting factor is the socioeconomic conditions of the households of origin, as well as other structural features of inequality, which are reflected in a marked segmentation and stratification of the quality and efficiency of educational provision (ECLAC, 2010a).

1. The preschool stage

Childhood—and early childhood in particular—is a very important stage at which risk factors converge in such critical areas for development as health and nutrition, early stimulation and education, and the opportunity to grow and develop in safe and supportive family and community settings. Infringements of rights at this stage can have deep and lasting effects on a person's well-being and development.

Access to the preschool cycle in the region is heterogeneous. While, on average, 6 out of 10 children between the ages of 3 and 4 participate in preschool education programmes (UNICEF, 2018), there is much heterogeneity in the region: some countries have almost universal enrolment at this level, but in others it is around 30%. From an intergenerational perspective, investment in early childhood education is crucial to reducing inequality. Expanding high quality pre-school education provision (for children aged 3–5 years) and adopting policies that address and facilitate access by the most vulnerable groups, would help to reduce dropout and repetition rates.

According to UNESCO (2018), public policy is split between initiatives to universalize education and efforts to provide effective care within education systems. It is difficult to provide educational services, as well as other forms of support that families need to send and keep their children in school. Programmes that provide parents and young children with support through home visits have significantly improved caregivers' practices and children's health (Chang and others, 2015), which in turn improve their economic and social circumstances in adulthood (Gertler and others, 2014). Nevertheless, there are still few programmes that develop parenting skills in Latin America and the Caribbean, and the coverage of those that do exist is limited. Publicly-funded day care for children aged under six years also facilitates women's integration into the labour market.

¹⁸ See CEPALSTAT [online database] <http://interwp.cepal.org/sisgen/ConsultaIntegrada.asp?idIndicador=2464&idioma=e>.

2. Primary education

Over the last 20 years, access to primary education in the region has increased significantly, and the out-of-school rate of primary school-age children has fallen by 43%. However, this trend has stalled over the past 10 years, with the out-of-school rate remaining unchanged (according to UNESCO estimates), at around 5%. There are no differences in the average education access rates of girls and boys nor between socioeconomic strata. However, unresolved issues include ensuring adequate progression through and, in particular, completion of primary education, as well as fully incorporating the most excluded groups (those living in extreme poverty and in rural areas, indigenous peoples and Afrodescendants). Major investment is needed that, in addition to expanding educational provision, will guarantee effective access to these services (Trucco, 2014).

3. Secondary education

Secondary education is now considered the minimum required to guarantee a life free of poverty (ECLAC 2010a). It is not enough to enrol in secondary education, pupils must complete the cycle. According to data from the UNESCO Institute for Statistics, in 2016, 12.7 million children and adolescents (6.8 million males and 5.9 million females) in Latin America and the Caribbean—equivalent to 9% of the school-age population—were out of school (UNESCO, 2018). Young people who do not complete secondary education are more likely to belong to lower-income households, to live in rural areas or to be indigenous or Afrodescendants (ECLAC, 2017e). While the secondary education completion rate for young people from households in the first income quintile doubled between 2002 and 2016, it is still less than half that of the top quintile (35.4% and 83.0%, respectively) (see figure IV.12).

Figure IV.12
Latin America (18 countries):^a young people aged 20–24 who completed secondary education, by quintile, 2002–2016
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations from national household surveys.

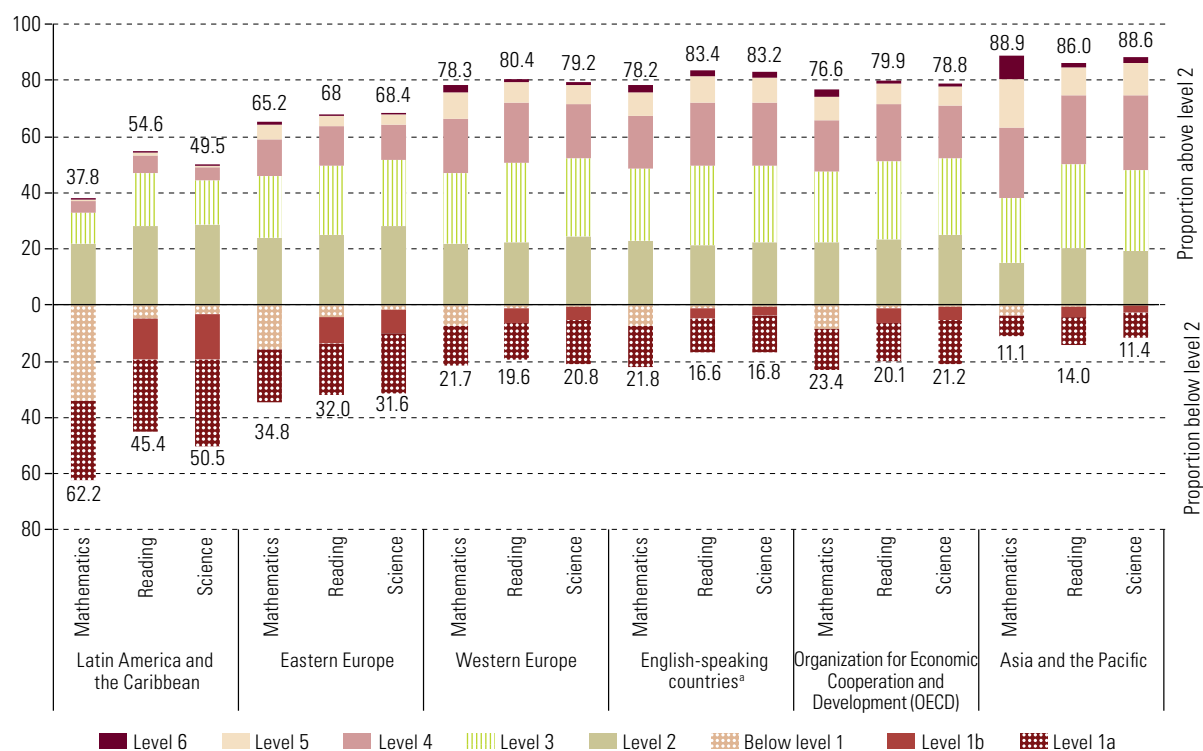
^a Simple averages for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

More men than women drop out of secondary education, and they do so for different reasons. Adolescent men tend to enter the labour market at a young age and leave education mainly for economic reasons, but also for reasons linked to their development and autonomy, and because they do not fully appreciate the value of education. Meanwhile, adolescent women tend to drop out of school for reasons linked to the demands

of care and domestic work in their homes (the result, in turn, of the sexual division of labour in families and of culturally defined roles), in addition to adolescent pregnancy and motherhood (Rico and Trucco, 2014).

The most common way to monitor progress is to use standardized tests that are performed in a comparable manner across the region's countries for primary and secondary school students, both nationally and internationally. The Programme of International Student Assessment (PISA)¹⁹ and the Third Regional Comparative and Explanatory Study (TERCE),²⁰ as well as educational research generally, show that the results of the majority of students from lower socioeconomic and cultural levels in Latin American countries are below the basic level of competence in the subject. In the most developed countries, there are also inequalities in terms of learning outcomes between students from different socioeconomic strata, but the vast majority of students attain the expected basic level of competence (level 2 in the PISA test), which is not the case in the region, where, on average, only 37.8% of students achieve that level in mathematics, 49.5% in science and 54.6% in reading (ECLAC, 2010a; 2016a and 2018b) (see figure IV.13). On average, girls perform better in reading tests, while boys do better in mathematics and science. These differences affect their fields of study and employment later in life, since the market mostly rewards the scientific and mathematical fields (Rico and Trucco, 2014).

Figure IV.13
Students' performance in the Programme of International Student Assessment (PISA) tests by region and competence (mathematics, reading and science), 2015
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organization for Economic Cooperation and Development (OECD), *PISA 2015 Results*, Paris, OECD Publishing.

Note: Students at levels below 2 (level 1a, level 1b and below level 1) have not attained the basic level of competence expected.

^a The "English-speaking countries" category includes Australia, Canada, New Zealand, the United Kingdom and the United States.

¹⁹ Evaluation performed by the Organization for Economic Cooperation and Development (OECD) to measure basic skills among 15-year-old students.

²⁰ Evaluation performed by the UNESCO Regional Office for Education in Latin America and the Caribbean (OREALC) in 2013 to measure skills among third and sixth grade students in Latin American and Caribbean countries.

Indigenous and Afrodescendent populations suffer multiple inequalities as a result of historical and systematic discrimination and exclusion. States are taking steps to recognize the language and culture of indigenous peoples and Afrodescendants, through bilingual intercultural education and ethno-education. The situation in the region reveals a great heterogeneity of policies and regulations that refer, in different ways, to the concepts of bilingual intercultural education and interculturality. According to López (2011), national education legislation in most countries establishes the right to education that is respectful of diversity and, in many cases, bilingual intercultural education has been adopted as the education method aimed at indigenous peoples. With regard to bilingual intercultural education plans and programmes, progress has been made in incorporating indigenous languages and cultures into education systems in almost all Latin American and Caribbean countries, but little progress has been made in terms of mainstreaming an intercultural perspective into the education system for indigenous and non-indigenous persons.

4. Technical and vocational education

Technical and vocational education and training (TVET) plays a leading role in the 2030 Agenda, evidenced by the Goals that encourage States to ensure equal access to quality technical, vocational and tertiary education (target 4.3) and substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent work and entrepreneurship (target 4.4). The social inclusion of young people from disadvantaged social backgrounds largely depends on the quality and relevance of this type of training. Compared to general secondary education curricula, it is common for there to be a higher proportion of students from lower socioeconomic backgrounds in these education programmes (Sevilla, 2017). Technical and vocational education and training programmes in the region are in the process of being reformed and strengthened. In those countries where secondary school dropout rates remain high, the focus is on technical programmes in schools; while in countries where the dropout rate is low, the emphasis is on technical education at the tertiary level (ECLAC 2017a).

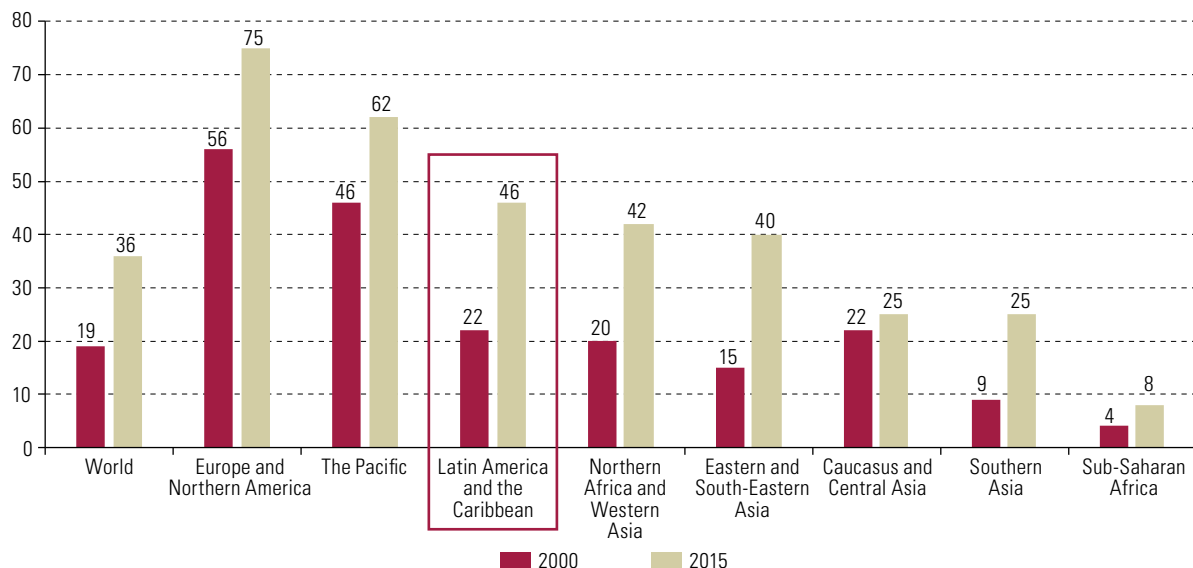
In general, technical education provision in the region is not linked in an effective manner to the production sectors. Students receive little workplace training and potential employers are not systematically involved in developing the curricula of technical education programmes. This situation is more critical in countries where responsibility for TVET is divided among different institutions. An approach is needed that transcends the national ministries of education and is coordinated from the highest levels of government.

5. Higher education

In Latin America and the Caribbean, access to tertiary education increased significantly in the current century. Between 2000 and 2015, the enrolment rate more than doubled. At 46%, the regional enrolment rate is 10 percentage points higher than the world average, although it still lags behind that of countries in Europe and North America (see figure IV.14).

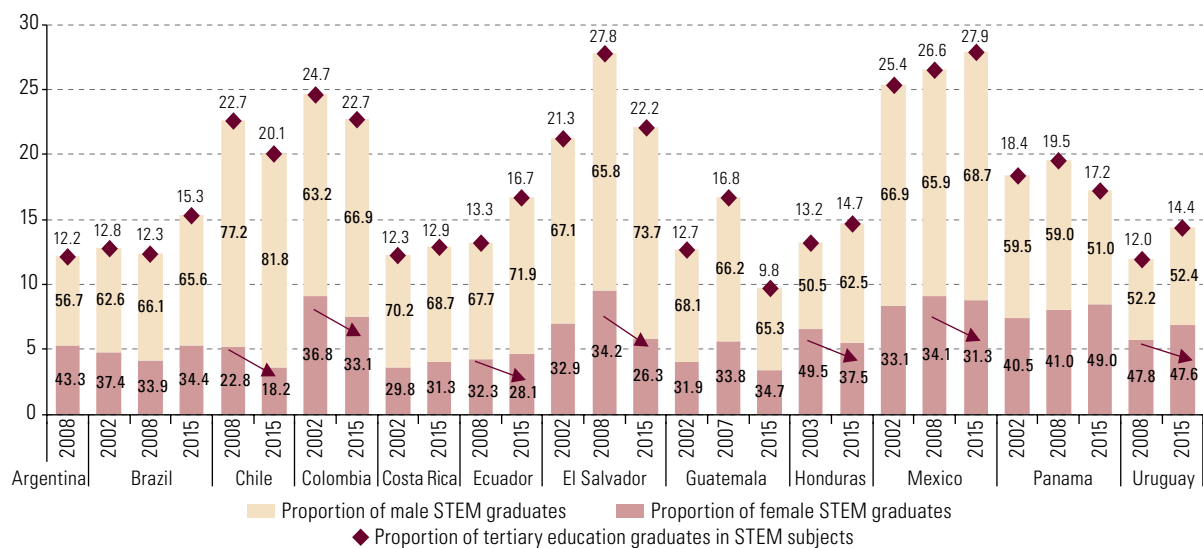
Although women outnumber men in tertiary education enrolment rates, they are still less likely to graduate in science, technology, engineering and mathematics (STEM) subjects. Chile is an extreme example of this trend, with less than 20% female participation in STEM subjects (see figure IV.15).

Figure IV.14
Gross enrolment rate in higher education, 2000 and 2015
(Percentages)



Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), *Global Education Monitoring Report 2018*, Paris, 2018.

Figure IV.15
Latin America (12 countries): graduates in science, technology, engineering and mathematics (STEM) subjects, by sex, and graduates in STEM subjects as a proportion of all graduates, both sexes, between 2002 and 2015^{a b}
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Educational, Scientific and Cultural Organization (UNESCO), "Data for Sustainable Development" [online] <https://sdg.uis.unesco.org/>.

^a STEM graduates by sex are calculated as the respective female and male proportions of all those graduating in STEM subjects each year.

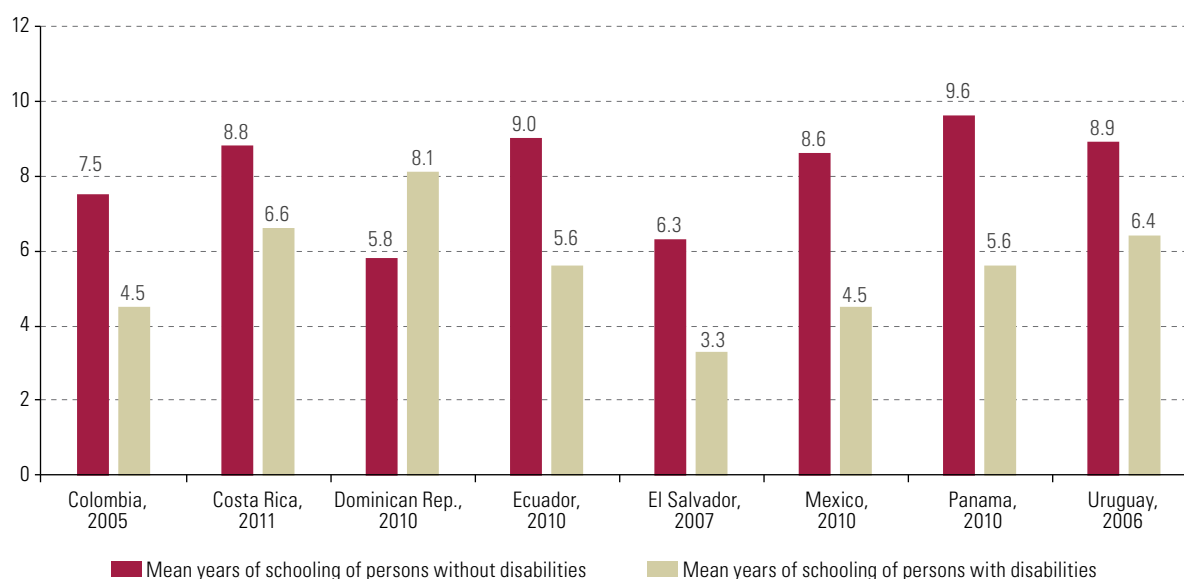
^b Tertiary education graduates in STEM subjects are calculated as a proportion of all tertiary education graduates.

Inequality by socioeconomic level in access to higher education is a serious problem in the region. Brazil, Colombia, Costa Rica, the Dominican Republic, El Salvador, Honduras, Panama and Peru all have high enrolment rates among the richest population groups (between 40% and 75%) and low rates for the poorest groups (between 1% and 10%).

6. Access to education by persons with disabilities

Another area where progress could be made is the increasing inclusion of persons with disabilities in education and employment. There is a major difference in school attendance between children and adolescents with disabilities and their peers without disabilities, and this gap widens as they move through the educational cycle (see figure IV.16). The exclusion of children and adolescents with disabilities becomes more acute when disability intersects with the other axes of social inequality in Latin America and the Caribbean, such as socioeconomic level, gender, ethnicity or race, and place of residence.

Figure IV.16
Latin America (8 countries): mean years of schooling of persons with and without disabilities, 2005–2011 (Years)



Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), "Education and disability: analysis of data from 49 countries", *Information Paper*, No. 49, Paris, 2018.

F. Inequalities in the labour market and decent work

Work, together with education and capacity-building, is central to social inclusion and equality. However, multiple inequalities permeate the labour markets of the countries of the region, owing to a heterogeneous and undiversified production structure and to various forms of discrimination, such as on the basis of sex, age, ethnicity or race, socioeconomic level and territory. Between 2002 and 2014, as levels of poverty and inequality fell there was a corresponding decrease in unemployment and an increase in the female participation rate, labour income and levels of formalization. This trend favoured the expansion of pension systems' contributory base, as well as processes to strengthen forums and mechanisms for social dialogue between governments, trade unions and employers' organizations.

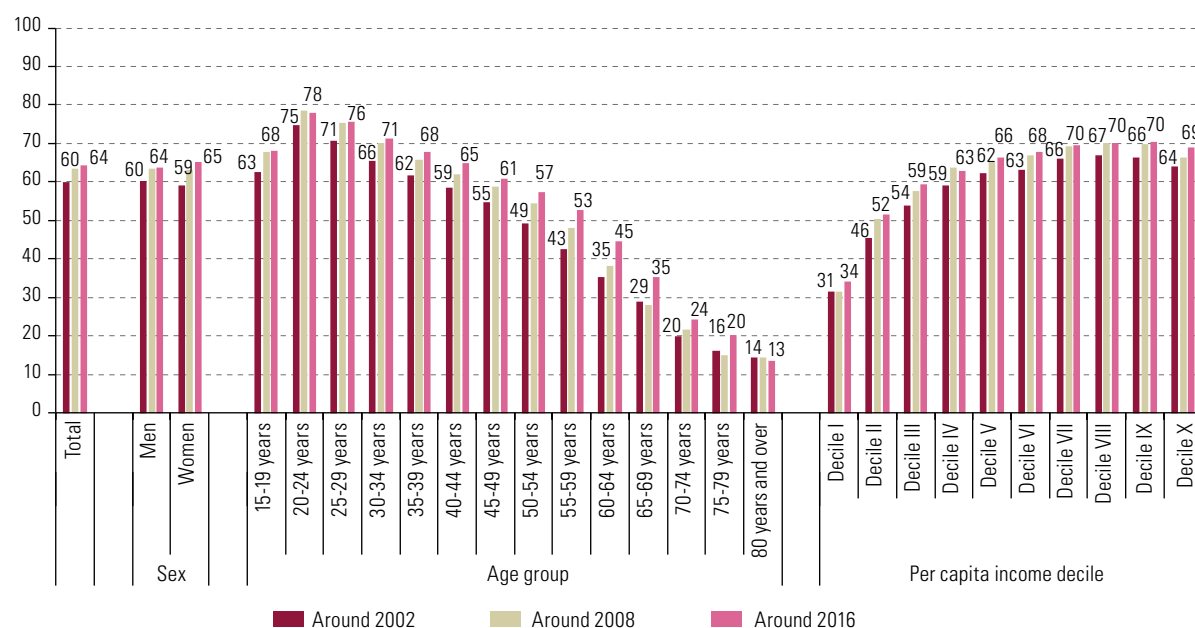
However, as a result of the economic slowdown, these trends began to be reversed in 2015, becoming a barrier to the attainment of the 2030 Agenda.

Looking to the future, employment problems will become more acute as a result of the transformations taking place in the world of work, linked to the destruction and creation of jobs and occupations by new technologies—such as process automation, which reduces the number of jobs involving repetitive tasks—and new forms of labour organization. Tensions are heightened by factors such as, on the one hand, population ageing and, on the other, migratory movements which modify the structure of the labour supply (ECLAC, 2017a).

1. Labour integration gaps

As discussed above, there are gaps in labour market participation and entry, which are barriers to both equality and the efficiency of the production system. Women's labour market participation rates are still lower than men's, in particular the rates for vulnerable women or women living in extreme poverty or poverty (see section B). The rise in female labour market participation was also accompanied by an increase in wage employment among women, from 59% of the total employed female population in 2002 to 63% in 2008 and 65% in 2016, which was slightly greater than the growth in wage employment among men (up from 60% in 2002 to 64% in 2016) (see figure IV.17). There are differences in wage employment rates among households with different income levels, with wage earners accounting for less than half of workers in decile I and slightly more than 50% in decile II, to close to or higher than 70% in decile VII and upwards.

Figure IV.17
Latin America (17 countries): percentage of wage earners among total employed population by sex, age group and household per capita income decile, around 2002, 2008 and 2016^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household survey data bank (BADEHOG).

^a Weighted average for the following countries: Argentina (urban areas), the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay (urban areas).

The disparities in labour market participation across the region become clear when the analysis includes the life-cycle perspective (ECLAC, 2016e). There is a difference of more than 13 percentage points in labour market participation between young people aged 15–29 from non-vulnerable households (67.4%) and young people who live in extreme poverty, poverty or are vulnerable to poverty (54.1%). Access to the labour market increases among adults from 30 to 64 years of age, with participation rates above 70%. In this age group, the gap narrows (by some 8 percentage points) between those living in extreme poverty, poverty or vulnerability and those who are not vulnerable.

Early entry into the world of work is related to high levels of dropout or expulsion from the school system and ingrains the intergenerational transmission of poverty and vulnerability. These patterns run counter to SDG target 8.b, which is to “develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization”.

2. Employment quality

SDG target 8.3 is to promote decent job creation and encourage formalization, among other things. The increase in the proportion of wage earners in the region has not necessarily translated into higher levels of employment formalization. According to ECLAC/ILO (2015), wage employment (excluding domestic work) covered by social security was between 84% and 91% in Brazil, Chile, Costa Rica, Panama and Uruguay, but less than 60% in Paraguay and Peru. Almost 20% of wage earners work in the informal sector or do not have social security coverage. The magnitude of informality increases when own-account and domestic workers, and unpaid family workers, are included in the total. These three groups make up almost a third of the total employed in the region and generally show worse employment quality indicators (such as lower wages, lack of social security benefits and non-registration in labour and fiscal records). (ECLAC/ILO, 2015). Data from 2013 show that a considerable number of people living in extreme poverty, poverty or vulnerability work as own-account workers (31.6%) and unpaid family members (7.4%). When an ethnic and racial dimension is introduced into the analysis, the proportion of own-account and unpaid family workers is larger among the indigenous population, while the proportion of wage earners and employers is higher among the non-indigenous. In periods of high unemployment or economic crisis, these workers have a high chance of falling into poverty.

While domestic work is one of the occupations that creates employment for women in the region, it is the clearest example of occupational segregation by gender and of the gender division of labour. Domestic workers face low wages—according to ECLAC (2017g, 2018a and 2019a), domestic workers' average earnings are equivalent to just over 50% of average income for all employed women—and have been denied their social and labour rights, including their right to a pension. In 2015, 11% of employed women in Latin America and the Caribbean worked in domestic service,²¹ and of this group, only 26.9% had social security coverage, which meant that the rest did not have adequate working conditions that guaranteed formal employment and regulated working hours.

3. Labour income gaps

In Latin America and the Caribbean, the labour market has historically been the link between a highly heterogeneous production structure, of which the low-productivity sector forms a large part, and high income inequality among households (ECLAC, 2016b). Latin American households obtain 80% of their total incomes from work, which is therefore the driving force for overcoming poverty and gaining access

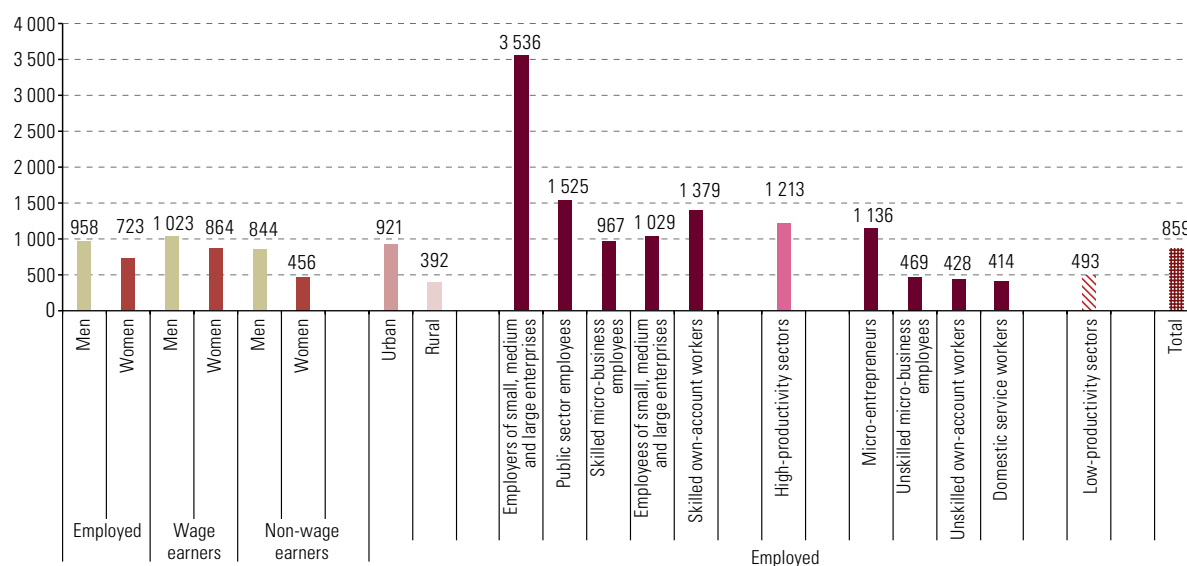
²¹ According to ILO (2015b), in 2014, domestic work accounted for 13.7% of total female employment in urban areas.

to social protection (ECLAC, 2016e). After a period of stagnation in the 1990s, real labour incomes in the region grew between 2002 and 2013, from an average of 4.1 times the poverty line to 4.9 times. Between 2002 and 2008, the poverty reduction observed in most of the countries was mainly due to this increase in labour income. Likewise, in the period 2008–2016, paid work was again the predominant source of income growth among households living in poverty.

Although SDG target 8.5 calls for “equal pay for work of equal value”, a comparison of the regional average labour income of US\$ 859 per month (in dollars at constant 2010 prices, adjusted for purchasing power parity) confirms the aforementioned considerable inequalities based on gender, area of residence and sector of economic activity. Average labour incomes are higher in urban areas (US\$ 921 per month) than in rural ones (US\$ 392). The occupational structure shows a greater presence of wage earners in urban than in rural areas, where the percentage of own-account workers and unpaid family members is higher (ECLAC, 2016e).

As discussed in chapter I, structural heterogeneity is a contributing factor to high income inequality. Labour incomes of workers in medium- and high-productivity sectors are double those of workers in low-productivity sectors. According to ECLAC (2016c), 49% of the workers in the region are employed in low-productivity sectors and 53% of all employed women work in this sector (compared with 46.6% of men). The category receiving the lowest monthly income is domestic service workers, most of whom are women²² (see figure IV.18) (ECLAC, 2018a).

Figure IV.18
Latin America (17 countries):^a labour income by sex, geographical area and entry into the labour market, around 2016^b
(Constant dollars at 2010 prices, in purchasing power parity)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household survey data bank (BADEHOG).

^a Weighted average for the following countries: Argentina (urban areas), Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay (urban areas).

^b The comparison between urban and rural areas does not include Argentina or the Bolivarian Republic of Venezuela.

²² Using 2010 census data from eight countries, it was found that the number of people in domestic employment was upwards of 7 million, of whom 95% were women, and 71% lived in urban areas. Of those, just over 4.5 million (63%) were Afrodescendants (ECLAC, 2017e).

4. Child and adolescent labour

Child labour is a reality for millions of children and adolescents in Latin America and the Caribbean and leaves an indelible mark on their lives. In the light of the negative consequences of this phenomenon, SDG target 8.7 is to “take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”.

According to ILO estimates for 2016, around 10.5 million children and adolescents in Latin America and the Caribbean are engaged in child labour, or 7.3% of the region’s population aged between 5 and 17 (ILO, 2017a). Even though the number of children and adolescents in child labour fell by 3.7 million between 2008 and 2016, a significant proportion of that population is still engaged in child labour. There was also a significant reduction in hazardous work over this period, down from 6.7% to 4.4%, equivalent to 3.2 million children and adolescents.

According to official national statistics reported by each country, Brazil, Mexico and Peru are the countries with the largest numbers of child workers, in absolute terms; in percentage terms, the countries where child labour is the most prevalent are the Plurinational State of Bolivia (26.4%), Paraguay (22.4%) and Peru (21.8%) (see table IV.3).

Table IV.3
Latin America and the Caribbean (18 countries): children and adolescents (aged 5–17) engaged in child labour, 2008–2017^a
(Numbers and percentages)

Country	Year	Number	Percentage of the total age group
Argentina	2017	522 706	5.8
Belize	2013	3 528	3.2
Bolivia (Plurinational State of)	2008	800 180	26.4
Brazil	2015	2 671 893	6.5
Chile	2013	219 624	6.6
Colombia	2017	796 000	7.3
Costa Rica	2016	20 896	2.1
Dominican Republic	2010	304 062	12.2
Ecuador	2016	290 325	6.5
El Salvador	2015	140 700	8.9
Guatemala ^b	2014	731 115	16.9
Honduras	2017	382 931	15.2
Jamaica	2016	37 965	5.8
Mexico	2015	2 217 648	7.5
Panama	2016	23 855	2.5
Paraguay	2011	416 425	22.4
Peru	2015	1 619 200	21.8
Uruguay	2010	68 100	9.9
Latin America and the Caribbean	2008	14 125 000	10.8
	2016	10 461 000	7.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations from child labour surveys conducted in the respective countries and International Labour Office (ILO), *Global estimates of child labour: Results and trends, 2012-2016*, Geneva, 2017.

^a The definition of child labour and the official child labour statistics used are those reported by each country. In most countries, child labour rates are linked to prohibited economic activities or occupations.

^b Data for Guatemala refer to the age bracket 7–17 years.

To achieve target 8.7, not only must child labour be reduced, but at least 35 targets of the 2030 Agenda must also be attained (ILO, 2016b; ILO/ECLAC, 2018). Consequently, the governments of 28 countries,²³ together with workers' and employers' organizations, have launched the Latin America and the Caribbean Free of Child Labour Regional Initiative, which seeks to end all forms of child labour by 2025.

5. Decent work and pensions

The pension systems reflect the aforementioned labour gaps and the fact that there is still a long way to go before there is universal access to social protection in the region. Analysis of these systems is linked to Sustainable Development Goals 1 (no poverty), 8 (decent work and economic growth) and 10 (reduced inequalities). On the one hand, pension system coverage is directly related to target 1.3; on the other, access to these systems through contributory channels is fundamental to ensuring decent work and is therefore also related to targets 8.3 and 8.5. The labour market and pension systems are linked both by the coverage and adequacy of the benefits provided. Precarious employment and the formalization gaps described in the previous section have a direct impact on the ability of a large contingent of workers to make regular social security contributions during their working lives and, thus, access the contributory pension system. Between 2008 and 2015, the percentage of workers in Latin America affiliated or contributing to pension systems climbed from 38.0% to 50.3%, and among wage earners, it jumped from 59.7% to 64.7%, equivalent to some 40 million more workers.²⁴ This is very positive news and can be linked to the improvements in working conditions set out in the previous section. However, the fact that around 50% of workers do not have contributory coverage is undoubtedly a major red flag and raises questions about whether they will have sufficient income when they retire. Moreover, less than 18% of non-salaried workers were affiliated with those systems around 2015, a proportion that increases in those countries that have taken steps to include these workers in contributory protection systems (ECLAC, 2016b, 2017e and 2018a).

While there are no significant gender differences in the coverage of employed persons in pension systems, in 2015 the level of affiliation among urban employed persons was 2.5 times higher than that of rural employed persons (even though this gap had narrowed between 2002 and 2015). Coverage also varies considerably depending on workers' level of schooling; peaking at 73% among those with tertiary level education, which is double the coverage level of those who did not complete secondary education. Among workers who only finished primary school, coverage is just 17%. There are also very significant differences between workers in different per capita income groups.

Meanwhile, analysis of pension coverage among the population aged 65 and over, that is coverage of liabilities, shows that, around 2015, 70.8% received some type of pension, either through contributory or non-contributory programmes or both, a proportion that increased by 17 percentage points between 2002 and 2015. A large part of this increase can be explained by the expansion of non-contributory pension systems in the region. Thus, in the eight countries where data are disaggregated between contributory and non-contributory benefits,²⁵ of the total population aged 65 and over receiving pensions around 2015, 53% received only non-contributory benefits, while 41% received a contributory pension only and 5% received both types of pension.

²³ Argentina, Bahamas, Barbados, Bolivarian Republic of Venezuela Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Lucia, Suriname, Trinidad and Tobago, and Uruguay.

²⁴ Weighted average for Latin America on the basis of information from Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

²⁵ Chile, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru and Plurinational State of Bolivia.

Access to contributory benefits is very unequal when analysed by income: around 2015, only 6.2% of people aged 65 and over in quintile I of per capita income received contributory pensions, reflecting precarious employment trajectories, characterized by informality and lower labour income. Among those who belonged to the highest income quintile, however, this figure rose to 55.3%. Across the region, as with affiliation with or contribution to pension systems, it should be noted that almost a third of the population of Latin America does not have access to either form of pension in old age.²⁶

Lastly, analysis of the adequacy of the benefits received by persons aged 65 and over shows that, between 2002 and 2015, the average monthly amount increased by 31% —although there were significant differences among countries— and the average monthly amount of non-contributory benefits was in all cases lower than that of contributory benefits (ECLAC, 2018a). By 2015, non-contributory pension amounts were always less than the minimum wage in the respective countries and, in the case of contributory pensions, 40% were below this threshold (ECLAC, 2018a). Again, this situation compounds the severe inequalities in labour income in the region and to the fact that low-wage workers have less capacity to pay. Pension systems' design must therefore be strengthened, and solidarity established as a cross-cutting principle of those systems.

6. Unemployment and the transition from school to work

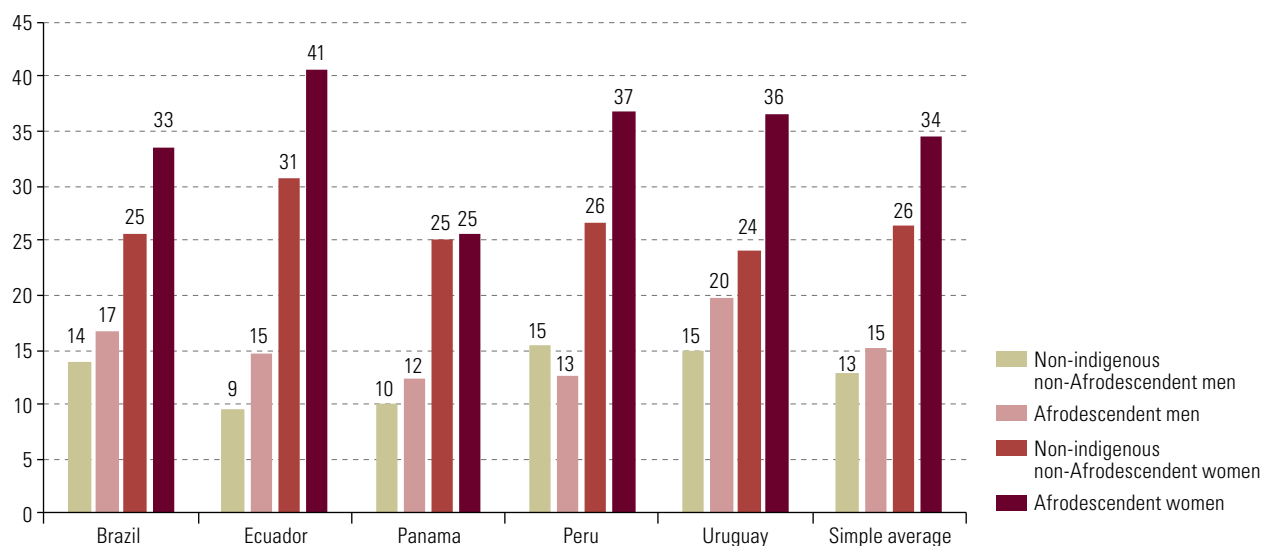
The unemployment rate is one of the main indicators of exclusion from the labour market and one of the indicators selected for monitoring of the SDGs (indicator 8.5.2). Despite the fact that young people in Latin America currently have a higher level of education than in the past decade, they continue to experience higher unemployment levels than adults. Young women, in rural and urban areas, experience higher unemployment rates, even when they have higher educational levels than men. On average, 12% of young men and 18% of young women were unemployed across the region in 2014, compared with 3% of adults, men and women, aged 45 to 64 (ECLAC, 2017e).

A cohort that is of particular concern are young people who are neither in education nor employment (Espejo and Espíndola, 2015) (see figure IV.19). This concern is reflected in SDG target 8.6: “by 2020, substantially reduce the proportion of youth not in employment, education or training”. This is a group strongly differentiated by income quintile (roughly half of the members of this group belong to the two first quintiles), and it consists chiefly of women living in urban areas, of whom a large proportion are already mothers with a heavy burden of unpaid work in their homes. This is precisely why it is difficult for them to continue or complete their studies and enter the labour market, given the lack of care systems. This situation is contributing to the reproduction of inequality down the generations and preventing the region from taking advantage of the window of opportunity represented by the demographic dividend.

In the five countries of the region for which information is available —Brazil, Chile, Ecuador, Guatemala and Plurinational State of Bolivia—, although, on average, the percentage of young people who are neither in education or employment fell between 2002 and 2014, this decrease was not homogeneous across the different population groups: women and Afrodescendants were in the most disadvantaged situation, as shown in figure IV.1.

²⁶ Weighted average, on the basis of household survey data from the following countries: Argentina (urban areas), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay (urban areas).

Figure IV.19
Latin America (5 countries): young people aged 15–29 who are in neither education or employment, by ethnicity and gender, around 2016^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago, 2019.

^a Simple averages.

G. Violence: a cross-cutting issue for inclusive development

1. The multiple dimensions of violence

Within the framework of the 2030 Agenda, “promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels” (SDG 16) are the foundations that underpin progress related to the three pillars of sustainable development. Meanwhile, the different forms of violence (physical, sexual, economic, political, institutional) identified by Latin American societies are a major barrier to achieving this Goal and have eroded the general public’s confidence in institutions and support for democracy.

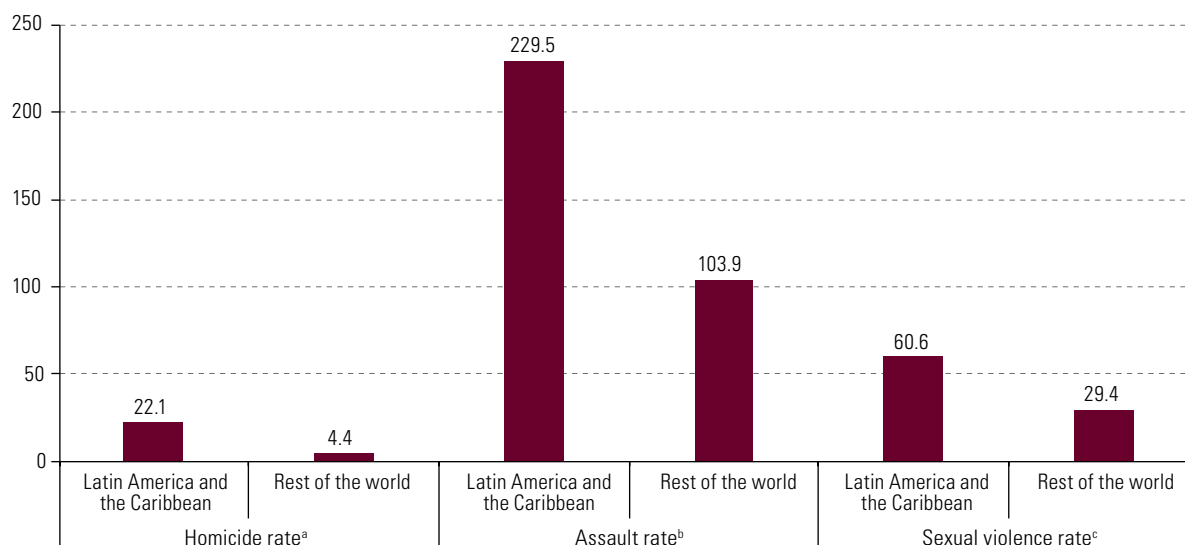
In Latin America and the Caribbean, insecurity has helped to foster an authoritarian culture that has led to growing acceptance of “hard-line” and “zero tolerance” proposals. Insecurity ranks highly among the concerns of authorities and citizens: in 1995, only 5% of people considered crime and citizen security to be their main problem, but, by 2017, that figure had risen to 20%, second only to economic concerns (23%) (UNDG, 2018, p. 27).²⁷

²⁷ According to the United Nations Development Group (UNDG) (2018, p. 27), the cost of violence in El Salvador in 2014 was around US\$ 4 billion (16% of annual GDP).

Violence erodes the social fabric in the countries of Latin America and the Caribbean. Although the States in Latin America coexist in peace and are not engaged in conflict, the region is the most violent in the world, which is at odds with its level of economic, political and social development (ECLAC, 2018b and 2018c). This can be seen in the rates of homicide, assault and sexual violence.

The regional homicide rate per 100,000 inhabitants has exceeded 20 since 1995, reaching almost 30 by 2002. These numbers are particularly worrying when compared to world rates, which have been less than 7 over the same period. In 2017, several countries far exceeded these averages: the Bolivarian Republic of Venezuela (89), El Salvador (60), Jamaica (55.7) and Honduras (42.8).²⁸ Just a few countries had rates below the world average: Chile (3.3), Ecuador (5.8) and Argentina (6.0) (UNDG, 2018, p. 27). The rates of assaults and sexual violence follow the same trend (see figure IV.20).

Figure IV.20
Violence indicators, around 2015
(Incidents per 100,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the United Nations Office on Drugs and Crime (UNODC).

^a "Homicide" means unlawful death purposefully inflicted on a person by another person. Intentional homicide data also include aggravated assaults resulting in death and deaths as a result of terrorism, but exclude attempted homicide, manslaughter, killings due to legal interventions, justifiable homicide in self-defence, and death due to armed conflict

^b "Assault" means intentional or reckless application of physical force inflicted upon the body of another person resulting in serious bodily injury. Serious physical force includes, at a minimum, being shot; stabbed or cut; hit by an object; or poisoning. The term "assault" does not cover the use of lesser physical force (such as punching, slapping or pushing). It also excludes sexual assault, threats and assault leading to death.

^c "Sexual violence" here means any unwanted sexual act. It includes rape, sexual assault and other acts of sexual violence, but excludes sexual exploitation, prostitution offences, pornography and trafficking in persons for sexual exploitation.

Factors associated with violence in the regional context include the after-effects of civil conflicts, drug trafficking, forced displacements,²⁹ domestic violence and the stigmatization of youth. With regard to the relationship between violence and the axes of the social inequality matrix, femicide is the nadir of inequality in gender relations, while the high homicide rates among Afrodescendent youth in some countries of the region are linked to inequalities based on race and age.

²⁸ For years, the region has been the world's most dangerous area for environmental defenders: at least 60% of all crimes committed against them took place in this region (WFP/IOM, 2015). According to Global Witness (2018), almost four environmental defenders were killed each week in 2017. In addition, many people were harassed, intimidated and forced off their land.

²⁹ For an analysis of the impact of displacements in the region, see UNHCR (2017).

While violence is not a new phenomenon in Latin America and the Caribbean, it has escalated and become increasingly extreme in recent years, particularly in the countries of the North of Central America. It has also become increasingly territorial, transnational and linked to organized crime. In the most violent areas, organized crime competes with the State and sometimes usurps it. Criminal organizations' incursion into the political domain to expand and consolidate their power is a threat to democracy and erodes the already low confidence in public institutions (OECD, 2012). According to the report of the Latinobarómetro Corporation (2018), the proportion of people dissatisfied with democracy increased from 51% in 2008 to 71% in 2018, while only 48% of Latin Americans prefer democracy to another political system. Moreover, 28% are indifferent to the system of government and 15% say that an authoritarian government may be preferable.³⁰ While a broad set of factors have produced these results, violence and its effects on social cohesion have further eroded confidence in democratic institutions.

Lastly, the aggregate figures mask the true extent of the problems of specific population groups, such as those of young people in the public space (they account for a high percentage of victims and perpetrators of violence, and the homicide rates among young males are double that of the general population) or children and women, as victims in the private space.

2. Violence against children, adolescents and young people

Analysis of the situation of adolescents by UNICEF shows that the region is the most violent in the world. In 2016, adolescent homicide rates were close to or higher than those of countries where there are active armed conflicts. The region is home to 9 of the 10 cities in the world with the highest homicide rates and to 8 of the 10 most violent countries that are not at war.

Violence is a widespread and daily occurrence for millions of children and adolescents in their homes, schools, communities or child protection institutions (see UNICEF, 2016 and 2017). According to UNDG (2018), 25% of homicides of children and adolescents around the world occurred in the region, with some 24,500 cases per year; male adolescents are most likely to be the victims of these crimes. Some 240,000 children and adolescents live in institutions (orphanages, children's homes and the like), a fact that implies that their right to live in a family is not recognized and that compromises their development. Lastly, the Americas are home to 6.3 million migrant and refugee children and adolescents, many of whom are fleeing violence in their homes and communities. An increasing number are unaccompanied (UNICEF, 2016).

In the Caribbean, young people are the main victims and perpetrators of crime. Of the total number of crimes prosecuted, 80% are committed by persons aged between 17 and 29, while many victims of violent crimes also belong to that age group. Both victims and perpetrators are more likely to belong to lower socioeconomic groups (ECLAC, 2018h).

According to UNICEF (2018) young children also suffer violence: two out of three children under 15 years old experience violent discipline at home (psychological or physical) and one out of two is subject to corporal punishment at home. As stated in box IV.2, 10 countries of the region have legislation that bans all forms of corporal punishment of children and adolescents. However, no Caribbean countries have adopted legislation to this effect (ECLAC, 2018h).

³⁰ In addition to democratic dissatisfaction, the idea that a few powerful groups govern the country for their own benefit gained traction. This is the majority view in all the countries of the continent: 8 out of 10 Latin Americans believe it.

Box IV.2**Progress towards ending violence against children and adolescents**

Ten countries in Latin America have banned corporal punishment of children and adolescents in all spaces, while other countries have partially prohibited it or are working on laws to ban it completely.

Including the elimination of violence against children within the SDGs has been a great step forward, as it is the first time that a development agenda has addressed this issue. In response to target 16.2 (“End abuse, exploitation, trafficking and all forms of violence against and torture of children”), several Latin American countries have enrolled as “pathfinder countries” of the Global Partnership to End Violence Against Children, and Latin America and the Caribbean is the region with the highest number of enrolled countries. El Salvador, Jamaica, Mexico, Paraguay and Peru are part of this initiative and other countries are in the process of joining them.

Another consequence of including this issue in the SDGs is that efforts are being stepped up to measure violence against children and to gauge the true extent of the problem, which is essential to identify long-term trends and, more importantly, to adopt evidence-based policies.

Source: United Nations Children's Fund (UNICEF), “Children in Latin America and the Caribbean: Overview 2018”, 2018 [online] https://www.unicef.org/lac/sites/unicef.org/lac/files/2019-01/20180911_UNICEF-NNA-en-ALC-Panorama2018-ING-web_2.pdf.

H. Migration and the implementation of the targets of the 2030 Agenda³¹

1. Migration and remittances

According to ILO (2017b), 27% of all migrant workers in the world are in the Americas (37 million in North America and 4.3 million in Latin America and the Caribbean), and that figure is rising rapidly. In Latin America and the Caribbean, migration to North America is the most common and has increased considerably in the last 25 years, up from 10 million people in 1990 to almost 25 million in 2015 (IOM, 2018).

The Caribbean countries receive a steady stream of deported migrants who need assistance and support when they return to their countries of origin. The United States of America and Canada are still the most common destinations for Caribbean migrants. In 2015, 86% of migrants from Caribbean countries went to one of these two countries. The total annual outflow of migrants was 82,793 people in 2010, falling to 77,492 in 2015, in line with the trend observed since the 2008 crisis, which was driven by economic factors and immigration policies (see tables IV.4 and IV.5).

SDG target 10.C is to reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5% by 2030. Indicator 10.C.1 of that target is remittance costs as a proportion of the amount remitted.

National reports show that the majority of countries of the region have not addressed the issue of remittances in depth, despite its obvious importance. For example, Mexico ranks fourth in the world in terms of remittances received (close to US\$ 30 billion in 2016), while Haiti is one of the five countries in which remittances account for the largest share of GDP (25% in 2015) (Fundación BBVA Bancomer/ CONAPO, 2017).

³¹ This section is based on ECLAC (2018g) and background information.

Table IV.4
The Caribbean (13 countries): outflows of migrants to countries of the Americas and the Organization for Economic Cooperation and Development (OECD), by country of nationality, 2010–2015
 (Number of persons)

Country	2010	2011	2012	2013	2014	2015
Antigua and Barbuda	600	653	723	667	724	673
Bahamas	2 348	2 372	2 269	2 397	2 595	2 734
Barbados	1 499	1 564	1 622	1 421	1 426	1 498
Belize	1 772	1 565	1 615	1 934	1 719	1 615
Dominica	1 267	1 107	1 004	1 030	1 064	776
Grenada	1 364	1 266	1 296	1 324	1 156	1 041
Guyana	11 325	11 090	9 738	9 503	9 831	8 597
Jamaica	44 099	45 964	44 763	45 556	46 875	46 937
Saint Kitts and Nevis	567	556	551	530	586	538
Saint Lucia	2 562	2 581	2 664	2 260	2 281	2 106
Saint Vincent and the Grenadines	2 674	2 546	2 328	2 014	1 869	1 657
Suriname	2 092	2 223	2 173	1 975	1 864	1 802
Trinidad and Tobago	10 624	9 804	10 130	9 522	8 591	7 518
Total	82 793	83 291	80 876	80 133	80 581	77 492

Source: Organization of American States (OAS), *International Migration in the Americas: Fourth Report of the Continuous Reporting System on International Migration in the Americas (SICREMI) 2017*, Washington, D.C., 2017.

Table IV.5
The Caribbean (24 countries): international migrant stock by country, 2000–2017
 (Numbers and percentages)

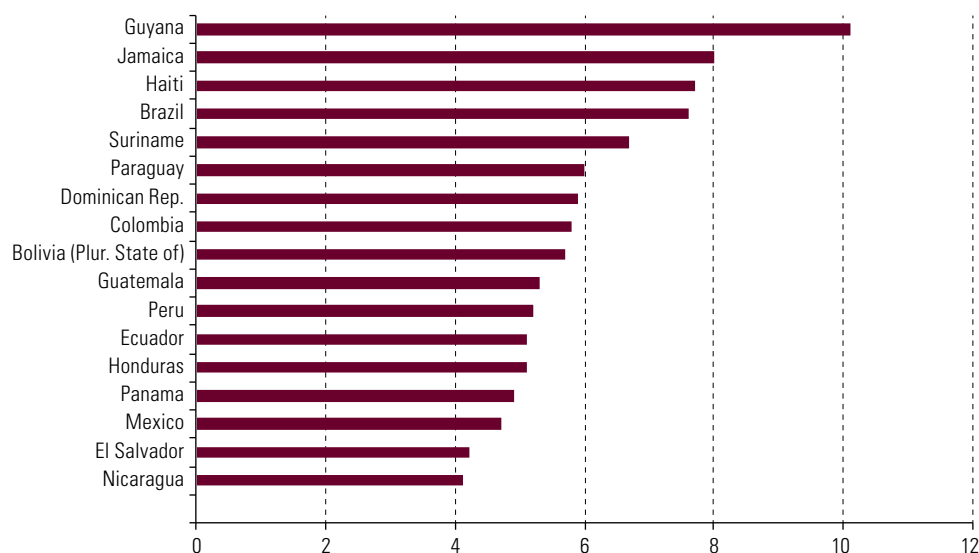
Country	Number			Percentage of total population		
	2000	2010	2017	2000	2010	2017
Anguilla	4 063	5 103	5 579	36.7	37.1	37.4
Antigua and Barbuda	23 071	26 412	28 646	27.6	27.9	28.1
Aruba	30 104	34 327	36 356	33.1	33.8	34.5
Bahamas	36 454	54 736	61 806	12.2	15.2	15.6
Barbados	28 424	32 825	34 660	10.5	11.7	12.1
Belize	36 488	46 360	59 998	14.8	14.4	16.0
British Virgin Islands	12 958	17 074	19 959	62.8	62.7	64.0
Cayman Islands	19 253	24 057	24 355	46.2	43.3	39.6
Curaçao	...	34 627	38 396	...	23.5	23.9
Dominica	3 723	5 765	6 782	5.3	8.1	9.2
Grenada	6 825	6 980	7 124	6.7	6.7	6.6
Guadeloupe ^a	83 188	94 942	99 350	19.6	21.1	22.1
Guyana	8 610	13 126	15 530	1.1	1.8	2.0
Jamaica	24 952	23 677	23 332	0.9	0.8	0.8
Martinique	54 492	59 575	61 579	14.1	15.1	16.0
Montserrat	1 211	1 277	1 364	24.4	25.8	26.3
Saint Kitts and Nevis	5 871	7 245	7 587	12.9	14.1	13.7
Saint Lucia	9 868	12 100	12 889	6.3	7.0	7.2
Saint Vincent and the Grenadines	4 307	4 485	4 595	4.0	4.1	4.2
Sint Maarten	...	26 200	28 260	...	79.1	70.4
Suriname	27 506	39 713	47 699	5.8	7.5	8.5
Trinidad and Tobago	41 753	48 226	50 214	3.3	3.6	3.7
Turks and Caicos Islands	9 015	17 216	24 534	47.8	55.5	69.2
United States Virgin Islands	56 611	56 684	56 745	52.1	53.4	54.1
The Caribbean	528 747	692 732	757 339	6.8	8.3	8.7

Source: United Nations, *Trends in International Migrant Stock: The 2017 Revision (POP/DB/MIG/Stock/Rev.2017)*, New York, Department of Economic and Social Affairs (DESA).

^a Including Saint Barthélemy and Saint Martin.

The estimated cost of a transfer as a percentage of the amount remitted (considering an average transfer of US\$ 200) was 8% globally in 2014 and decreased to 7.4% in 2016. Latin America and the Caribbean recorded below average figures of 6.0% and 6.1%, respectively (see figure IV. 21). In 2016, percentages for most countries stood below the regional average, with only Guyana, Jamaica, Haiti, Brazil and Suriname, in that order, recording figures above 6.1%. Mexico is among the countries with the lowest transaction costs. Bearing in mind that the average cost is just over 5% in South Asia, this figure could be set as a target for the countries of Latin America and the Caribbean.

Figure IV.21
Latin America and the Caribbean (17 countries): total average cost of a US\$ 200 remittance, 2016
(Percentage of amount remitted)



Source: Fundación BBVA Bancomer/National Council for Population (CONAPO), Anuario de Migración y Remesas: México 2017, Mexico City, 2017.

According to World Bank estimates, remittances received by Caribbean countries were equivalent to 5.6 % of GDP in 2015 and have been at a roughly similar level since 2000, except for small variations linked to the economic situation of each country. The countries where remittances account for the highest proportion of GDP are Jamaica (16.6 %), Dominica (8.9 %), Guyana (7.6 %) and Saint Vincent and the Grenadines (5.8%). In other countries for which data are available, the figure was less than 5%, as in Trinidad and Tobago (0.6%).

I. Concluding remarks

The SDGs of the 2030 Agenda constitute an integrated approach to address the challenges of inclusive development. This chapter focused on those Goals that are most closely linked to social variables, complementing the analyses carried out in chapter I on the transformation of the production structure and competitiveness based on technical change, and the discussion of the environmental dimension of sustainable development in chapter V. As has been noted throughout this chapter, the interrelationships between all the dimensions must be borne in mind when examining any one of them. The issues that have been addressed—combating inequality, hunger, poverty and all forms of discrimination; access to adequate food and health; education; employment and protection from different forms of violence—are both the drivers and consequences of economic growth, productivity gains and the structural change needed to achieve inclusive development.

Since 2004, significant progress has been made in Latin America and the Caribbean with regard to numerous social indicators, such as levels of poverty and inequality, although this progress has slowed or stagnated in the past five years. Other indicators have taken a less positive direction, including indicators of violence, whose cross-cutting effects have eroded faith in democracy and the foundations of harmonious coexistence in society. What is certain is that, despite the improvement seen in average indicators, enormous inequalities persist that come to light when those indicators are disaggregated by income quintile, gender or race. The enormous gaps that persist within societies in the region, and the culture of privilege associated with those gaps, are manifestations of the inequality that permeates the social fabric of Latin America and the Caribbean. The commitment to leave no one behind is a particularly complex challenge for Latin America and the Caribbean, and should be a key objective of inclusive development policies, guidelines for which are discussed in chapter VI.

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CHAPTER V

The necessary transformation towards sustainable and resilient societies

Introduction

A. Management of natural ecosystems

B. The sustainability of cities

C. The energy transition

D. Climate change

E. Concluding remarks

Bibliography

Introduction

The document presented at the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development contained an in-depth analysis of the economic, social and environmental dimensions of the progress on a number of the Goals of the 2030 Agenda linked to the transformation towards sustainable and resilient societies. Particular focus was given to the Goals related to water and sanitation (SDG 6), energy (SDG 7), cities (SDG 11), sustainable production and consumption (SDG 12) and desertification and biodiversity (SDG 15). On that basis, this chapter examines the main findings of that document and offers further analysis in the area of biodiversity, for example, and new information that has become available over the past year. Developments in new areas, in particular those linked to the sustainability of marine ecosystems (SDG 14) and climate action (SDG 13), are also discussed in detail.

The analyses and conclusions presented here illustrate the scale of the challenges that the countries of Latin America and the Caribbean must continue to face and the opportunities for them to harness the wealth of natural resources in a sustainable manner and diversify their economies by moving towards production sectors that facilitate the environmental big push. The conclusions of this chapter, taken together with those of chapter IV, reinforce the conviction that the 2030 Agenda is the way forward for a new Latin American and Caribbean model of inclusive and sustainable development based on progressive structural change.

A. Management of natural ecosystems

1. Deforestation and soil degradation

The natural resources of Latin America and the Caribbean provide regional and global food, water and energy security, while contributing to regulating processes such as pollination and climate and air quality regulation, as well as to health. Despite the potential for sustainable growth of the region's natural resources, there have been significant shortcomings in their use and exploitation. This is evidenced by the fact that between 1990 and 2015, the region lost almost 10% of its forest area (UNEP, 2016b). As figure V.1 shows, although the situation is quite uneven from one country or subregion to another, deforestation is a reality in the vast majority of countries.

The reduction in forest area, coupled with changes in land use and management, resulted in a drop in large-scale evapotranspiration, with consequential water imbalances and water shortages. Furthermore, land-use changes and agriculture are responsible for 42% of greenhouse gas emissions in Latin America and the Caribbean, compared to 18% globally (Bárcena and others, 2018).

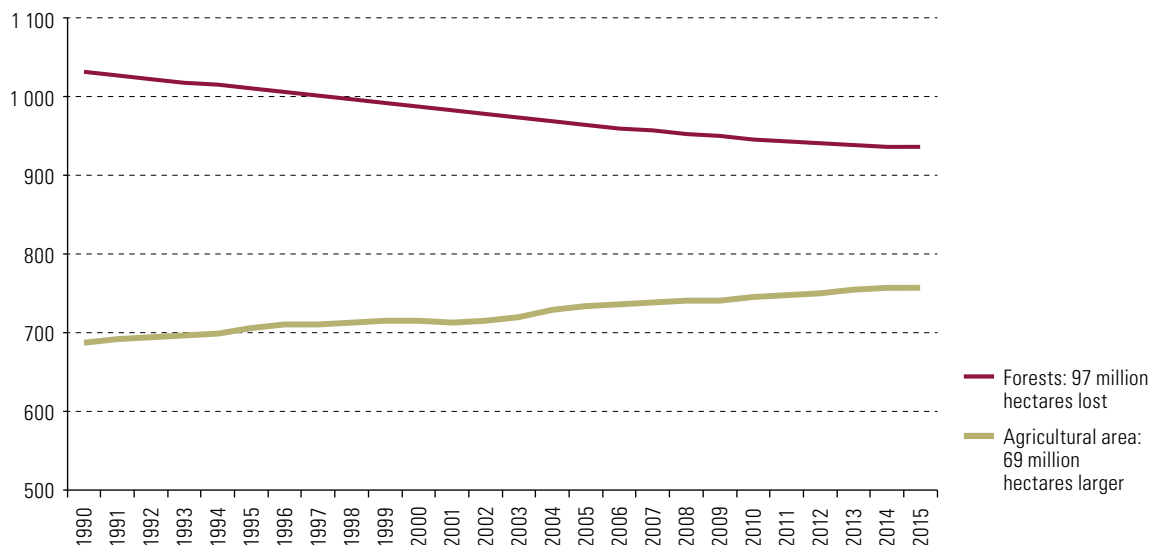
At the global level, the situation is also far from positive. The Global Forest Resources Assessment 2015 found that the world's forest area decreased from 31.6% of global land area to 30.6% between 1990 and 2015, albeit the pace of loss slowed in recent years. Three quarters of the globe's accessible freshwater comes from forested watersheds, but 40% of the world's 230 major watersheds have lost more than half of their original tree cover (FAO, 2018). Despite this, the agriculture bias in the region's export structure is increasing, at the expense of forest ecosystems (see figure V.2, which presents updated information to 2015). Modernizing agricultural and livestock production processes would increase production, generate income and create employment, while limiting their environmental impacts.

Figure V.1
Latin America and the Caribbean: proportion of land area covered by forest in 2015 and average annual rate of variation for 1990–2015
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online database] <http://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>; Food and Agriculture Organization of the United Nations (FAO), *Global Forest Resources Assessment 2015 Desk reference*, Rome 2015, and FAO, Corporate Database for Substantive Statistical Data (FAOSTAT) [online] <http://www.fao.org/faostat/en/>.

Figure V.2
Latin America and the Caribbean: loss of forested area and expansion of agricultural area, 1990–2015
(Millions of hectares)



Source: Food and Agriculture Organization of the United Nations (FAO), Corporate Database for Substantive Statistical Data (FAOSTAT) [online] <http://www.fao.org/faostat/en/>.

Note: "Agricultural area" refers to cultivated areas (arable land plus permanent crops) and livestock.



Land grabbing in forest areas often leads to industrial-scale monocropping accompanied by pesticide use, as well as conflicts with local communities and the destruction of their way of life. In Latin America and the Caribbean, almost half of indigenous women live in rural areas (UNDG, 2018). According to UN-Women, this is why the right to land and access to land are core demands on the policy agenda of rural, indigenous and campesino women's organizations, and tie in with other issues affecting them such as the situation of human rights activists, the defence of land and territory, and the negative effects of climate change on food security. These, coupled with the lack of social recognition of women as producers, owners and decision-makers, are obstacles to women's social, economic and legal empowerment. In addition, the information on the realities of indigenous women—necessary for the design and follow-up of equality and human rights policies—is lacking.

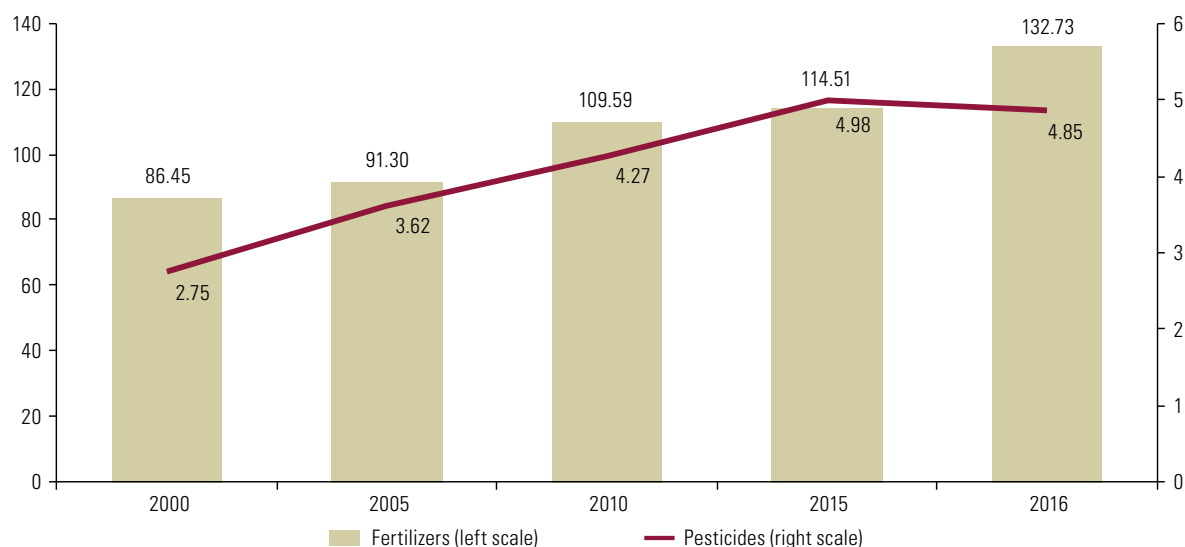
According to UNDG (2018), 90% of agricultural production is carried out by family farmers, on whom 80% of the world's food depends. The Food and Agriculture Organization of the United Nations (FAO) indicates that there are 16.5 million family farms in the region (80% of all farms) which, with more than 60 million workers, are the primary source of agricultural and rural employment (FAO, 2018). Because family farmers produce goods for their own consumption and are self-employed, there is a high incidence of poverty among them. Although family farming has helped in maintaining balanced diets and conserving agrobiodiversity, family farmers face challenges associated with a lack of stable and paid employment, poor access to markets, production resources and rural services, vulnerability to climate change, lack of participation in the governance of natural resources and high migration to cities.

In addition, the desertification and degradation of agricultural land are widespread in the region,¹ while approximately one fifth of the Earth's vegetated land surface shows persistent declining trends or stress on land productivity (UNCCD, 2017). South America and Africa are the most affected by productivity declines (27% and 22% respectively), which points to a long-term alteration in the productive capacity of the land and a resultant impact on terrestrial ecosystem services. In South America, all of the land cover/land use classes were affected by negative land productivity trends considerably above global averages (UNCCD, 2017). One of the main anomalies of these trends is located in the vast semi-arid plain of the Dry Chaco in the border region between Argentina, Brazil and Paraguay. These declining productivity areas generally occur where there is rapid expansion of crop production and cattle ranching at the expense of ecologically high-value primary dry forests.

Desertification, land degradation and loss of ecosystems also reduce water availability in a context where, by 2050, at least one in four people is likely to live in a country affected by chronic or recurring shortages of fresh water (UN-Water). Soil loss and land degradation are a threat to the future of the regional economy and inclusive social development and the livelihoods of people living in poverty. Efforts have been made to offset land degradation through more intensive use of fertilizers and pesticides (fungicides, herbicides and insecticides) (see figure V.3), with adverse consequences for soil and water quality.

¹ According to UNDP/European Union (2015), roughly 60% of the region is arid land and 300 million hectares of its farmland are desertified, equivalent to about 20% of all usable land. The International Fund for Agricultural Development (IFAD, 2010) estimates that 50% of productive land will be desertified by 2050.

Figure V.3
South America: intensity of fertilizer and pesticide use, 2000–2016



Source: Food and Agriculture Organization of the United Nations (FAO), Corporate Database for Substantive Statistical Data (FAOSTAT) [online] <http://www.fao.org/faostat/en/>.

Note: Data for fertilizers refer to the application rates for nutrient nitrogen N (total), phosphate P2O5 (total) and potassium K2O (total) in cultivated areas. Figures for 2000 are based on 2002 data. Data for pesticides refer to the quantities in tonnes of active ingredients of fungicides, herbicides and insecticides used in cultivated areas.

2. Protection of biodiversity and ecosystems

The report presented at the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development highlighted that terrestrial protected areas cover almost a quarter of the region's surface area —4.85 million km², of which 2.47 million km² are in Brazil— forming the largest network of terrestrial protected areas in the world (United Nations, 2016) and surpassing the 17% target established by the Aichi Biodiversity Targets of the Convention on Biological Diversity. Protected areas account for one fifth of the carbon sequestered by all land ecosystems and maintain key water systems for production and consumption. The deforestation rates of protected areas in the Brazilian Amazon, even those that are highly accessible, are four times lower than non-protected areas (UNEP/IUCN, 2016). In Brazil and Mexico, sustainable use parks (those that allow timber production) are more effective at preventing deforestation than strictly protected areas. This testifies to the importance of implementing a sustainable management strategy for natural resources (see box V.1).

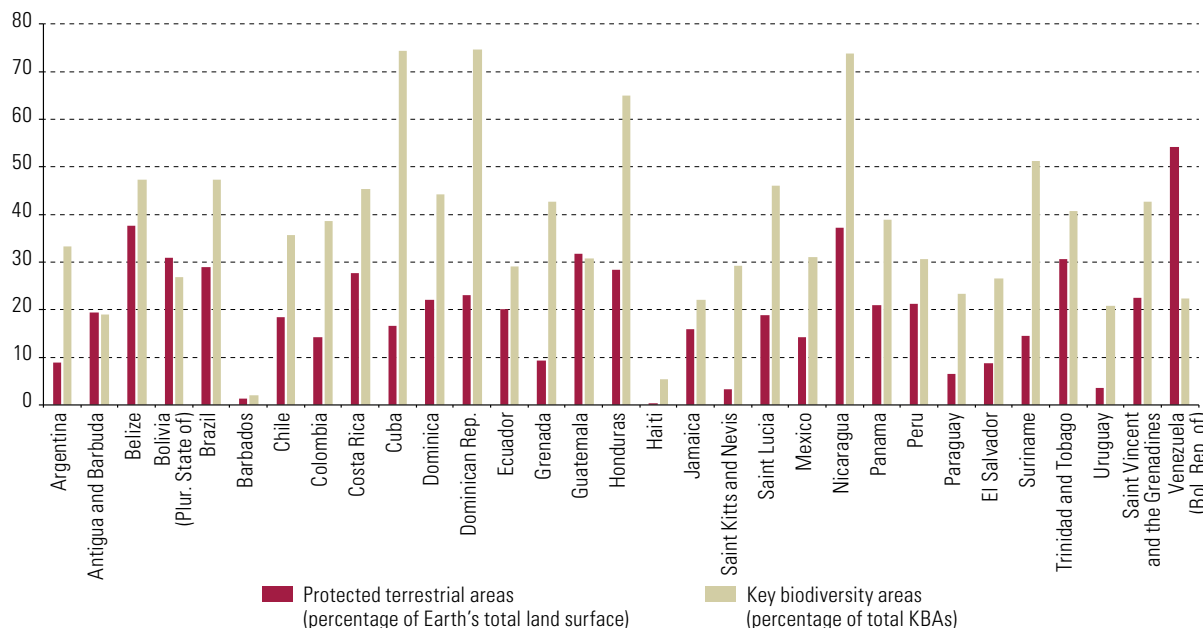
Key biodiversity areas (KBAs) are important for the persistence of biodiversity and ecosystems (IUCN, 2016) (see figure V.4). The restoration of ecosystems contributes to the achievement of biodiversity protection and land degradation neutrality goals and compliance with the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention). This has prompted El Salvador, as part of a global partnership for ecosystem restoration, to initiate a national restoration programme and to sponsor, in conjunction with the Central American Integration System (SICA), a draft resolution on the proclamation of a United Nations decade for the restoration of ecosystems, to be established for the period 2021–2030.

Box V.1
Ganadería Colombiana Sostenible project

The *Ganadería Colombiana Sostenible* ("Sustainable Colombian Livestock") project is an example of how silvopastoral production systems (integration of different types of trees with livestock production and conservation of native forests) raise farm productivity while enhancing the provision of environmental goods and services. These include: improved water regulation and erosion control, increased biodiversity and carbon storage, and reduced nitrous oxide and methane gas emissions. The project aims to increase meat and milk production per hectare by 5%, as well as to reduce the consumption of external inputs and to reduce fertilization and fly control costs. It included 2,491 farms (72% of which were small farmers) that account for a total surface of 113,707 hectares distributed across 83 municipalities. After five years of implementation, the quality of the water running near the farms improved, with 72.7% less biochemical oxygen demand, soil erosion decreased by 7 tons per hectare and the presence of birds and invertebrates in the soil increased by 32%. The more than 200,000 trees and shrubs propagated sequester between 12,041 and 14,611 tons of carbon per year.

Source: United Nations Environment Programme (UNEP), *Sustainable Development in Practice: Applying an integrated approach in Latin America and the Caribbean. Policy Note*, Panama City, 2016.

Figure V.4
Latin America and the Caribbean: protected areas and protected key biodiversity areas, 2016
(Percentages)



Source: IBAT for Research and Conservation Planning [online] <https://conservation.ibat-alliance.org/>.

Promoting bioeconomy-based activities would help to combine growth, social development and environmental protection. The bioeconomy fosters new ways of organizing the value chains associated with biodiversity (biochains) and the creation of a circular economy. The idea is to reduce dependence on fossil resources and promote the production and knowledge-intensive use of biological resources, processes and principles for the sustainable supply of goods and services in all sectors of the economy (bioenergy farming and bio-inputs, food, fibres, health products, industrial products and bioplastics). In addition, it is recognized that scientific and technological knowledge can play a key role in redefining the relationships between the agricultural sector, biomass and industry (Aramendis, Rodríguez and Krieger, 2018).



However, while countries such as Argentina, Honduras, Nicaragua, Paraguay and Uruguay have biobased exports that make up more than 50% of total exports, there are no synergies with biodiversity protection and the share of high-value-added bioeconomy exports is very low. Even the countries of the region with the greatest weight in the global agrifood trade possess only a few of the agriculture patents granted under the Patent Cooperation Treaty when compared to the leading transnational seed and agrochemical companies.

3. Oceans, seas and coastal areas

The coastline of Latin America and the Caribbean extends over 70,000 km and is where many of the region's largest human settlements are located (ECLAC, 2015b). In addition, fishing, tourism and port activity are heavily dependent on coastal ecosystem services. In 2012, Chile, Mexico and Peru combined accounted for just over 11% of the total global capture fisheries production and are among the 18 main producer countries that account for approximately 80% of global capture (FAO, 2014).

In Latin America and the Caribbean, shipping accounts for around 90% of trade in terms of volume and 80% in terms of value, and the region's ports handle 9% of global container throughput. The sector plays an important role in food security in small island developing States and also contributes significantly to the tourism sector in the Caribbean, where more than 45% of world cruise shipping takes place. The Caribbean Sea is also one of the world's great shipping routes, with over 14,000 ships per year inevitably passing through the Caribbean Sea on their way to or from the Panama Canal, and this traffic is predicted to double in 15 years. Furthermore, one third of world oil shipments passes through the Caribbean, with the attendant risks of spills (United Nations, 2013).

Despite their contribution to the economy and recognition in SDG 14, there is limited awareness on the state of the oceans and seas. The quality of nearshore marine waters is affected by the dumping of solid and liquid wastes by ships, abandoned fishing nets and ballast water discharges, river effluents containing runoff from agricultural chemicals, inadequate wastewater treatment, deforestation and coastal development (UNEP, 2016d; United Nations, 2016). Plastic, in particular, is one of the most polluting waste products dumped into seas. The United Nations Environment Programme (UNEP) estimates that in 2016 there were 46,000 pieces of floating plastic per square kilometre in the ocean. Its chemical composition, size and long life make it particularly dangerous for marine biota. Microplastics (particles of less than 5 mm in diameter) are the most dangerous for marine animals (GESAMP, 2015).²

Furthermore, the transfer of invasive aquatic species through the exchange of ballast water is one of the four greatest threats shipping poses to the world's oceans and can cause severe environmental, economic and public-health impacts, including the spread and introduction of cholera (United Nations, 2013). Commercial vessel fleets are another source of pollution. Although there are instruments covering the disposal of plastic waste generated on-board ships (Annex V of the International Convention for the Prevention of Pollution from Ships and the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter and its 1996 Protocol), there are no known protocols or standard operating procedures on the day-to-day management of litter (GESAMP, 2016).

Since analyses of the costs and impacts of marine litter from tourism have been limited to small, localized studies, further research is needed. Infrastructure development in coastal areas (ports and tourism and production facilities) has degraded or destroyed ecosystems such as mangroves and

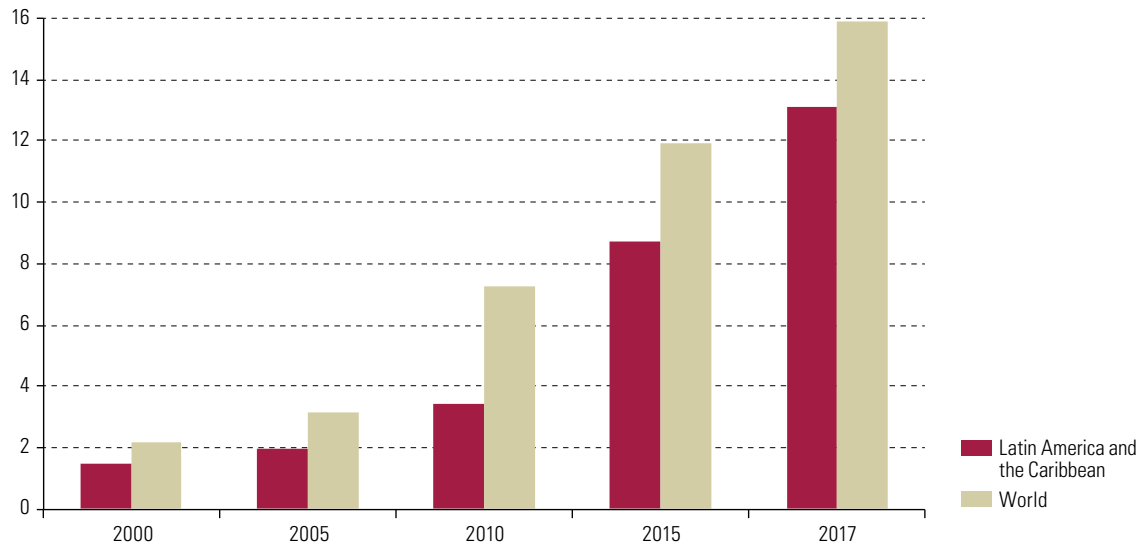
² The Caribbean Sea is second only to the Mediterranean Sea in terms of plastic pollution (RCA, 2014). During the period 2006–2012, the top forms of marine litter collected were plastic drinks bottles (19.6%), plastic and paper bags (16.9%), caps and stoppers (11.4%), utensils, glasses and plates (9.6%) and glass bottles (6.7%) (UNEP, 2014). Together with cigarette butts, these are among the top items collected in global cleanup campaigns (Ocean Conservancy, 2017). In Chile, research has shown that there are 5,000 pieces of plastic per square kilometre within 1,000 km of the coast, while in the waters of Easter Island these figures reach 50,000 pieces per square kilometre (Eriksen and others, 2013).



seagrasses that act as natural barriers by filtering out harmful pollutants, absorbing nutrients from runoff and trapping sediments to increase the clarity and quality of marine waters. Mangroves and coral reefs also provide important protection services from extreme events and climate change (ECLAC, 2018c). Accordingly, governments should identify the areas of greatest risk and the most comprehensive and cost-effective adaptation strategies (UNEP, 2016d).

Like terrestrial ecosystems, marine ecosystems also require protection by balancing the sustainable use and conservation of biodiversity and habitats. The region has greatly increased the extent of protected areas, surpassing the target of protecting 10% of marine and coastal areas set in Aichi Biodiversity Target 11. However, the global average for the coverage of marine protected areas in exclusive economic zones is above 15%, but the average is lower in the region (see figure V.5), with Mexico being the only exception; furthermore, the situation varies greatly from country to country.

Figure V.5
Latin America and the Caribbean and the world: protected marine areas in exclusive economic zones, 2000–2017
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Protected Planet, World Database on Protected Areas (WDPA) [online], <https://www.protectedplanet.net/c/world-database-on-protected-areas>, 2018.

It is also necessary to develop more scientific information, improved data and best practices. The development and implementation of area-based management tools should be combined with other appropriate conservation and management measures, taking into account the need to avoid negative impacts in other areas (United Nations, 2017b). Successful examples include the increasing bans of plastic bags, the launch of the voluntary Global Partnership on Marine Litter at the United Nations Conference on Sustainable Development (Rio+20) in 2012, and the UNEP Regional Seas Programme which includes three initiatives in the region: the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, the Convention on the Protection of the Marine Environment and the Coastal Area of the South-East Pacific, and the Convention for Cooperation in the Protection and Sustainable Development of the Marine and Coastal Areas of the Northeast Pacific (UNEP, 2018a). Action plans on marine litter have been implemented under the first two conventions and one is being drafted with respect to the third.

B. The sustainability of cities

1. Urban dynamics and inequality

Urbanization affects sustainable development at the national, regional and global levels. This is why public policies must address the problems of cities —where economic and social power are concentrated— as well as the opportunities offered by action in this sphere to meet the challenges of sustainable development. In a region where more than four fifths of the population live in urban areas, territorial development is also important, as recognized by the New Urban Agenda adopted in Quito in 2016. Urban sustainability policies can support the cross-cutting implementation of several of the Goals of the 2030 Agenda for Sustainable Development, beyond SDG 11 on sustainable cities and communities.

Rural-urban migration is slowing and migration between cities has increased, as the percentage of the population living in large cities stagnates and medium-sized cities emerge as poles of growth (Jordan, Riffo and Prado, 2017). Despite the need for policies addressing the high levels of urbanization —which coincide with the demographic transition that will result in older populations— the region's urbanization pattern continues to produce urban areas with fragile economies, high levels of inequality and worrying levels of environmental degradation. With few exceptions, cities' territorial expansion coincides with a reduction in urban density, which drives up the per capita costs of infrastructure (such as water, electricity, transport, communication and road networks) (ECLAC, 2017b). Urban planning, urban land policies and new incentives and regulations should reduce urban segregation and the economic and environmental costs of services (ECLAC, 2018h).

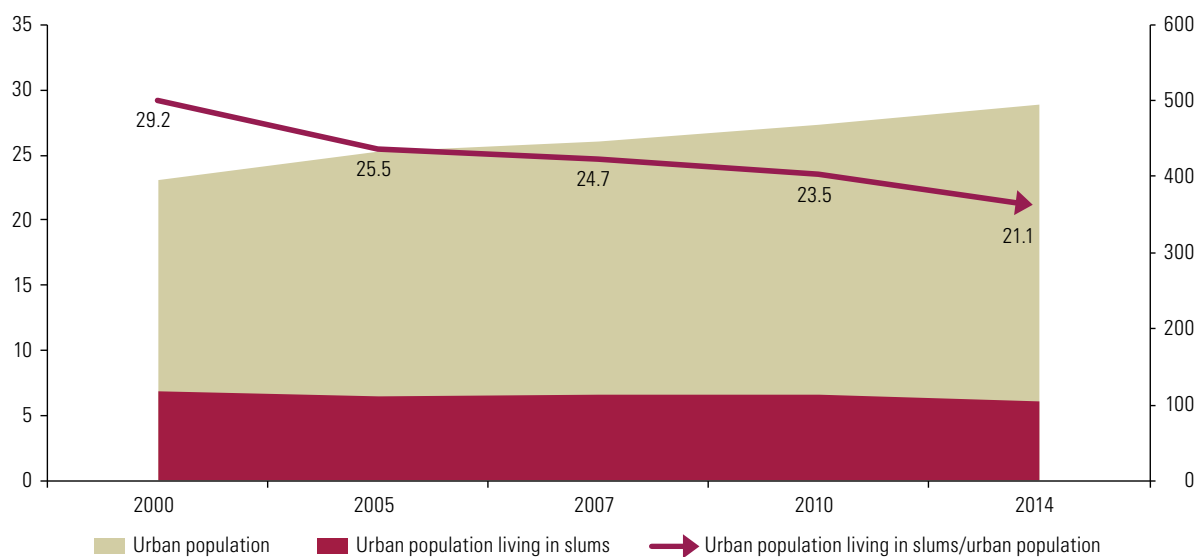
As mentioned in the report submitted to the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, Latin American and Caribbean cities are characterized by significant gaps in urban quality and access to services, mobility and infrastructure. Although the proportion of the urban population living in slums has fallen, from 29% in 2000 to 21% in 2014 (see figure V.6), more than 100 million people still live in urban slums and only 12 million moved away from this type of settlement in that period. Efforts to address informality by adopting a strategy of granting legal titles to land without the comprehensive development of settlements have not automatically guaranteed better access to services and may, in fact, lead to the establishment of new informal settlements (Fernandes, 2011). While many countries have been able to reduce the quantitative housing deficit, mainly through demand-side subsidies, locating social housing in peripheral areas has driven urban sprawl and deepened socioeconomic residential segregation (ECLAC/UN-Habitat/MINURVI, 2018).³

The United Nations Children's Fund (UNICEF) states that children and adolescents in the region are at greater risk of living in informal settlements and in poor housing conditions, which has negative social repercussions (UNICEF, 2018). Households living in severely deficient housing are three times more likely to lack adequate antenatal care (9.2%) than non-deficient households (3.4%). Similarly, the incidence of early motherhood in the most disadvantaged households in urban areas stands at 24.2%, compared to 9.4% in households that are not in precarious situations (in Honduras, for example, more than 60% of women live in precarious urban housing (UN-Women, 2018). In addition, 27.4% of adolescents aged between 12 and 14 living in urban households in severely deficient housing conditions do not attend school, compared with 12.5% of the same age group who live in better conditions. The use of early childhood development services is also quite stratified by socioeconomic status: higher-income

³ Some countries in the region (notably Brazil, Colombia and Ecuador) have made significant progress in the application of land planning and management tools to improve low-income households' access to land and housing and in capturing the value added generated by urban land-use changes to finance inclusive urban investments at the local level (Bonomo, Brain and Simioni, 2015). However, the implementation of these instruments has been insufficient.

groups have the most access, while coverage of children living in poorer households is much lower. The lack of access to clean energy sources, safe drinking water and improved sanitation facilities in slum dwellings also has adverse impacts on health.

Figure V.6
Latin America and the Caribbean: urban population living in slums, 2000–2014
 (Millions of people and percentages of the total)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Human Settlements Programme (UN-Habitat), Global Urban Indicators Database, 2015 [online] <https://unhabitat.org/books/global-urban-indicators-database/>.

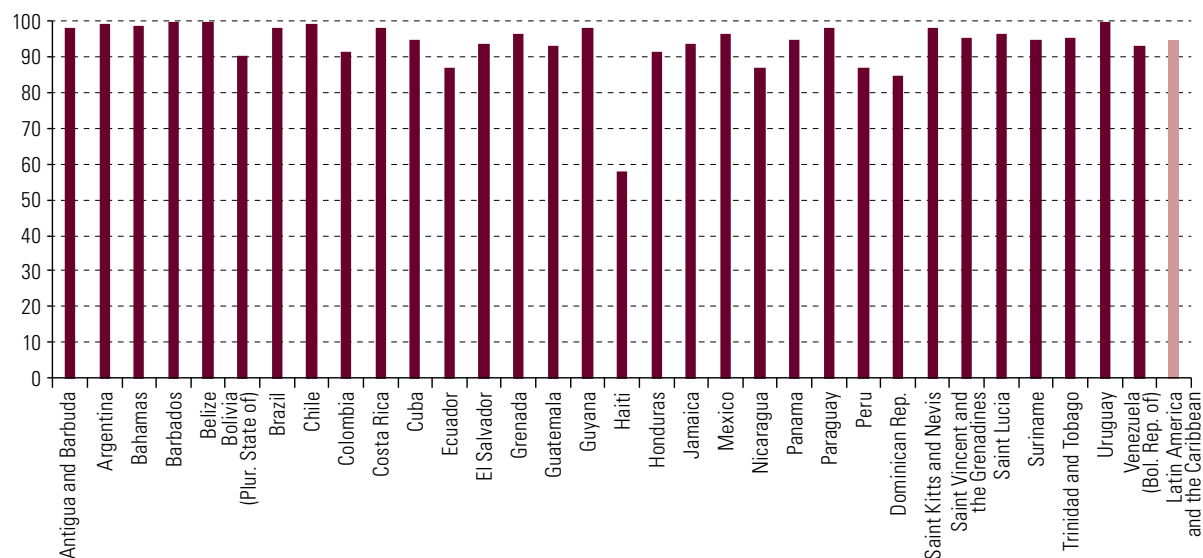
2. Water supply and sanitation

In 2015, more than 90% of the population in Latin America and the Caribbean used improved drinking water sources and more than 80% had access to improved sanitation (see figures V.7 and V.8), which meant that 91 million people still lacked basic sanitation and 24 million lacked basic water services, with 8 million drinking surface water. Pressure on water and sanitation services has increased due to the region's high urbanization (WWAP, 2017). While from an aggregate perspective, the trend points towards the region achieving universal access to basic drinking water services by 2030, international experience indicates that only one in five countries with coverage below 95% is likely to achieve that target (United Nations, 2018, p. 42). This is important because at least one in ten people in urban areas in the Dominican Republic, Haiti and Peru lack access to safe drinking water.

There is also a deficit in access to sanitation services: while almost 90% of the urban population had access to improved sanitation facilities in 2015 (WHO/UNICEF, 2017), coverage was much lower in rural areas. At the same time, improvements in wastewater treatment have not kept pace with population growth (WWAP, 2017). Moreover, in many low-income households, the technology used for provision cannot ensure service stability and quality: access is often intermittent owing to drought or failing infrastructure and, in the case of water, the supply is not always properly disinfected (ECLAC, 2017b).⁴

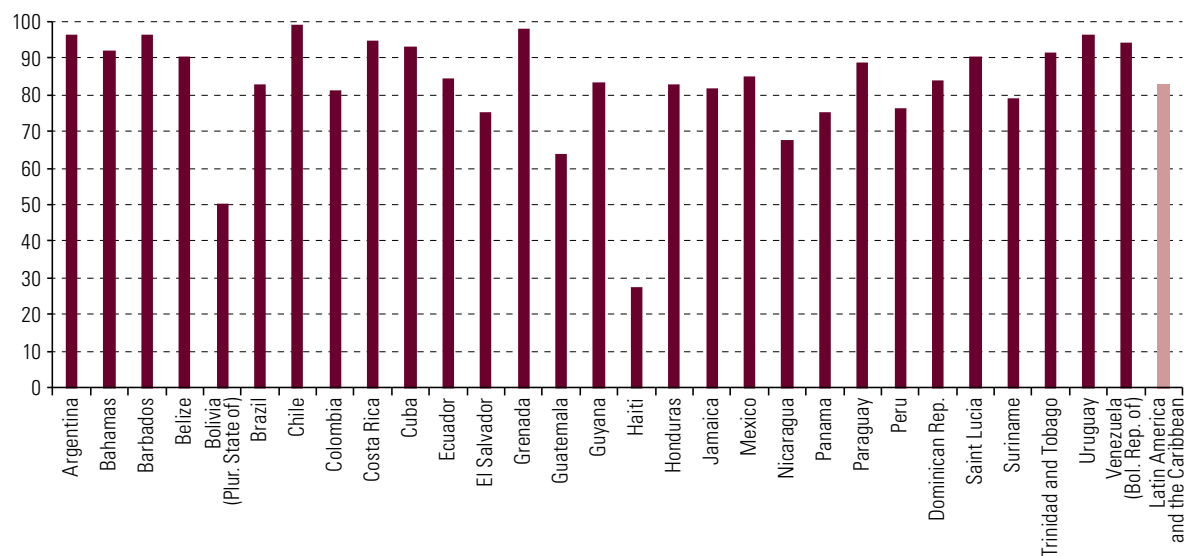
⁴ The Development Bank of Latin America (CAF) estimated that annual losses resulting from a lack of basic services were equivalent to 0.5% of regional GDP in 2011 (more than US\$ 29 billion) (Mejía, Castillo and Vera, 2016).

Figure V.7
Latin America and the Caribbean: proportion of population using an improved drinking water source, 2015
(Percentage points)



Source: World Health Organization (WHO)/United Nations Children's Fund (UNICEF), WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation [online] <https://washdata.org/>.

Figure V.8
Latin America and the Caribbean: proportion of population using an improved sanitation facility, 2015
(Percentage points)



Source: World Health Organization (WHO)/United Nations Children's Fund (UNICEF), WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation [online] <https://washdata.org/>.



This has repercussions on the health of the population, in particular child development. UNICEF (2018) indicates that, in 2016, of the 156 million children and adolescents in pre-primary, primary and secondary schools in the region, 22% did not have basic sanitation and 39% did not have handwashing facilities in their schools, 16% of them were in schools that had no water service and 84% in schools with limited water service. Ministries of education lack national strategies for water, sanitation and hygiene in schools, hindering progress on access, lasting behaviour change, gender equality in schools (menstrual hygiene management) and universal access for children and adolescents with disabilities. This is compounded by the fact that female-headed households tend to be the poorest and have the least access to basic services. In Mexico, for example, 24.6% of households headed by women had no indoor water facilities in 2017 (UN-Women, 2018a).

The report presented to the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development makes it clear that financing and policy responses to improve water and sanitation infrastructure have been significant, but still fall short. In order to achieve the targets of SDG 6 and meet growing demand, an average annual investment of about 0.3% of regional GDP will be required until 2030 for wastewater treatment coverage, improving storm drainage infrastructure, optimizing and increasing water sources' capacity, standardizing services in marginal urban areas and renewing existing assets (Ballesteros and others, 2015).⁵

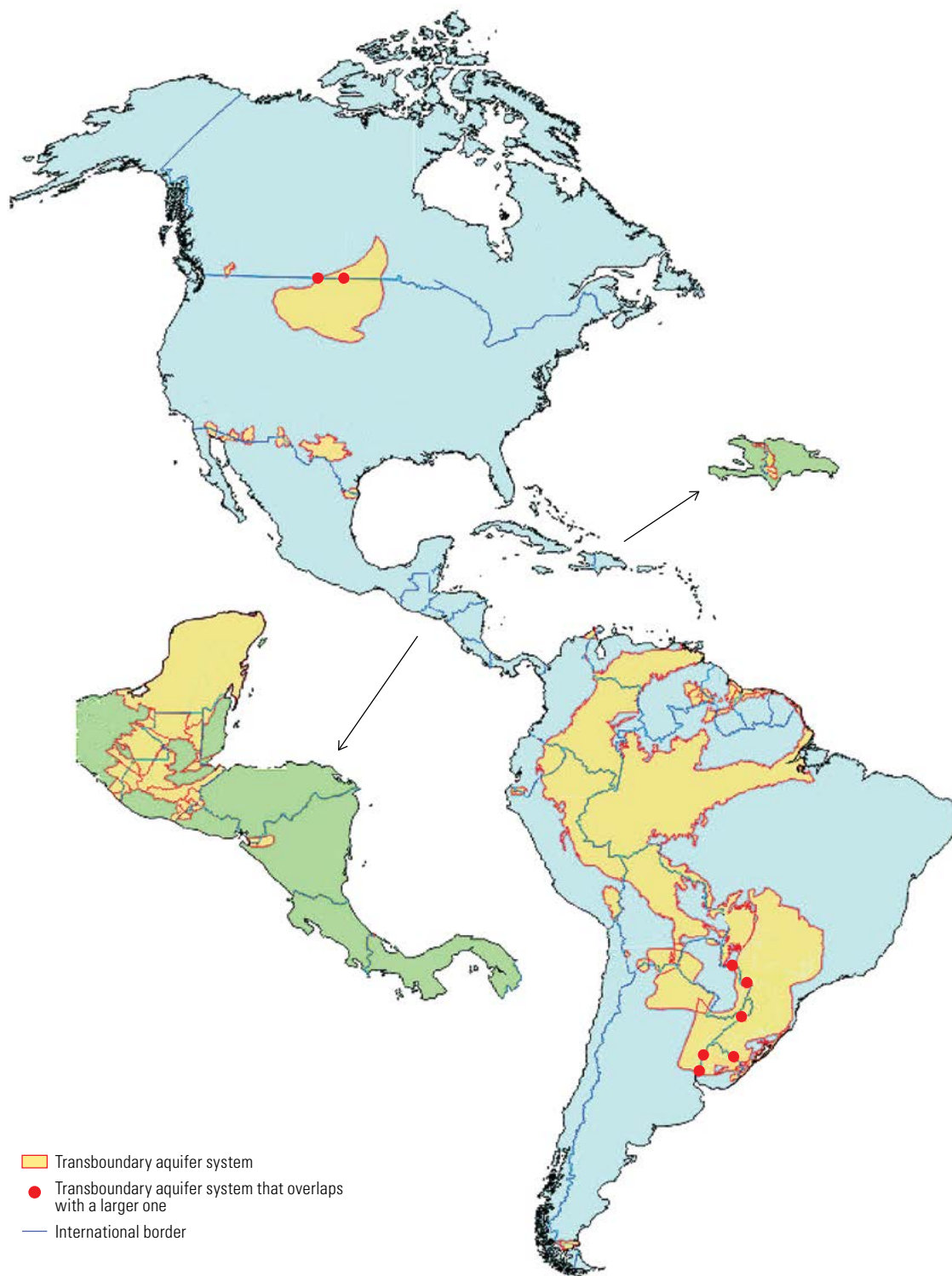
Given the cross-cutting impacts of water-related targets on the other SDGs, nature-based solutions can produce positive results, in particular in those related to agriculture and the sustainability of cities. Progressing towards achievement of SDG 6 requires integrated water resources management at all levels, including through transboundary cooperation. It is more challenging to measure transboundary cooperation on groundwater because of the difficulty in using the same indicators and methodologies for all countries and regions, given their cultural, social, economic, physical and resource-related differences, coupled with the absence or scarcity of data or discrepancies in information on the same aquifer within or between countries.⁶ Despite this, significant progress has been made in the region as a result of the efforts of the UNESCO/OAS ISARM Americas Programme and the Transboundary Waters Assessment Programme (UNESCO, 2018; WWAP, 2018).

Aquifer systems or overlapping aquifers introduce additional complexity. The meaning or importance of transboundary aquifer systems, shown in map V.1, is different in each case. In some cases, these resources are the main source of water, while in others they are under-exploited. Many of them are vital for the ecosystems that depend on them, such as the Pantanal aquifer system, shared by Brazil, Paraguay and the Plurinational State of Bolivia. The level of cooperation between countries ranges from almost non-existent to technical cooperation between civil society, the scientific community and governments. Establishing or strengthening such cooperation is essential to achieving SDG 6.

⁵ Non-governmental organizations specializing in water and natural resources and, to a lesser extent, central government agencies responsible for water are the best sources of knowledge on SDG 6, its targets and indicators. In contrast, awareness among the general public is low. This is why it is important to increase civil society participation in these issues (see United Nations Educational, Scientific and Cultural Organization (UNESCO)/CODIA, "Garantizar la disponibilidad de agua, su gestión sostenible y el saneamiento para todos: implementación de políticas públicas en América Latina y el Caribe" [online] http://codia.info/images/documentos/XIX-CODIA/SAN_Presentacin-publicacin-UNESCO-ODS.pdf).

⁶ Progress in this type of cooperation is measured by indicator 6.5.2, "Proportion of transboundary basin area with an operational arrangement for water cooperation". UNESCO and the Economic Commission for Europe were designated as the agencies responsible for the indicator given their experience in cross-border cooperation on the issue.

Map V.1
The Americas: transboundary aquifer systems



Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), "Sistemas acuíferos transfronterizos en las Américas: evaluación preliminar", *ISARM Américas series*, No. 1, 2007.

Note: The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

3. The management of urban waste

About 7% of the region's population lives in areas where there are no collection services for waste, which amounts to 197 million tons annually. In 2014, less than 75% of urban waste was deposited in landfills; the rest ended up in rubbish dumps or was disposed of inadequately, with consequent health risks and environmental impacts (UNEP, 2018b). Moreover, the region has one of the world's highest rates of per capita waste generation. Advances in the infrastructure for waste management, use and final disposal cannot keep pace with the generation of waste stemming from the pattern of consumption. Only a very small percentage of the total urban solid waste produced in the region is recycled, well below the average for advanced countries.

The adoption of policies to formalize waste pickers, the application of extended producer responsibility criteria and the improvement of collection, treatment and final disposal systems can reduce the environmental impacts and open up a multitude of economic opportunities with social and environmental co-benefits. In Colombia, Ecuador, Panama and Peru, national recycling markets recycle paper, cardboard, scrap (ferrous metals), some plastics (polyethylene terephthalate and high-density polyethylene) and glass.⁷

The UNEP report (2018b) shows progress countries have made in passing laws and regulations governing the manufacture, import, sale, use and elimination of plastics. Some levy taxes on single-use plastics to avoid the production of waste, improve waste management or increase the rate of recovery or recycling after consumption. In Europe, 17 countries have imposed taxes on single-use plastics, significantly more than in Latin America and the Caribbean (5), Africa (4), and Asia and the Pacific (3).

The adoption of laws governing waste or producer responsibility in the region has led to progress on the regulatory front and in the creation of associated markets. For example, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Paraguay, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Vincent and the Grenadines and Uruguay have implemented producer responsibility schemes for single-use plastics (see the experience of Antigua and Barbuda in box V.2). Other countries have considered regulating or banning plastic bags, with exemptions for specific activities and products (UNEP, 2018b).

Box V.2

Antigua and Barbuda: regulation of plastic waste and bags

Due to their limited size and increasing consumption of resources, the Caribbean small island developing States (SIDS) face serious challenges in managing solid waste and plastic litter. Many have introduced policies to encourage more sustainable consumption patterns, and an effort to develop a regional approach to waste management is currently ongoing.

In January 2016, Antigua and Barbuda prohibited the importation, manufacturing and trading of plastic shopping bags. In July of the same year, the distribution of such bags at points of sale was banned. Since plastic bags sold in large retailers accounted for 90% of the plastic litter in the environment, the ban was first implemented in major supermarkets, and later extended to smaller shops.

Key elements for the success of the policy include stakeholder consultations held to ensure engagement and acceptance of the policy and the incorporation of the ban in existing legislation, instead of instituting a new law. Other successful initiatives were an awareness-raising campaign featuring frequent television spots by the Minister of Health and the Environment providing information on the progress of the ban and feedback from stakeholders, the promotion of the use of durable bags, the provision of reusable bags outside supermarkets, and training in the production of reusable bags for seamstresses and tailors. Major supermarkets were also required to offer paper bags from recycled material, in addition to reusable ones. To encourage the manufacturing and use of alternatives to plastic bags, the legislation includes a list of materials that will remain tax free, such as sugar cane, bamboo, paper, and potato starch.

In the first year, the ban contributed to a 15.1% decrease in the amount of plastic discarded in landfills and paved the way for additional policies. For instance, the importation of plastic food service containers and cups was prohibited in July 2017 and single-use plastic utensils, food trays and egg cartons were banned as of January 2018. At a later stage, expanded polystyrene foam (Styrofoam) coolers are also expected to be prohibited.

Source: United Nations Environment Programme (UNEP), *Single-Use Plastics: A Roadmap for Sustainability*, Nairobi, 2018.

⁷ These countries export and import significant amounts of these materials. Scrap exports went mainly to East Asia at an average price of US\$ 214 per ton, while the import price of scrap reached US\$ 326 per ton. The recycled plastics market in these countries consisted mainly of exports to China and the United States; imports accounted for a smaller share of the market, with Chile and the United States being the main sources. The average import price (US\$ 882 per ton) was higher than the export price (US\$ 739 per ton) (UNEP, 2018c).

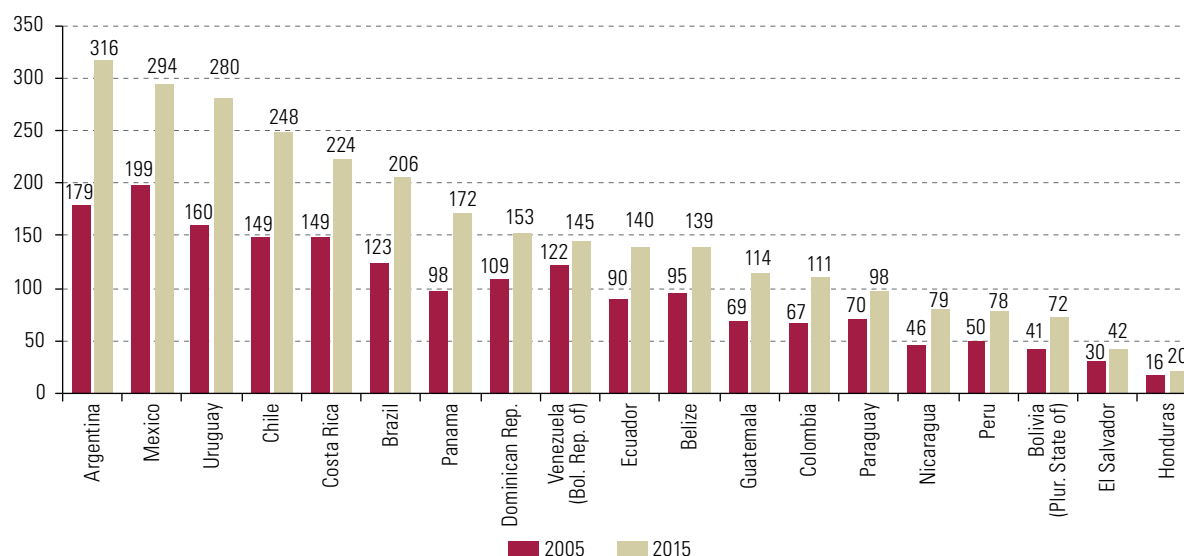
4. Mobility and public transport

Urban mobility patterns in the region show exponential growth in the number of motor vehicles and a marked user and investment bias towards private transport, increasing the inefficiency of the system. This not only brings with it problems related to congestion, travel times and fuel consumption, pollutant emissions and environmental degradation, the encroachment of residential areas and increasingly poor road safety with very high rates of injuries and deaths, but also makes it difficult for most people to have full access to the public transport system (Vasconcellos, 2019).

The challenge in terms of infrastructure and sustainable patterns of production and consumption is even greater considering the rapid growth of the vehicle fleet in the region (see figure V.9 for motorization rates by country), albeit at rates that are still much slower than in developed countries.

The report presented at the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development indicated that two thirds of the energy used in urban transport is consumed by individual vehicles (automobiles and motorcycles) and that 94% of that power comes from oil derivatives.⁸ This mode of transport emits the most pollutants and particulate matter (Vasconcellos, 2017), causing major health problems in large cities and increasingly affecting medium-sized cities (see figure V.10). In addition, there is a correlation between this mobility pattern and poor road safety: road traffic injuries accounted for more than 150,000 deaths per year, 45% of which occur among the most vulnerable road users, such as pedestrians, cyclists and motorcyclists (PAHO, 2016).

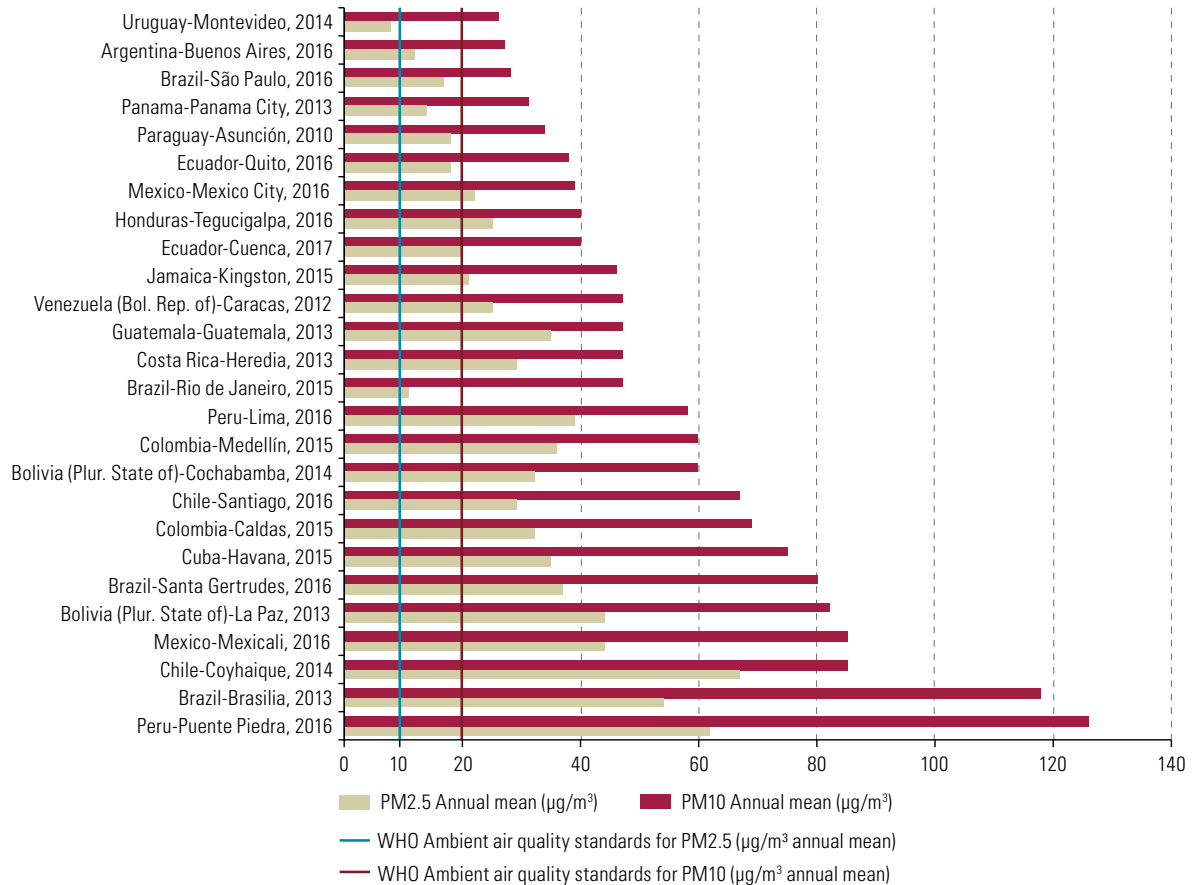
Figure V.9
Latin America and the Caribbean (selected countries): motorization rate, 2005 and 2015
(Number of vehicles in use per 1,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Organization of Motor Vehicle Manufacturers (OICA), "Motorization rate 2015 – Worldwide" [online] <http://www.oica.net/category/vehicles-in-use/>; and World Bank, World Development Indicators, Washington, D.C. [online database] <http://data.worldbank.org/data-catalog/world-development-indicators>.

⁸ See Enerdata [online] <https://www.enerdata.net/>.

Figure V.10
Latin America and the Caribbean (selected cities): concentration of coarse particulate material (PM10)
and fine particulate material (PM2.5), latest year available
 ($\mu\text{g}/\text{m}^3$)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Statistical Yearbook for Latin America and the Caribbean*, 2018 (LC/PUB.2019/2-P), Santiago, 2019.

Although more than half the population uses mass transit—which produces fewer emissions and accounts for more than 40% of daily travel—much of the public space is devoted to private transport, which also receives the lion’s share of investment, including for the purchase of vehicles (CAF, 2009). The concentration of investments in private transport, combined with spatial segregation and the design of public systems, has led to increases in congestion and in travel times on public transport (Mejía, Castillo and Vera, 2016). In addition, although there is a lack of systematic data disaggregated by sex on means of transport, statistics show that women are less likely to use individual motorized transport than men and are therefore more dependent on mass transit (UN-Women, 2018; Jaimurzina, Muñoz and Pérez-Salas, 2017).

Greater investment in public transport systems and urban infrastructure would improve their quality, efficiency, inclusiveness, safety and environmental sustainability, and help to mainstream a gender perspective. In the absence of policy, the bias towards private transport will continue to worsen urban living conditions.

C. The energy transition

1. Access to energy and the shift towards renewable sources

In the region, more than 26 million people (4% of the population) are without access to electricity and at least 87 million (15%) use non-sustainable biomass—wood and charcoal—for heating (ECLAC, 2018f; FAO, 2017b). Exposure to indoor smoke from cooking is linked to respiratory diseases that mostly affect women and girls (UNDG, 2018). Indoor pollution from solid fuel consumption for domestic heating caused 4.3 million deaths in 2012, with women and girls accounting for 6 out of 10 deaths (UN-Women, 2018). Furthermore, expenditure on domestic fuels (electricity and gas) accounts for a significant proportion of the budget of the lowest income households. Therefore, in addition to making energy more accessible, it must also be affordable for the poorest.

In the region, the share of fossil fuels in the energy matrix is close to 74% (44% in electricity generation and over 90% in transport). Oil is being replaced by natural gas, which accounts for 23% of the total primary energy demand. Decarbonizing the economy requires electricity to be produced from renewable sources and a shift towards fossil-fuel-free electric mobility (see box V.3). The development challenge for the region is to reconcile economic growth with changes in the pattern of energy production and consumption in order to decouple emissions from growth by giving more space to renewable sources, including in transport, thereby making the production structure and the functioning of cities more efficient.

Box V.3

The shift to electric transport systems

Electrification of transport is one of the main tools for meeting the intended nationally determined contributions stated in the Paris Agreement and improving air quality in cities. The manufacture of electric vehicles and the processing of raw materials for electric mobility (for example, lithium and copper) present an opportunity for industrialization in accordance with international best practices for the region.

The countries in the region that are making greatest strides in this area are implementing national strategies that include the public and the private sector. Despite this, user and consumer participation remain low. Some municipalities have gone faster and further than national governments, with solutions focusing heavily on electric buses and taxis.

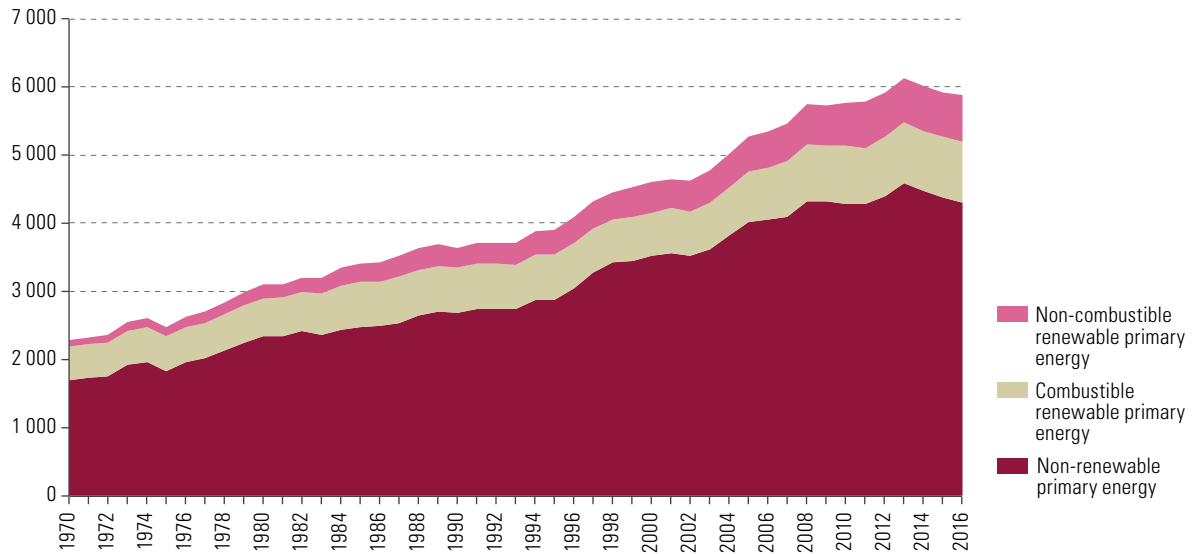
Though still small, the market is growing constantly. With the exception of Mexico and Colombia, the fleet of electric vehicles in most countries barely reaches four digits, but as electric mobility continues to be explored, technologies and incentives are tried out and the first generation of recharging infrastructure, in particular slow-charging stations is set up. In almost all countries, electricity companies play a key role in the installation of recharging infrastructure, as well as demonstration projects for buses, taxis and electric fleets.

Source: United Nations Environment Programme (UNEP), *Movilidad eléctrica: avances en América Latina y el Caribe y oportunidades para la colaboración regional*, Panama City, 2018.

Renewable energy generation has increased in absolute terms (see figure V.11), but its share of total primary energy has dropped (Balza, Espinasa and Serebrisky, 2016; OLADE, 2016): the opposite of what needs to happen to reduce the environmental footprint of the energy supply. Between 1990 and 2016, the renewable share of the energy matrix shrank from 28.9% to 26.5% (ECLAC, 2016) and slightly more than half of renewable sources are combustible, as seen in figure V.12.

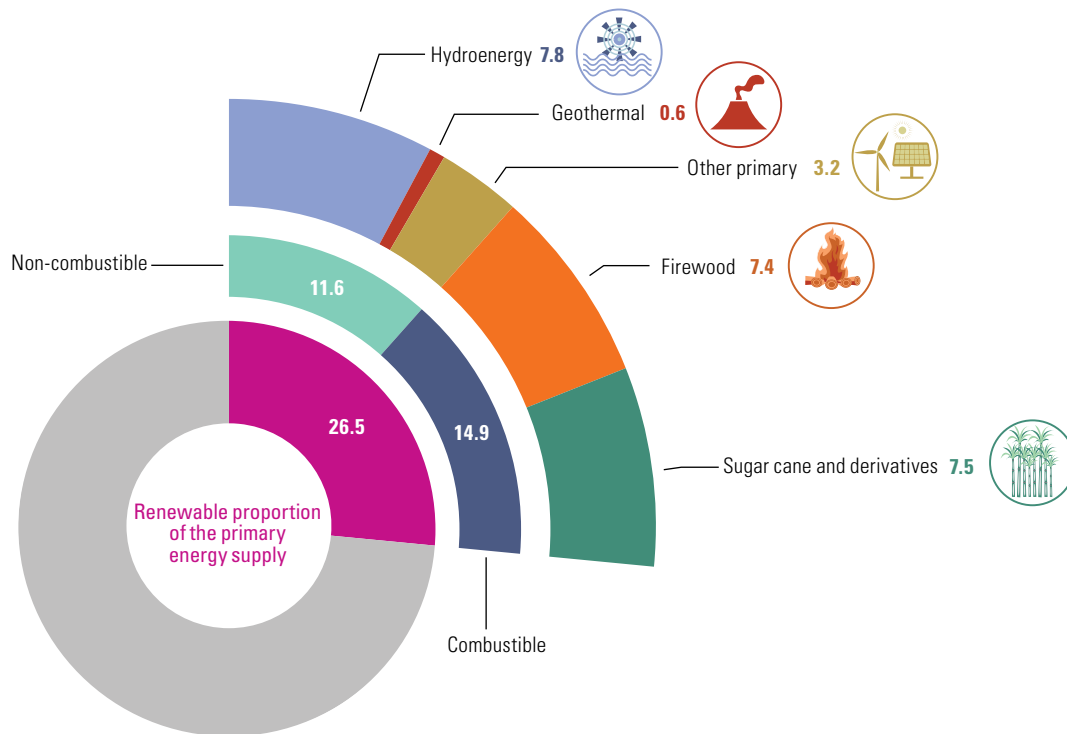
As the Renewable Energy Policy Network for the 21st Century (REN21, 2016) points out, within the electricity matrix of some Latin American and Caribbean countries, a high percentage of energy is generated from renewable sources. Investment in renewable energies has been on the rise this century, despite a recent slowdown due to the inertia of regulatory and fiscal policies, a decline in public investment and falling technology costs (IRENA, 2018).

Figure V.11
Latin America and the Caribbean: renewable (combustible and non-combustible) and non-renewable primary energy supply, 1970–2016
 (Millions of barrels of oil equivalent)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Statistical Yearbook for Latin America and the Caribbean, 2018* (LC/PUB.2019/2-P), Santiago, 2019.

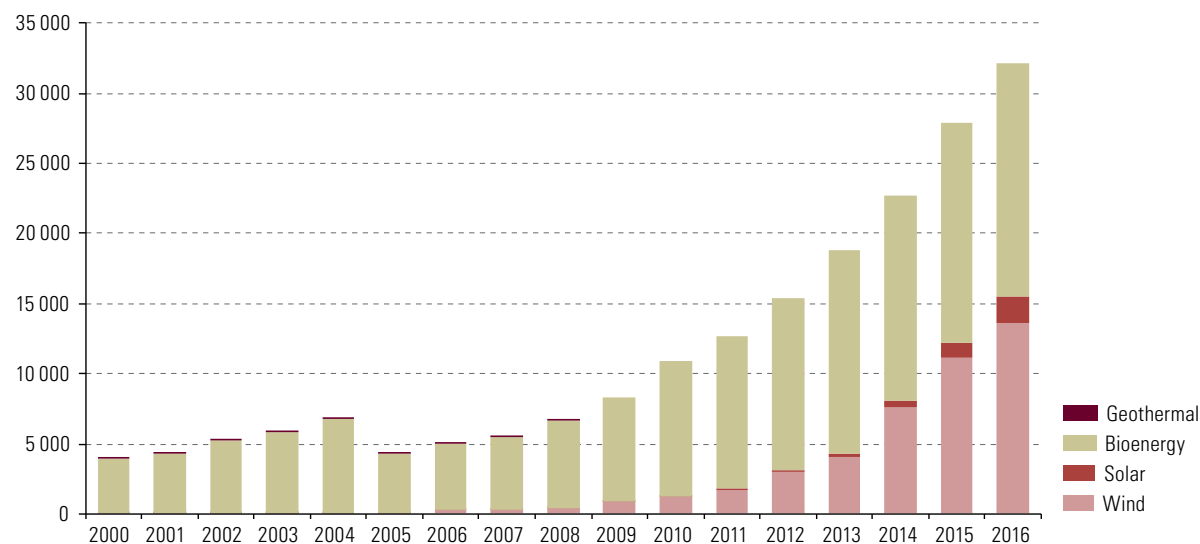
Figure V.12
Latin America and the Caribbean: supply of primary renewable (combustible and non-combustible) energy by energy resource, 2016



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Statistical Yearbook for Latin America and the Caribbean, 2018* (LC/PUB.2019/2-P), Santiago, 2019.

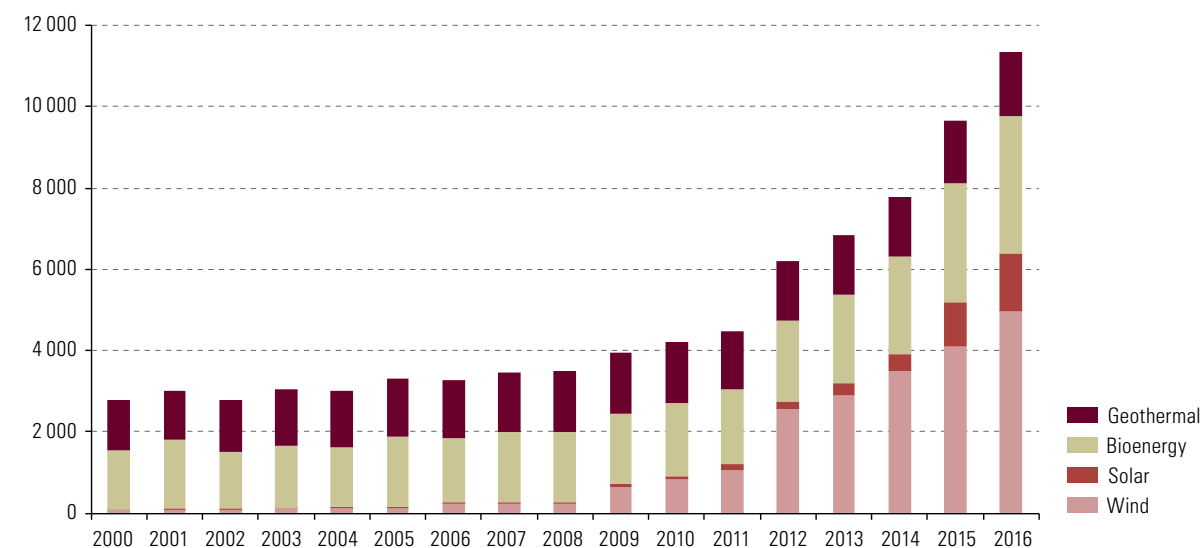
Figures V.13 and V.14 show the levels of renewable energy installed capacity in the region, which, according to IRENA (2017), were driven by the low renewable energy auction prices in 2015 and 2016. Consequently, the region was among the markets with the most growth in solar and wind energy.

Figure V.13
South America: incorporation of new renewable energy installed capacity by technology, excluding hydropower, 2000–2016
 (Megawatts)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Renewable Energy Agency (IRENA), “Featured dashboard”, 2017 [online] <http://resourceirena.irena.org/gateway/dashboard/>.

Figure V.14
Mexico, Central America and the Caribbean: incorporation of new renewable energy installed capacity by technology, excluding hydropower, 2000–2016
 (Megawatts)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Renewable Energy Agency (IRENA), “Featured dashboard”, 2017 [online] <http://resourceirena.irena.org/gateway/dashboard/>.



From the point of view of technological feasibility, installation capacity and management of market prices, there is a path for the expansion of renewable energies. Making progress requires policies to promote new energy-efficiency projects, systems for storing large volumes of energy produced intermittently by renewables, taking advantage of the region's abundant natural resources (water and lithium) and forging production linkages associated with their production and technological applications. The potential for renewable wind and solar energy exists in most countries and there is enormous room to increase the penetration of these sources. The development of regulatory frameworks and financial infrastructure is essential to move forward in the renewal of the energy matrix.

As will be discussed in the section on emissions and climate targets, carbon intensity (carbon emissions per unit of energy generated) has declined slowly since 2000. Gains in energy efficiency, the penetration of renewable energies and, above all, the decline in deforestation in the Brazilian Amazon since the early 2000s have reduced emissions. It is vital to implement energy policies, set targets for the share of renewable energy in the matrix in the case of countries that have not done so and accelerate decarbonization. Given that in 2040 the region's primary energy demand will be at least 80% higher than it is today, there is a window of opportunity to adopt policies and make investments to drive the widespread adoption of renewable energies. For South America, projections to 2030 point to new investment of US\$ 74 billion in renewable energy projects, US\$ 36 billion in non-conventional renewable energy and US\$ 38 billion in hydroelectric energy (CAF, 2016b). In the region, the distribution of investments under way (2016) is as follows: approximately 60% to hydropower, 5% to non-conventional renewable energy, 5% to nuclear energy and 30% to thermal energy; of new investments (to 2030), 40% is directed to hydropower, 37% to non-conventional renewable energy, 6% to nuclear energy and 17% to thermal energy. However, this increase would achieve an installed power capacity equivalent to only around 7.6% of the electricity matrix in 2030, compared to the current 3.9%. In terms of effective power generation, in 2030 this would represent 5.3% of the electricity mix, up from 2.9% (CAF, 2016b).

Although the current and projected patterns of investment are insufficient to produce a profound change in the region's energy structure, an increase in the share of renewable energies in generation (hydroelectric and non-conventional renewable energies) would considerably reduce greenhouse gas emissions; in South America, a 15% reduction against the alternative scenario would be achieved by 2030 (CAF, 2016b).

There is a clear need for regional and national strategies and policies to mobilize private investment and for market barriers and perceptions of investment risk to be overcome by a coordinated set of measures and instruments to create predictable and stable conditions for medium- and long-term investment. In planning the new energy infrastructure, attention must be paid to the creation of employment, the demand for training in new skills and qualifications, and the social and productive impact associated with these changes.

One of the policies in the region's renewable energy sector that should be explored more extensively is the promotion of investment by national public financial institutions, which have offered attractive conditions for capital formation and acted as a catalyst for private financing. An example of this is Brazil's Alternative Sources of Energy Incentive Programme (PROINFA), which expanded wind energy, making prices as competitive as the cheapest energy source: hydropower. After an investment totalling US\$ 5.4 billion, in 2016, Brazilian companies comprised 80% of Brazil's production chain (BNDES, 2016; ABEEólica, 2017). It is essential to develop the financial system and regulatory frameworks to make progress in renewing the energy matrix and building resilient infrastructure that causes fewer conflicts (see box V.4).

Box V.4**Latin America and the Caribbean: developing resilient infrastructure with less potential to cause conflict**

To sustain economic growth and meet the needs of the population, the region must increase its investment in infrastructure. Electricity, transport, construction and water facilities account for more than 60% of global greenhouse gas emissions (OECD-World Bank-UNEP, 2018). Because this infrastructure determines consumption patterns, the development of low-carbon infrastructure must be at the centre of global efforts to limit global warming.

Environmental and social impacts must also be considered in the design, planning and construction of infrastructure works to ensure that services are provided and the concerns of the affected communities are met.

A number of lessons can be drawn from a 2017 study by the Inter-American Development Bank (IDB) which covered 20 countries in the region and analysed 200 infrastructure projects affected by conflicts in the last 40 years. The nature of the conflicts was multidimensional and the drivers were grouped into four categories: environmental, social, governance and economic. Degradation of ecosystems and pollution were the most prominent environmental conflict drivers. Among the social drivers, lack of community benefits led to conflicts in 84% of cases. Communities were concerned that they would have to endure the project's negative impacts without receiving adequate benefits in return. In the governance category, deficient planning, lack (or absence) of adequate consultation, lack of transparency and access to information were the most dominant drivers. The leading economic causes documented were governments' failure to implement agreed project works, excessive profit levels and unjust profit distribution, and the price of services.

The most effective responses included community infrastructure improvements or provision, community capacity-building, environmental improvements and prior consultation. While conflicts may arise during any phase of an infrastructure project, the earliest phases are particularly vulnerable. Among the effective policy recommendations for mitigating risks and containing conflicts are regional upstream planning so that projects are better prepared and not situated in conflict areas, engagement with communities and building trust early on.

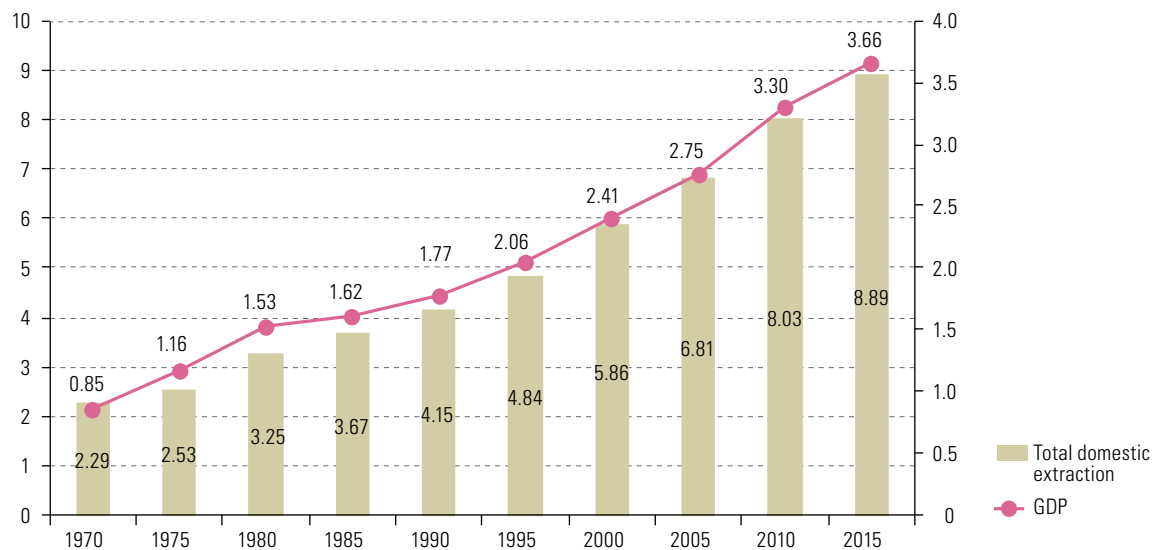
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis Organization for Economic Cooperation and Development (OECD)/World Bank/United Nations Environment Programme (UNEP), *Financing climate futures: Rethinking Infrastructure*, Paris, OECD Publishing, 2018; G. Watkins and others, "Lessons from four decades of infrastructure project related conflicts in Latin America and the Caribbean", *IDB Monograph*, No. 549, Washington, D.C., Inter-American Development Bank (IDB), 2017.

2. Sustainable production and consumption

Achieving greater material efficiency—decoupling economic growth from the use of natural resources—is a basic premise of sustainable production and consumption. This is not the case in the region's economy, as is clearly seen in total domestic extraction data (see figure V.15), which captures the sum of inputs extracted from the natural environment, except air and water (UNEP, 2016a). The extraction of resources can lead to negative environmental impacts, the loss of natural heritage and greater risks for the poorest and most vulnerable communities (ECLAC, 2018g). In the region, the material intensity of the economy is relatively stable while energy intensity (energy consumed per unit of output) appears to be holding steady after a fall in the early 2000s (see figure V.16).

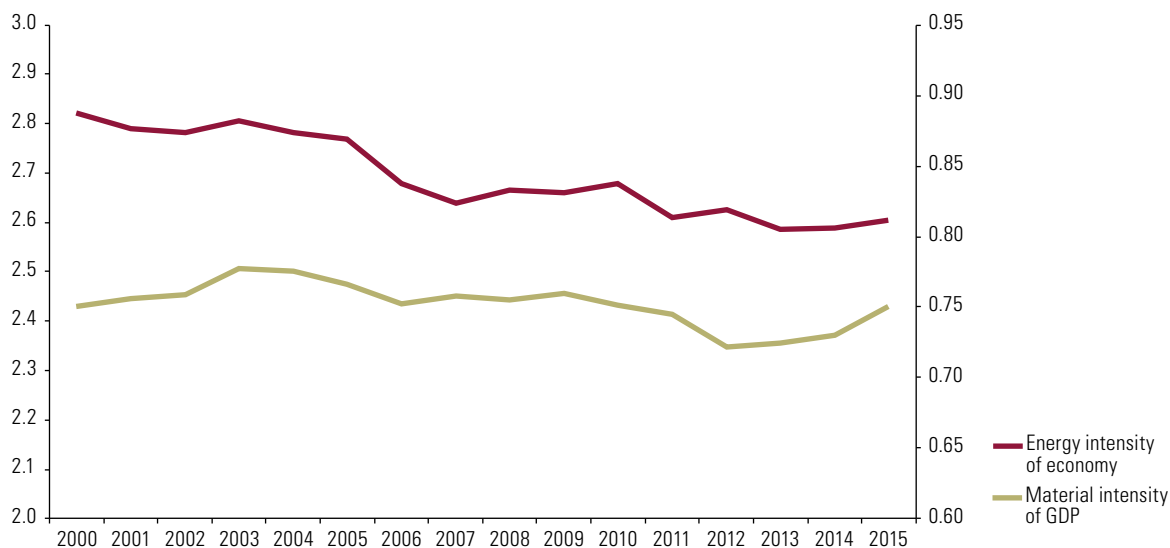
Decoupling economic growth from the use of natural resources requires structural changes in production and consumption patterns. The region's growing material intensity and inability to reduce carbon intensity, which increase emissions and waste, are rooted in its very low-technological production base. Nevertheless, the increase in the renewable energy supply within the region's energy matrix proves that it is possible to effect positive changes that enable technological innovation and investment and resolve the coordination problems that hinder the absorption of environmentally-friendly, low-carbon technologies.

Figure V.15
Latin America and the Caribbean: total domestic extraction of resources and GDP, 1970–2015
(Gigatons and GDP in trillions of dollars at constant 2005 prices)



Source: International Resource Panel, Global Material Flows Database [online database] <http://www.resourcepanel.org/global-material-flows-database> [accessed on: July 2018].

Figure V.16
Latin America and the Caribbean: material intensity and energy intensity, 2000–2015
(Kilograms per dollar at 2005 prices and thousands of barrels of oil equivalent per million dollars of GDP at constant 2010 prices)



Source: International Resource Panel, Global Material Flows Database [online database] <http://www.resourcepanel.org/global-material-flows-database> [accessed on: July 2018]; and Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <http://estadisticas.cepal.org>.

It is essential to increase energy efficiency for this decoupling to occur. Global investments in energy efficiency were estimated at US\$ 221 billion in 2015, with an annual increase of 6%. More than half of this investment went to the construction sector. Private sector banks, long-term investors and insurance companies are gradually turning their attention to energy efficiency investments, as demonstrated by the energy efficiency declarations and commitments made by 122 banks from 42 countries and the managers of major long-term investment funds. The United States, the European Union and China represented nearly 70% of investments in 2015, with the building sector attracting the largest share (UNEP FI/IEA/IPEEC, 2017). In emerging economies, energy efficiency investments are concentrated in industry and transport.

Environmental sustainability also means increasing the efficiency with which an economy's resources are extracted and used and reducing the production of waste. A circular economy improves efficiency and the useful life of materials by promoting durability and the capacity to repair, remanufacture, reuse and recycle goods. A circular economy scenario is particularly relevant to the region, given the economic weight of the extractive sectors and low recycling rates.

There is a strong expectation that production and consumption patterns will change. It is projected that by 2030 and in net terms, more than 1 million jobs will have been created in Latin America and the Caribbean against the backdrop of an energy transition and global warming limited to 2°C (ECLAC/ILO, 2018). In a scenario of the adoption of circular economy principles, job creation in sectors such as the reprocessing of metals and wood would more than offset the losses associated with the extraction of minerals and other raw materials. This is because the value chain in reprocessing is longer and more employment-intensive than in mining and increased recycling rates would boost demand for waste management services. To this end, incentives, institutional and governance frameworks at the regional and national levels, regulations and standards, and public investment amounts and recipients must all be redefined. Sustainable Development Goals 7 and 12 call for progress to be made in that direction.

The document presented at the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development emphasizes the importance of reducing or eliminating fossil fuel subsidies and other distortions that encourage the inefficient use of resources and prevent the penetration of cleaner technologies and inputs. Such a policy can create more fiscal space and redirect resources to other public policies. Government procurement can also be used to incentivize environmentally sustainable sectors.

Clean production agreements, public-private partnerships to promote new sectors, encouraging corporate social responsibility, ecolabelling, environmental education and access to information are also powerful instruments of change. A recent example is the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, or the Escazú Agreement, which states in article 6, paragraph 10 that each Party “shall ensure that consumers and users have official, relevant and clear information on the environmental qualities of goods and services and their effects on health, favouring sustainable production and consumption patterns”.

D. Climate change

1. Impacts and adaptation

SDG 13 calls for urgent action to combat climate change and its impacts (ECLAC, 2017). Human-induced climate change has a significant impact on natural ecosystems; from an economic perspective, it is perhaps the ultimate negative externality, insofar as climate-changing greenhouse gases are released into the atmosphere at no cost to economic activity (ECLAC, 2015a). The Paris Agreement adopted at the Conference of the Parties to the United Nations Framework Convention on Climate Change

(COP 21) is consistent with the new development agenda in that it includes mitigation and adaptation targets in countries' intended nationally determined contributions (INDC), with the aim of holding the increase in global average temperature below 2 degrees Celsius and ensuring adaptation to new climatic conditions (ECLAC, 2018g).

The most recent report of the Intergovernmental Panel on Climate Change (IPCC) (2018) points to increases in: (i) mean temperature in most land and ocean regions; (ii) hot extremes in most inhabited regions (high confidence projection); (iii) heavy precipitation in several regions (medium confidence); and (iv) the probability of drought and precipitation deficits in some regions (medium confidence).

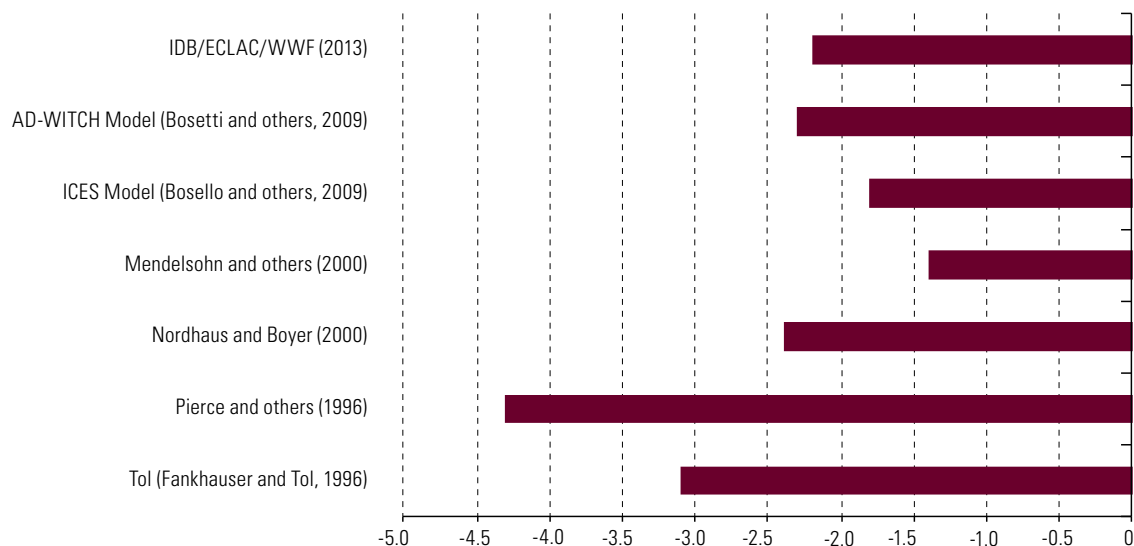
The region is highly vulnerable to climate change owing to its geography, climate, socioeconomic conditions and demographic factors, and the great sensitivity of its natural assets such as forests and its biodiversity to climate change (ECLAC, 2015a). The impacts of climate change are significant and will very probably be more severe in the future (ECLAC, 2010a; IPCC, 2013; Magrin and others, 2014; IPCC, 2018; ECLAC, 2010a, 2010b, 2012b, 2014a and 2015a; BID/ECLAC 2014a and 2014b; BID/ECLAC/DNP, 2013; United Nations, 2013). For example, there is evidence of impacts on agricultural activities, water resources, biodiversity, sea levels, forests, tourism, health and cities (see table V.1). In many cases, data remain incomplete and highly uncertain, making aggregation and comparative analyses difficult. However, the studies listed in figure V.17 estimate the economic cost of a 2.5°C rise in temperature (which is very probable around 2050) for the region at between 1.5% and 5% of the region's present GDP (ECLAC, 2015a; Galindo and others, 2015). These are conservative estimates. In addition, they are limited to certain sectors and regions and are subject to methodological limitations that make it difficult to factor in adaptation processes, the implications of biodiversity loss and the potential effects of extreme weather events (Stern, 2013).

Table V.1
Latin America: potential impacts and risks associated with climate change

Impacts	Key risks	Climatic drivers
Agriculture	Decreases in food production and quality, lower revenues and rising prices	- Extreme temperatures - Precipitation extremes - CO ₂ concentration - Changes in temperature and precipitation patterns
Water	Water supply in semi-arid and glacier-melt-dependent regions; flooding in urban areas owing to extreme precipitation	- Upward trend in temperature - Increased droughts - Snow cover
Biodiversity and forests	Land-use changes, disappearance of forests, coral reef bleaching, loss of biodiversity and of ecosystem services	- Increased deforestation - CO ₂ concentration - Upward trend in temperature - Acidification of the oceans
Health	Spread of vector-borne diseases to other altitudes and latitudes	- Upward trend in temperature - Extreme temperatures - Precipitation extremes - Changes in temperature and precipitation patterns
Tourism	Loss of infrastructure, rising sea levels, extreme events in coastal areas	- Rising sea levels - Extreme temperatures - Precipitation extremes and flooding
Poverty	Reductions in the incomes of vulnerable groups, especially in the agricultural sector; increased income inequality	- Extreme temperatures - Increased droughts - Precipitation

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of G. Magrin and others, "Chapter 27. Central and South America", *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part B: Regional Aspects*, V. Barros and others (eds.), Cambridge/New York, Cambridge University Press, 2014.

Figure V.17
Latin America and the Caribbean: impacts of climate change on the region assuming a 2.5°C temperature increase in the second half of the twenty-first century
(Percentages of regional GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of F. Bosello, C. Carraro and E. de Cian, "Market- and policy-driven adaptation", *Smart Solutions to Climate Change: Comparing Costs and Benefits*, Bjørn Lomborg (ed.), Cambridge, Cambridge University Press, 2010; and W. Vergara and others, *The Climate and Development Challenge for Latin America and the Caribbean: Options for Climate-Resilient, Low-Carbon Development*, New York, Inter-American Development Bank (IDB), 2013.

Note: Figures on the impacts of climate change for Latin America given an increase in temperature of 2.5°C are taken from Bosello, Carraro and De Cian (2010). The data on impacts given in IDB/ECLAC/WWF are taken from Vergara and others (2013) and refer to the year 2050.

There are also important effects that are not directly accounted for in GDP, such as the impact of climate change on poverty trends. Estimates for Latin America show an economic growth elasticity of poverty of between -1.5 and -1.7 for the indigence line and of between -0.94 and -1.76 for the poverty line (depending on the poverty indicator used). Climate change disproportionately affects those who are heavily dependent on local natural resources for their livelihoods, such as the rural poor and indigenous peoples. In this context, climate change would slow the rate of economic growth in the agricultural sector, which would, in turn, increase poverty (Bourguignon, 2003; OECD, 2007; ECLAC, 2015a; Galindo and others, 2015). Lower agricultural crop yields would also affect food distribution in households, with negative repercussions for gender equality in nutrition. Holding the temperature increase to 1.5°C can facilitate the achievement of the SDGs as well as efforts to reduce poverty and gender inequalities and improve food security, health and water availability.

The agricultural sector is of strategic importance in the region. In 2015, the agricultural sector in Latin America accounted for around 5% of GDP, produced 25% of the region's exports and employed 19% of the working population (ECLAC, 2018g). Genetic resources for food and agriculture play a crucial role in food security, nutrition and livelihoods, and in the provision of environmental services. Because of their genetic diversity, plants, animals and micro-organisms adapt and survive when their environments change. In this regard, FAO argues that biodiversity loss, climate change and agricultural productivity are closely linked (see box V.5). Climate change will alter the distribution of species of pests and disease strains, and their interactions. Adapting agriculture, fisheries, aquaculture and forestry to the effects of climate change will be vital for survival.

Box V.5

Conservation and climate change: challenges for reducing the impact of production systems

One of the challenges related to the sustainable intensification of agricultural production is to achieve zero net degradation through sustainable land management, applying soil, water, vegetation and biodiversity management practices in a broad agroecological and socioeconomic context. The Food and Agriculture Organization of the United Nations (FAO) supports the development of more sustainable, healthy and diverse, low-input agricultural and food systems that, in addition to conserving and regenerating biodiversity, create more resilient, energy-efficient and socially just systems. Biotechnology helps to improve agriculture and fight hunger and malnutrition.

Forest management under sustainability criteria is possible and represents a productive and conservation alternative to other practices or destructive uses of forest resources. In changed environments and even amid degradation processes, restoration using forest plantations under the “planted forest close to natural forests” or “new generation planted forest” models can play a major role in promoting zero net deforestation.

Properly regulated fisheries contribute to efforts to combat poverty and promote food and nutrition security, in addition to fostering the conservation and efficient use of fishery resources. Efforts must be made to encourage the implementation of the Voluntary Guidelines for Securing Sustainable Small-scale Fisheries in the Context of Food Security and Poverty Eradication in small-scale or artisanal fishing. Countries should continue to promote the Code of Conduct for Responsible Fisheries, the ecosystemic approach to the regulation and use of fishery resources, and the implementation of actions to prevent, discourage and eliminate illegal, unreported and unregulated fishing. They should also implement the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing —ratified, to date, by 13 countries of the region— and take steps to ensure that the expansion of aquaculture in the region is done in an environmentally sustainable manner that generates safe and healthy products.

As noted in the first section of this chapter, the decline of biodiversity and especially of agrobiodiversity also threatens the sustainability and resilience of agrifood systems. As 75% of terrestrial biodiversity is held in forests, deforestation is the main problem. In the case of marine species, 30% of stocks are overexploited. Figures show that 17% of all livestock breeds in the world are classified as endangered or extinct, and in 58% of breeds, their risk status is unknown due to the lack of recent population data (FAO, 2016). With regard to phylogenetic resources, 60% of daily caloric intake per person is provided by just four of the 30,000 edible plants that have been identified: rice, wheat, corn and potatoes. In addition, there is increasing understanding of how humans depend on healthy ecosystems and their products and services. Ecosystem functions regulate the environment and underpin production systems. Such services include: pollination by wild bees, control of pests and diseases through natural enemies and the maintenance of soil fertility through nitrogen-fixing plants. To ensure the sustainability of agricultural production, ecosystem services need to become an integral part of various crop and livestock farming, forestry, fishery and aquaculture practices.

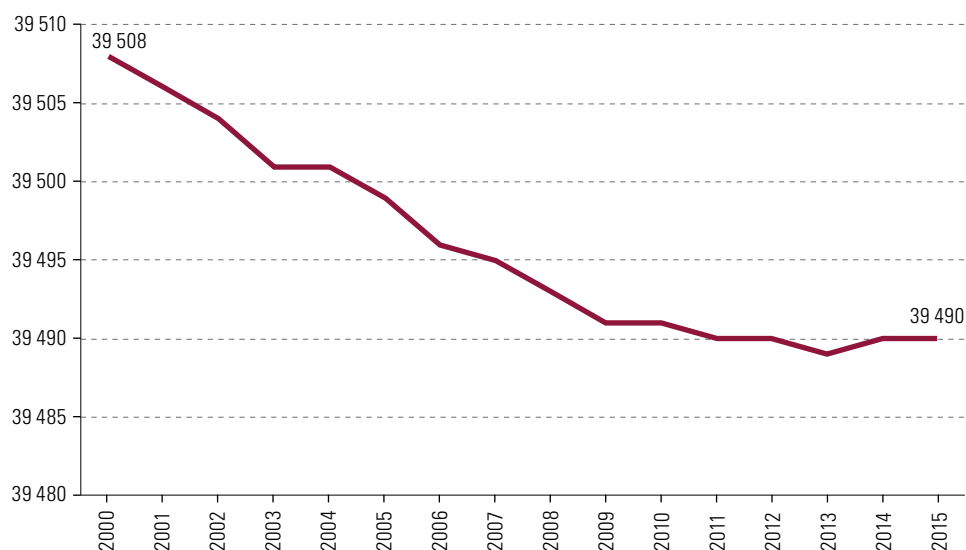
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), *Second Report on the State of the World's Animal Genetics Resources for Food and Agriculture: in brief*, Rome, 2016.

Given the characteristics of the region, the impacts of climate change on permanent snow fields and glaciers and on marine and coastal ecosystems are significant. The area covered by glaciers and permanent snow in the Andes decreased by 1,800 hectares between 2000 and 2015, with some areas disappearing (see figure V.18). This endangers one of the main strategic reserves of fresh water and access to drinking water and places agriculture and many industries at risk. The situation is particularly worrying in the tropical Andes, especially in the Bolivarian Republic of Venezuela, Colombia, Ecuador, Peru and the Plurinational State of Bolivia.

At the same time, coral bleaching has been observed in Meso-America, resulting from rising temperatures and acidification of seawater and the destruction of mangrove forests in Central and South America (Magrín and others, 2014). The coral reefs off Brazil are likely to be affected by variations in surface temperatures of over 1°C by 2070, while for the Caribbean islands where the probability of exceeding the threshold value is currently below 0.1, that probability will rise to 0.2 (ECLAC 2012b,

2015b and 2018a). Climate change will also diminish the capacity of marine ecosystems to adapt and to serve as natural barriers. In contrast, the protection offered by coastal and marine ecosystems (coral reefs and mangroves) could reduce the effects of climate change on coasts and its infrastructure, which illustrates the economic benefits of ecosystem protection and adaptation (ECLAC, 2018a and 2018b).

Figure V.18
Latin America and the Caribbean: area covered by permanent snow and glaciers, 2000–2015
 (Square kilometres)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Statistical Yearbook for Latin America and the Caribbean, 2018* (LC/PUB.2019/2-P), Santiago, 2019.

ECLAC (2012b and 2015b) identified the possible effects of a rise in sea level and sea surface temperature, coastal flooding and extreme events, beach erosion and the impact of changes in wave height and sea level on port infrastructure. The likelihood of poor navigation conditions into ports will increase in the future. The most affected ports will be those on the southwestern and northern coasts of Mexico and the Brazilian ports that are most exposed to the open sea. Likewise, port operations will be affected as changes in wave height and sea level render seawalls ineffective. Western coasts—from Ecuador northwards, the northern coast of Argentina, Uruguay, and the south and north of Brazil—will be most affected. Some Caribbean islands, the south of Peru and the north of Chile will also be affected, albeit to a lesser extent. It is estimated that extreme waves will reduce the viability of existing maritime infrastructure works to about 60% of their current level, in average terms, by 2070—except in the Caribbean, where the worst damage is likely to be caused by tropical storms. Beach erosion—with retreat rates of about 0.16 metres per year for the average representative diameter of sediment—is likely to be more significant on the Atlantic and Caribbean coasts, with possible consequences for tourism.

Because of its geographical location and socioeconomic conditions, Latin America and the Caribbean is highly vulnerable to a number of extreme natural hazards. When combined with the impacts of climate change, the aftermaths of these events will be more substantial in many countries in the decades to come (see box V.6). Public policy measures should be developed with a view to improving building regulations to ensure that they address the impacts of climate change. The projected rise in sea levels should be incorporated into land management plans in the region's coastal zones and risk transfer mechanisms involving the insurance market should be devised for dealing with the potential risks to port and coastal infrastructure (ECLAC, 2015a and 2018g).

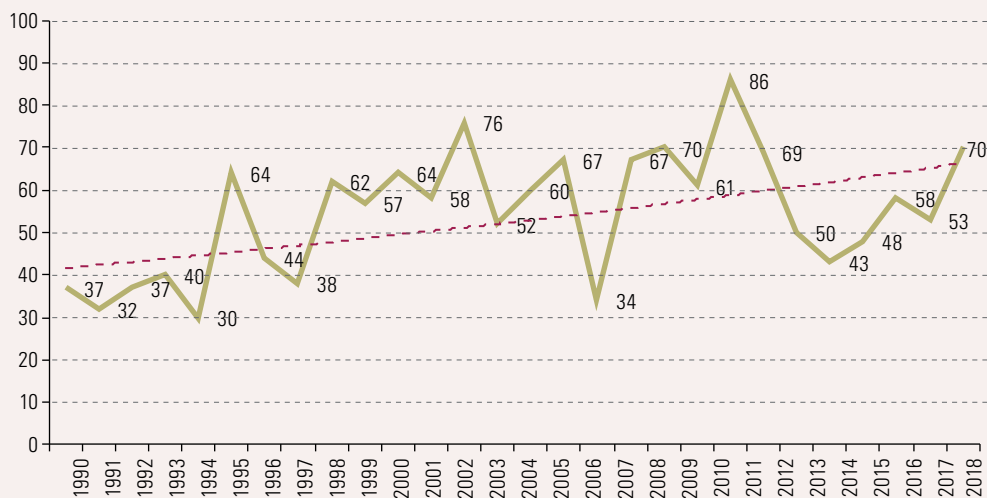
Box V.6
Latin America and the Caribbean: vulnerability to natural hazards

The attribution of extreme weather events to climate change continues to be intensively debated in international literature, although there is evidence to support the link (Stern, 2013; IPCC, 2013). Latin America and the Caribbean is highly vulnerable to extreme weather events (IPCC, 2014) (see figure 1). For the period 1998–2017, 6 of the 10 countries with the highest average annual economic losses resulting from disasters were from the region (UNISDR/CRED, 2018). During the same period, the Americas accounted for 53% of total global economic losses from climate-related disasters (see figure 2) and one third of the population lives in areas at high geological and hydrometeorological risk, leaving a significant share of them vulnerable to the negative impacts of extreme weather events, which are increasing in frequency and strength. This is compounded by the degradation of natural resources and inappropriate land uses that lessen the protective capacity of ecosystems and increase the vulnerability of communities and territories.

Vulnerability affects women and girls most acutely, limiting their access to and use of key resources (such as land and water) and with impacts on their livelihoods, the agricultural sector and food and nutrition security (UNDG, 2017). This increases poverty levels and leads to migration and displacement. A study of 141 countries concluded that more women than men die in natural disasters and that this disparity is related to differences in socioeconomic status (Neumayer and Plümper, 2007). In the region, women and children are also more likely to die during a natural disaster than men (UN-Women, 2018).

It should be recalled that the Sendai Framework for Disaster Risk Reduction 2015–2030 calls for focused action within and across sectors by States at local, national, regional and global levels in the following four priority areas: understanding disaster risk; strengthening disaster risk governance to manage disaster risk; investing in disaster risk reduction for resilience; and enhancing disaster preparedness for effective response and to “Build Back Better” in recovery, rehabilitation and reconstruction. It also calls on them to mainstream and integrate disaster risk reduction within and across all sectors, strengthen disaster-resilient public and private investments and protect cultural and environmental assets.

Figure 1
Latin America and the Caribbean: natural disasters, 1990–2017
(Number of events)

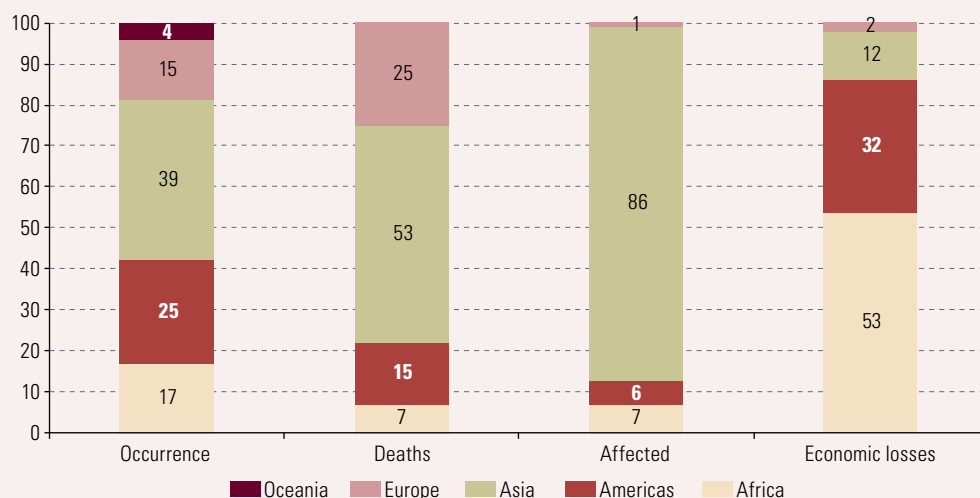


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Catholic University of Louvain (UCL), EM-DAT: The International Disaster Database [online database] www.emdat.be.
Note: Includes climatological, hydrological, meteorological and biological events.



Box V.6 (concluded)

Figure 2
Human and economic loss resulting from climate-related disasters, 1998–2017
 (Percentages)



Source: Nations Office for Disaster Risk Reduction (UNISDR)/Centre for Research on Environmental Decisions (CRED), *Economic Losses, Poverty & Disasters 1998–2017*, Brussels, 2018.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from Nations Office for Disaster Risk Reduction (UNISDR).

The concept of climate change adaptation encompasses all actions taken in response to actual or expected changes in climatic conditions. From an economic perspective, adaptation processes involve the additional economic costs associated with human activities and ecosystems that are incurred in order to adjust to changed climatic conditions. Globally, climate change adaptation is estimated to cost between US\$ 140 billion and US\$ 300 billion annually by 2030 and between US\$ 280 billion and US\$ 500 billion by 2050 (UNEP, 2018b). These are conservative estimates because the costs associated with environmental services are excluded. The costs of extreme events—with an estimated maximum of US\$ 330 billion for 2017—have also been poorly captured. At the same time, global public finance flows have remained stable and were estimated at US\$ 23 billion in 2016: approximately 64% of this went to developing countries via bilateral climate finance, multilateral climate funds and multilateral development banks (UNEP, 2018b).

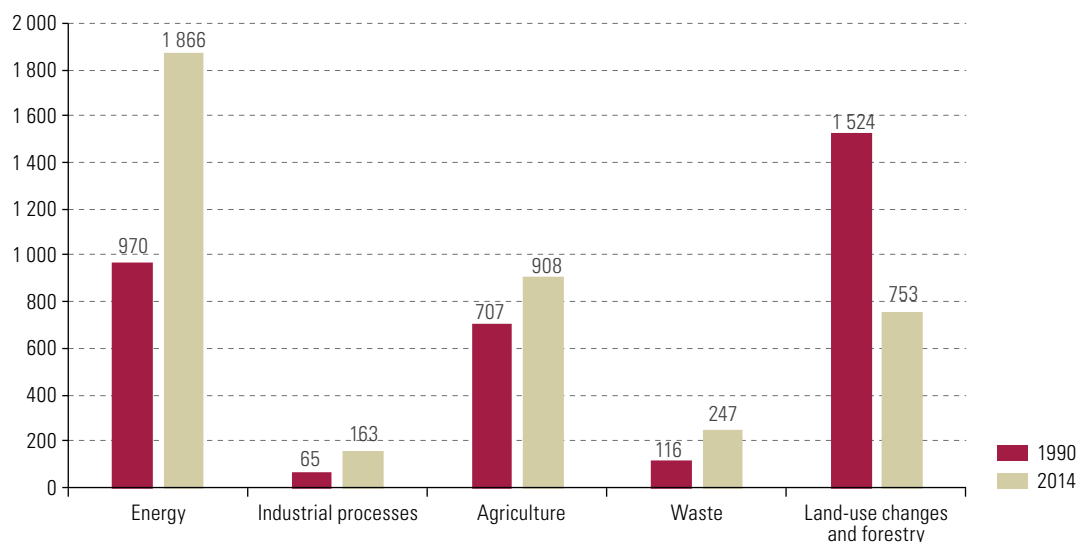
Estimates of the costs of adaptation for the region are in the order of 0.5% of GDP, although this estimate is uncertain and is likely to be revised upwards (World Bank, 2010; Vergara and others, 2013). This would indicate that it is more economically advisable to implement adaptation processes than to passively endure the negative effects of climate change.

2. Emissions and meeting climate-related goals

Greenhouse gas emissions from the region accounted for 8.3% of global emissions in 2014. The composition and dynamics of these emissions show that involving the energy sector, followed by the agriculture and forestry sector, is key for an emission reduction strategy (see figure V.19). This differs

significantly from the global pattern, in which the farming sector and changes in land use account for far less (ECLAC, 2015a). In the region, the main source of emissions is transport, meaning that large urban areas become key players in moving forward on climate-related goals.

Figure V.19
Latin America and the Caribbean: greenhouse gas emissions, by sector, 1990 and 2014
 (Megatons of CO₂ equivalent)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from World Resources Institute (WRI), Climate Analysis Indicators Tool (CAIT) 2.0, 2018, Washington, D.C. [online] <http://cait2.wri.org>.

In 2014, global greenhouse gas emissions reached 47 gigatons of CO₂-equivalent (GtCO₂-eq) while the region produced around 4.0 GtCO₂-eq. At an average of 6.4 tons per capita, the region's emissions are close to the global average of 6.6 tons, albeit with significant differences from country to country, which range between negative net emissions and almost 35 tons per capita. However, when emissions caused by land-use change are excluded, the region's greenhouse gas emissions amount to 3.2 GtCO₂-eq; this represents an average of 5.1 tons per capita, which is lower than the global average of 6.1 tons, owing, among other things, to a cleaner energy mix with a large share of hydroelectric sources. Stabilizing the world's climate will require that the level of greenhouse gas emissions be reduced from approximately 7 tons of CO₂ per capita today to 3 tons per capita by 2030, achieving near-zero net emissions by 2070 (IPCC, 2018).

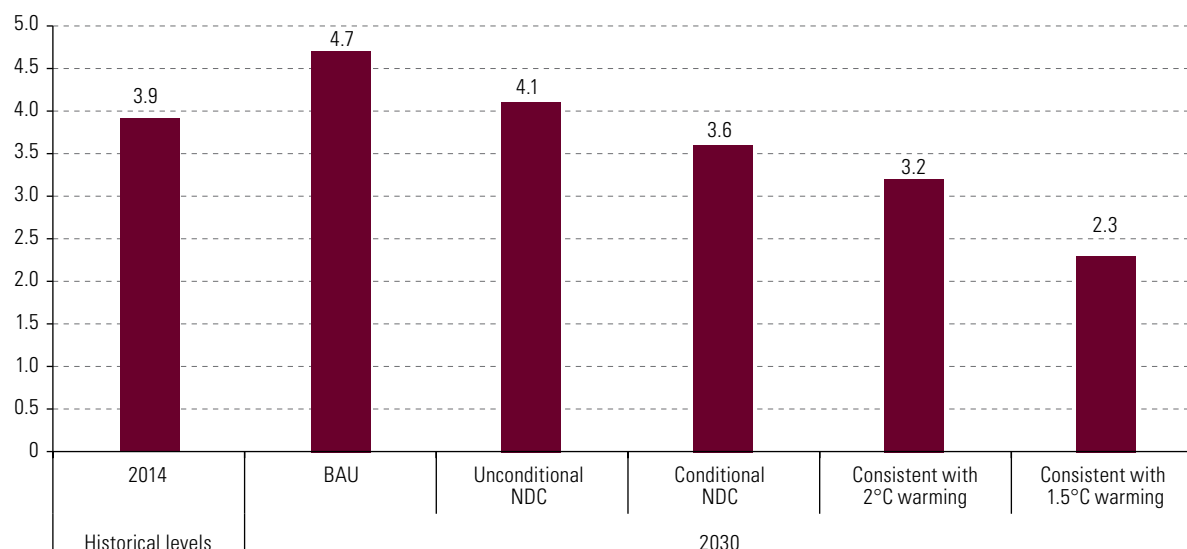
To fulfil the Paris Agreement and limit global warming to below 2°C, emissions must decline by 25% from 2010 levels, reaching near-zero net emissions by 2070; meeting the more ambitious target of limiting the increase to 1.5°C requires a 45% reduction in emissions from 2010 levels, reaching net zero emissions by 2050 (IPCC, 2018).

The intended nationally determined contributions alone cannot stabilize climate conditions (UNEP, 2018b), because they cover only around one third of the emissions reductions needed to stay on the pathway for the goal of staying within the 2°C target (UNEP, 2017a). The gap between the reductions needed and the national pledges is alarmingly large. Even if all intended nationally determined contributions are implemented, the carbon budget for limiting global warming to below 2°C will be about 80% depleted by 2030, and the available carbon budget estimates for the 1.5°C target will already be well depleted.

The carbon intensity of the economies of Latin America and the Caribbean can be estimated using historical information on GDP and greenhouse gas emissions. Based on the assumption that both the GDP and the carbon intensity of each country will maintain the historical growth recorded in 1990–2014, a business as usual (BAU) scenario is estimated for 2030; the results are then aggregated for the region. Similarly, the scenarios of unconditional and conditional intended nationally determined contributions are estimated on the basis of the type of target established by the countries. Scenarios consistent with targets of 2°C warming and 1.5°C warming were also modelled, with declines from 2010 levels of 25% and 45%, respectively (IPCC, 2018).

The results of the model show that under the BAU scenario, the region's emissions would reach 4.7 GtCO₂-eq in 2030. Unconditional national mitigation commitments represent a 13% drop in emissions with respect to the BAU scenario, while conditional intended nationally determined contributions result in a 23% reduction. Thus, in these scenarios emissions are 4.1 GtCO₂-eq and 3.6 GtCO₂-eq, respectively (see figure V.20). Scenarios consistent with the 2°C and 1.5°C global warming targets require reductions of 32% and 50% compared with the BAU scenario, to 3.2 GtCO₂-eq and 2.3 GtCO₂-eq, respectively.

Figure V.20
Greenhouse gas emissions in 2014 and scenarios to 2030
(Gigatons of CO₂ equivalent)

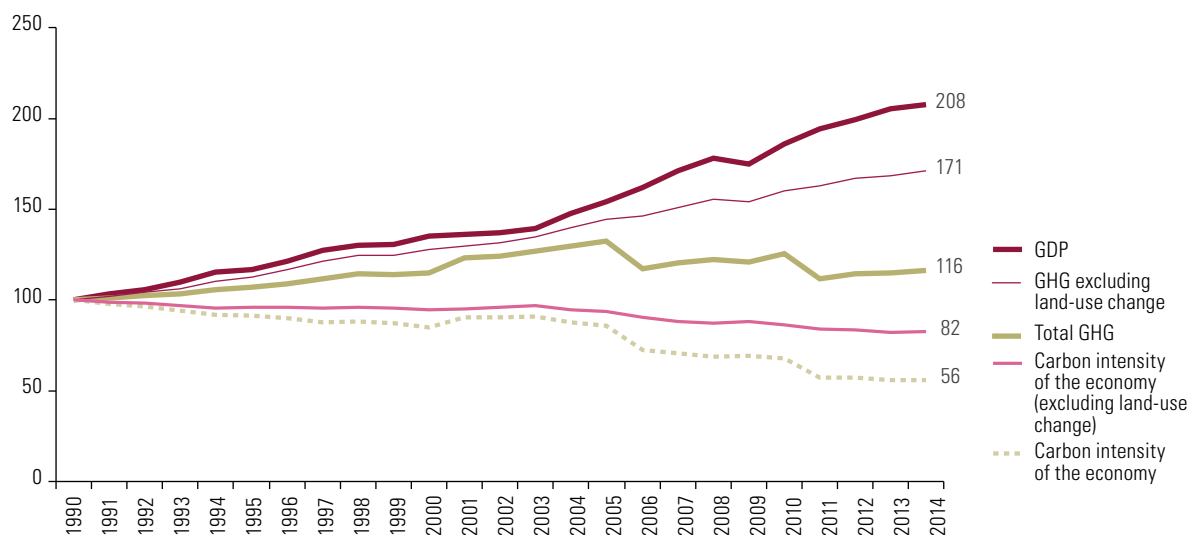


Source: J. Samaniego and others, “Contribuciones nacionalmente determinadas y opciones de descarbonización en América Latina y el Caribe”, 2019, unpublished.

Note: BAU refers to the trend scenario; NDC refers to the intended nationally determined contribution.

In the region, there has been a significant decoupling of emissions from GDP, which has become more pronounced since 2005 and is reflected in a reduction in the carbon intensity of energy on the back of a slowdown in deforestation after its peak in the 1990s (see figure V.21). The decarbonization of the energy matrix has been modest and, in order for the countries of the region to achieve their climate targets in line with the Paris Agreement, greater decoupling is needed in all the sectors of the economy.

Figure V.21
Latin America and the Caribbean: trends in GDP, greenhouse gas (GHG) and carbon intensity
of the economy, 1990–2014
 (Index: 1990=100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from World Resources Institute (WRI), Climate Analysis Indicators Tool (CAIT) 2.0, 2018, Washington, D.C. [online] <http://cait2.wri.org>; and World Bank, World Development Indicators [online database] <https://data.worldbank.org/products/wdi>.

Achieving the reductions in greenhouse gas emissions needed to meet climate objectives requires substantial changes in the development pattern. It is therefore necessary to transform key sectors through fiscal, investment and financing policies. Most climate change mitigation proposals focus on energy, transport, agriculture, forestry and land-use change. Countries have adopted or committed to adopting more efficient projects and to changing the energy mix. To this end, projects have been developed under the clean development mechanism (CDM) and the reducing emissions from deforestation and forest degradation in developing countries (REDD) mechanism. Green funds and trusts have also been established to finance mitigation measures through the acquisition of new technologies (Lorenzo, 2018). Samaniego and Schneider (2017) show that more than 50% of investment in climate comes from national funds; approximately one third comes from borrowing from multilateral banks; approximately 5% from climate bonds; and no more than 2.2% from international climate funds (in the region there are some 16 active climate/environmental financing funds). In fact, countries use their own resources to finance most of the cost of climate change measures.

E. Concluding remarks

If the dimensions of development analysed in this chapter (ecosystems, cities, energy and response to climate change) are to be sustainable, it is essential to modify production and consumption patterns—particularly in relation to energy and land use—and to implement adaptation measures. These measures, in turn, depend on coherent policies in all spheres in order to tackle the transformations necessary to cope with the adverse effects of climate change on economic activities, ecosystems and social welfare. Efforts must be made to adapt to the new conditions and to shift towards lower-emissions

production processes to improve development levels. This entails a structural transformation of the development pattern, a transition towards more sustainable development to preserve economic, social and environmental assets for future generations.

A coordinated set of investments and policies for an environmental big push must form part of the implementation of the 2030 Agenda, the Paris Agreement and the New Urban Agenda, which involves identifying policies to jump-start economic growth and job creation. This means reducing vulnerabilities, efficiently managing the production capacity of natural capital, incorporating new technologies, redirecting public budgets, strengthening fiscal structures, and reorienting the financing priorities of banks and multilateral organizations, as well as concluding inter- and intraregional institutional and political agreements to maintain the shift in the development paradigm and create a virtuous feedback circle.

The characteristics of development in the region, as described in this chapter, point to this approach as a strategic path for economic development, by improving and linking production chains without destroying the foundations that underpin them. Employment creation and income generation must be based on more sustainable processes of production, infrastructure development and consumption, facilitating innovations in the urban environment and promoting the sustainability of marine and terrestrial ecosystems and maintaining their productive capacity, as well as a rapid transition to renewable energies. The strategy must prioritize sectors that spread economic impacts in a synergistic manner and thus lay the foundations for an environmental big push implemented through industrial policies for progressive structural change.

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CHAPTER VI

Means of implementation and public policy guidance for the 2030 Agenda for Sustainable Development

Introduction

A. Changing production patterns: the environmental big push

B. Strengthen social policies for equality

C. Public and private sector cooperation on the 2030 Agenda for Sustainable Development

D. Financing for development

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Bibliography

Introduction

The Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development are structured around the concepts of equality, environmental sustainability and production convergence, and must be attained by democratic means and in the context of peaceful societies. To reflect the integrated nature of the SDGs, complementary policies must be crafted in different areas, to advance in building the three pillars of sustainable development: social, economic and environmental. Social policies have played a key role in promoting equality and combating hunger and poverty, as well as in efforts to eradicate ingrained practices of discrimination. They also contribute to capacity-building and to increased productivity, by raising levels of education and health and fostering equal opportunities. In turn, capacities can be fully developed only when they are accompanied by a more sophisticated productive structure that generates demand for them. Diversified, more technology-intensive structures help sustain growth and formal employment, thus consolidating social progress. Equality and genuine competitiveness are therefore two complementary strategic tools for governments.

The following section examines how the productive, social and environmental dimensions can be combined to move towards a new development pattern. Some of the development policies that affect these dimensions fall within the remit of national governments, while others require renewed regional and international cooperation. This chapter discusses means of implementation and normative matters—at the national, regional and international levels—that can contribute to achieving the SDGs.

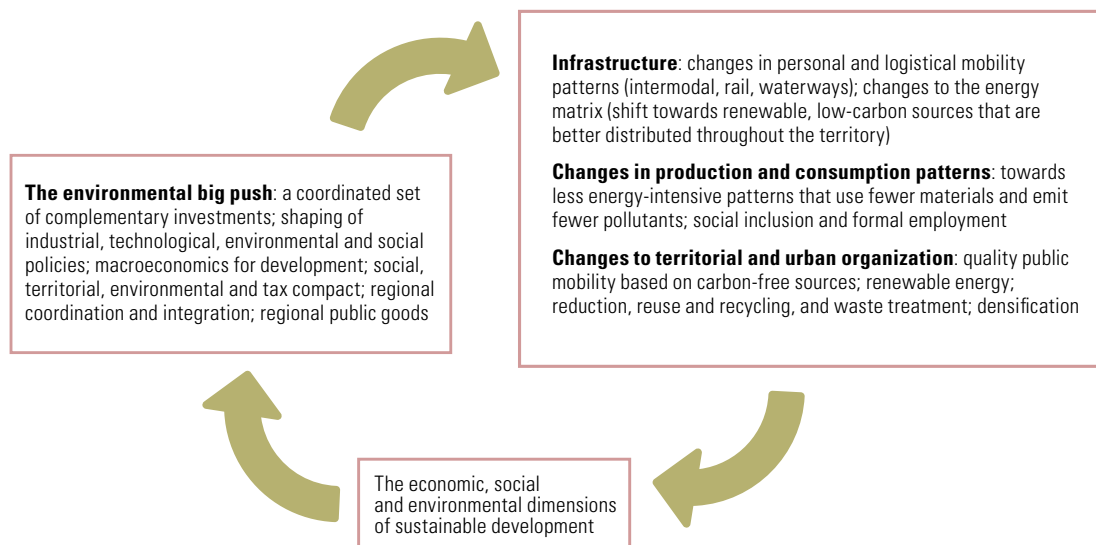
A. Changing production patterns: the environmental big push

1. What is the environmental big push?

To promote economic growth and employment in Latin America and the Caribbean, while mitigating the related environmental impacts, policies must be designed to foster investment in technologies, goods and services linked to a low-carbon development path and a smaller material footprint. Such a path forms the productive and technological basis of sustainable development. In order to channel investments in the desired direction and make them viable, incentives and institutional frameworks must be redefined, to strengthen the guiding role of public investment and foster public-private cooperation. The guiding role of the public sector is particularly important given that some of the key environmental markets do not yet exist. The ultimate goal should be to replace activities that have a large environmental impact and create relatively little employment or production linkages with more diversified activities that have smaller environmental footprints and generate substantial employment and income. A virtuous circle of this nature is represented schematically in diagram VI.1.

In economic terms, the environmental big push requires a coordinated set of complementary investments. The original idea comes from Rosenstein-Rodan (1943), who considered this fundamental to economies following a trajectory of self-sustained growth and breaking free from underdevelopment. This author has noted that, often, investments are profitable only if they occur simultaneously. For example, investment in infrastructure can only be profitable if there is parallel investment in activities that use the infrastructure, and such activities are only viable if the infrastructure required for their development is available. A coordination problem thus arises which cannot be resolved based on the signals of the current price structure. Coordination—perhaps involving the creation of new markets—is necessary to unblock a stalemate in which stakeholders perceive too much risk in making the first move.

Diagram VI.1
The virtuous circle of a new development pattern



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Rosenstein-Rodan's message is particularly appealing in the current context, with various analysts insisting on the need for more expansionary fiscal policy to reduce the risk of a new global recession. Fiscal expansion could be channelled through investments in infrastructure and cleaner industries (less energy- and emission-intensive). The technological revolution opens up a Schumpeterian prospect of new investment opportunities to be explored, accompanied by more expansionary fiscal policies, thereby fostering a recovery in private investment. As Savona and Ciarli (2019) note, the discussion of environmental policy must be part of a wider debate regarding policies on innovation and economic development.

2. Technology and global transformation of production and consumption patterns

A question that naturally arises, in a region that lags behind the developed world in terms of per capita GDP, is why investment efforts should be guided by environmental considerations rather than the goal of economic growth alone. Environmental stewardship enshrines the ethical dimension of recognizing future generations' right to enjoy the same environmental services as current generations. But beyond the ethics are instrumental reasons of economic efficiency that make a strategy of environmentally sustainable development not only desirable, but also necessary. Some of these reasons are discussed below.

Firstly, the technological frontier is increasingly moving towards cleaner and more efficient technologies and processes. At the global level, technological progress has its own determinants, over which the region has no influence. In order to approach this frontier, the Latin American and Caribbean region must endeavour to absorb, disseminate, adapt and upgrade these technologies for its own ecological, social and economic conditions. Only thus will it be able to make effective use of global technological progress and to engage with certain segments of it.

Secondly, the environmental dimension of innovation heightens the idiosyncrasy of technological learning, as the challenges faced by each country and region are very specific. The potential for learning from these specificities is enormous. The mere importation of technology is only the beginning of the processes of dissemination and innovation in environmental technologies. To disregard the need to develop endogenous capabilities is to miss a window of opportunity to reduce the technology gap and promote learning and investment. It also represents a loss of environmental efficiency for every dollar invested in imported equipment and technology, which are less efficient when not complemented by local capabilities and local innovation.

Thirdly, the importation of clean technologies puts additional pressure on the current accounts of peripheral countries, adding to external constraints arising from specialization patterns, the burden of external debt and profit remittances by foreign companies. Peripheral countries should avoid being cornered into paying for their imports by falling back on their static comparative advantages or becoming pollution havens by swapping more pollution for more jobs —scenarios which, in the long term, are incompatible with gap reduction, inclusion and sustainability, as discussed in chapter I. They must instead set about diversifying their export profiles towards new goods to alleviate the external constraint, to strengthen and upgrade their own technological capabilities and thereby reduce their dependence on more technology-intensive goods. They must also apply policies that combine demand for new skills with education and professional training in the new areas of environmental technology.

Macroeconomic policy must create enabling conditions for such transformations. Some of the credit- and tax-related mechanisms for implementing the SDGs are addressed in section D of this chapter, and recent macroeconomic trends are discussed in chapter I. Macroeconomics for development have been discussed in detail in a number of the Commission's documents (see, for example, ECLAC, 2016): in particular, the importance of preserving the role of public investment throughout the economic cycle; macroprudential policies to avoid the formation of bubbles in financial, credit and currency markets; and recrafting of the tax system to increase its income distribution effectiveness.

One example of an investment opportunity linked to environmental protection is transformation of the energy matrix.¹ The region's total energy supply is still heavily dependent on hydrocarbons, despite the enormous potential of renewable sources and their geographical and seasonal complementarity. In the past two decades, the percentage of renewable energies in the region's energy mix has decreased owing to increased use of fossil fuels. Current investment in renewable energies is not enough to fulfil the Goals of the 2030 Agenda or the commitments of the Paris Agreement. The energy transition requires support for the development of renewable energy and energy efficiency projects, including creation of systems to store large volumes of energy produced intermittently by renewable sources, taking advantage of the region's abundant natural resource (water² and lithium) endowments.

There are exploitable complementarities between the different sources of renewable energy. Hydroelectric power generation is vulnerable to weather phenomena (such as El Niño, La Niña or drought); expansion of this technology requires greater transparency and participation in the licensing processes for new hydropower plants. There is growing opposition to the construction of dams, which is a source of major socioenvironmental conflicts, as has occurred in the mining sector. Conversely, projects that in renewable energies such as wind and solar are smaller,³ are geographically dispersed and have fewer environmental impacts. As a result, they face fewer environmental permit barriers (ECLAC, 2018a). In

¹ See a detailed analysis of the links between structural change and emissions in Ciarli and Savona (2016).

² The great opportunity —and challenge— for many countries in the region will be to complement the intermittent regime of renewable power production with the regime of hydroelectric power generation, which would allow synergies to be created by using reservoirs as sustainable energy stores.

³ Compared to large hydroelectric projects, such as Belo Monte (11,233 MW) in Brazil, or Ituango (2,400 MW) in Colombia, and to potential projects such as HidroAysén in Chile (2,750 MW).

addition, the construction time for such sources (18–24 months) is shorter than the five to seven years needed on average to complete a hydroelectric project. This offers greater flexibility for installing new renewable power generation capacity, as well as being an attractive solution for providing isolated communities with access to electricity (ECLAC, 2018a). The region's abundant renewable energy resources (water, wind and solar) can complement each other, both geographically and seasonally. The pursuit of complementarities between and within countries also has the potential to generate virtuous technical and political processes for regional energy integration (ECLAC, 2018a).

In short, production and consumption patterns are changing. Any assumption that the region's limited responsibility for global greenhouse gas emissions permits it to disregard environmental challenges would result in the loss of technological, investment and export opportunities linked to the change in energy and production matrices. The convergence between innovation and sustainability enables the confluence of economic and environmental efficiencies. The case of sustainable cities, analysed below, is an example of policies in which different objectives, sectors and actors converge and enhance one another.

3. The sustainable city as a strategic space for the environmental big push

In Latin America and the Caribbean, sustainable urban development offers an opportunity to implement policies that are consistent with the environmental big push. The act of addressing the region's key urbanization challenges has the potential to act as a tool of development and impact positively on growth and diversification, as well as on decarbonization and city sustainability.

Latin America and the Caribbean is a highly urbanized region, with a large percentage of the population and of economic output concentrated in cities. However, although the region's cities are its countries' most productive hubs, their average productivity is low compared to developed countries. This is the result not only of differences in their respective levels of development, but also of patterns in productive specialization and inefficiencies in the functioning of cities, including congestion and large gaps in the quality of urban development and services (ECLAC, 2018a). It is also a function of the high prevalence of low-productivity jobs in urban areas, since a large percentage of Latin American urban employees work in the informal sector.

As analysed in chapter V, urban inequality in Latin America and the Caribbean entrenches consumption patterns that are highly polluting at the local level and contribute to climate change at the global level. The bias towards investment that encourages motorized personal mobility and territorial expansion without proper planning further increases pollution in cities. This bias has long-term implications, as the investments being made today will maintain inefficient patterns of natural resource use and greenhouse gas emission for several decades, with negative impacts on health and quality of life of future generations. In order to move towards fulfilment of SDG 11 (“Make cities and human settlements inclusive, safe, resilient and sustainable”), urban infrastructure and the transport sector, in particular, must transition to greener modes of development, based on renewable and clean sources of energy.

In this context, investment needs to be aligned with policies on industrial and urban development, in order to address the challenges cities are facing. Policies that combine production shifts with emerging technologies that reduce emissions and pollution; higher-quality public transport; and urban planning that favours compact and well-connected cities are all clear examples of the type of integrated approach proposed as part of the environmental big push. Thus, while electrification of private mobility is an important factor, it is not enough, in light of the current high levels of inequality. The region needs to improve public transport systems —affording greener continuity of the measures of recent decades to prioritize efficient means of mass transport (such as bus rapid transit)— and must combine transport planning with land use policies to create better interconnections between lines and modes of transport.

Likewise, the positive effects of electrification depend to a large extent on the ability to ensure that energy sources are renewable and clean; thus, energy policy can be linked with urban policy as part of the environmental big push. There are examples of this in the region: 60% of Metro de Santiago's energy supply comes from non-conventional renewable sources, a percentage that the company intends to increase through partnerships with solar and wind power generators (Metro de Santiago, 2016; Fernández O. and G. Orellana, 2017). These two energy sources have grown significantly in Chile thanks to public policy incentives for renewable energy.

Different levels of government can take specific steps to drive such changes through public policies. One example is regulatory changes regarding vehicles that can be driven in cities. Regulatory pressure can be used to increase the penetration of modes of transport with smaller environmental footprints and even to boost their production at the local level. As part of the C40 Cities Climate Leadership Group Mayors' Summit, held in Mexico City in 2016, several capital cities —Athens, Mexico City, Madrid and Paris— announced a decision to eliminate diesel from the mix of fossil fuels permitted in their territory. In addition to phasing out diesel vehicles by 2025, the mayors of these cities have pledged to encourage the use of less polluting vehicles (electric, hybrid and hydrogen) and to promote forms of active mobility such as cycling and walking (C40 Cities Climate Leadership Group, 2016).

Cities can also commit to meeting specific targets to foster a transition to greener vehicles and specify areas of the city where they will be compulsory. This is the strategy adopted by the city of Campinas (Brazil), where the region's first electric bus assembly plant was established. The city has stipulated that 10% of the 1,500 buses in its fleet must be electric by 2022. A “white zone” has also been designated, where it will be mandatory for buses to be electric by the same year (Edwards, Viscidi and Mojica, 2018). Furthermore, the city has established a model to build buses locally at competitive costs and to support their roll-out through traffic targets and road regulations, which has resulted in one of the largest operational fleets in the region.

The policies that can foster this type of change are inherently multisectorial and necessarily engage different areas and levels of government and, in many cases, may benefit from partnerships with the private sector (ECLAC, 2016). For this reason, policies for the environmental big push involve challenges that cannot be addressed solely by ministries of urban development and housing, but must involve other government sectors, including the areas responsible for production development, technology, energy and public works. In this comprehensive and multisector approach, city development must be understood as a priority for national development. National urban policies are a means of ensuring better coordination of city-focused policies and are also one of the main instruments for implementation of the New Urban Agenda adopted in 2016 at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III).

The success of such policies also depends on the capacity to coordinate and implement policies at the local level. Few countries in Latin America and the Caribbean are decentralized enough for cities to spearhead or formulate this type of policy. One of the crucial factors for strengthening cities' capacities is financing for urban investment. Improvements in cities' access to public and private sources of financing must be accompanied by changes in their capacities and fiscal performance. With few exceptions, Latin American countries' local tax revenues remain low (in some countries less than 1% of GDP), which means that their public resources are very limited. Income taxes are practically non-existent at subnational levels, in contrast to countries of the Organization for Economic Cooperation and Development (OECD), where about a third of subnational revenue comes from this type of tax (ECLAC, 2018c). Likewise, opportunities to strengthen financing lie in addressing poor fiscal performance, evasion and, with few exceptions, the scarce or inconsistent use of instruments for collecting urban revenues. Emerging technologies such as blockchain, or the use of satellite instruments or drone images can contribute to better registers. This is crucial to improving urban taxation, and also represents a new space for investment, learning and technological innovation.

In short, cities are emerging as strategic spaces for the environmental big push, hence the value of linking policies on production and technological development with territorial and urban policies. This investment drive also represents a call to treat urban sustainability as a national policy aim across multiple sectors, building local capacities and bolstering coordination between the different levels of government.

B. Strengthen social policies for equality

While significant progress has been made with regard to social policies in the region over the past decade, there are still major hurdles to overcome. To consolidate or revitalize efforts towards achieving the SDGs, social policies must meet certain conditions, which are discussed below.⁴

1. No poverty

Poverty and extreme poverty rates came down in the region between 2002 and 2014, in large part thanks to policies on conditional cash transfers, minimum wages, pensions and employment formalization. These policies must continue to be pursued, including those that seek to bolster women's labour market participation. Labour policies and labour market institutions have been central to reducing poverty. However, further reduction of labour informality is an ongoing challenge (see subsection 5 below).

SDG target 1.1 is to eradicate extreme poverty, which is a challenge that differs greatly in scope from country to country. If a less ambitious goal is considered, for example, reducing extreme poverty to a level equal to or less than 3% by 2030, then three countries in the region (Argentina, Chile and Uruguay) already have extreme poverty levels below 3%. Costa Rica and Peru would need less than 1.5% average economic growth per year, without distributive change to reach that threshold. At the other extreme, countries with high extreme poverty rates, such as Colombia and Honduras, would need income growth of 6% per year or more, if there were no significant distributional changes, to reduce extreme poverty to less than 3% by 2030 (ECLAC, 2019).

To reduce at least by half the proportion of the total population living in poverty by 2030 (SDG target 1.2) in the countries of the region, average income must grow by between 0.5% and 3.7% per year, assuming that income distribution does not change over this period. If income growth and inequality reduction continue to follow their current trajectories, eight countries could reduce extreme poverty to 3% and nine countries could halve poverty levels by 2030. However, these targets cannot be achieved immediately and only three countries would meet both targets by 2025 (ECLAC, 2019).

2. Zero hunger and malnutrition

The issues of food and combating hunger are basic goals of the new development agenda (OSAN/FAO, 2014; WFP/IOM, 2015). Some important policy interventions have been undertaken in this regard in the region:

- Stunting: direct interventions focusing on the early years of life (exclusive breastfeeding, supplementary feeding for children, fortification of staple foodstuffs and micronutrient supplementation). Responsive interventions address the underlying causes of stunting, particularly food production and access; food safety and quality; infrastructure; food assistance; nutrition and health information and education; health care; and income transfers.

⁴ See Cecchini and Martínez, 2012; ECLAC, 2017a and 2017b; Cecchini, Sunkel and Barrantes, 2017; Vargas, 2015; and Martínez, 2018.

- Overnutrition: information on the consequences of consuming products high in sugar, salt and fat, and of not doing enough physical activity. Regulations on the advertising and marketing of unhealthy beverages and food products targeting children have been shown to have a strong impact (UNICEF, 2018), as have food labelling regulations (implemented in Chile, Ecuador and Mexico). Physical activity should also be encouraged, especially among children.
- School meal programmes: most countries have such programmes as part of a strategy to address nutritional issues at school and to link together nutritional, educational and social protection policies. While school meal programmes were first introduced as a measure to meet the dietary needs of children from poorer households, in countries with higher levels of overweight and obesity the programmes have been changed to offer a nutritious diet and promote healthy eating habits (PAHO, 2014).

3. Good health and well-being

The region has made positive progress with regard to health indicators. Over the past 15 years, various health system reforms in Latin America —supported by higher health spending, up from 2.5% of GDP in 2000 to 3.4% in 2015— have expanded coverage and equity of access (ECLAC, 2017b), but there is great variability in the characteristics of health systems in terms of investment, out-of-pocket spending, integration of public health and social security systems, health coverage and health outcome indicators. Ongoing challenges include:

- Promoting inclusiveness, through universal coverage and access to high quality health services, so that everyone can turn to these services to prevent, detect and treat health problems.
- Improving access to sexual and reproductive health services in order to prevent teenage pregnancy and the transmission of HIV/AIDS.
- Adapting services to the requirements of an ageing population and the growing prevalence and incidence of non-communicable diseases.
- Addressing the resurgence of communicable diseases, such as Chagas disease and the Chikungunya and Zika viruses.
- Promoting the use of information and communication technologies (ICTs) in health systems, particularly in primary health care, as a way to improve health care quality and efficiency, promote and ensure equity in access to care, reduce inequities, improve care continuity and strengthen research and epidemiological monitoring.
- Expanding access to health insurance systems as part of social security programmes.
- Improving the quality of services, both in terms of resolution capacity and social, cultural and gender sensitivity, in line with the challenge of achieving universal coverage that is sensitive to differences.

4. High-quality education

The region has made significant progress, particularly in terms of access to primary and secondary education, but major challenges, specific to each education level, remain. These include expanding high quality preschool education provision (for ages 3 to 5 years) and adopting policies that facilitate access by the most vulnerable groups. To this end, not only must educational services be provided, but they must also be linked to other policies (related to care, housing and urban planning, mobility, among others) so that families can send their children to and keep them in preschool. At the primary school

level, steps must be taken to incorporate the most excluded groups (those living in extreme poverty and rural areas, indigenous peoples and Afrodescendants, people with disabilities and migrants). This requires major investment with a multisectoral approach, which in addition to expanding education services, would ensure conditions that promote effective access to these services.

At the secondary school level, the focus should be on reducing socioeconomic access gaps, as well as ensuring high quality services. Providing access to knowledge must include teaching life skills and competencies to meet the new demands of a globalized society, overcoming segmentation and gaps. The sociocultural diversity of Latin America and the Caribbean requires that education quality be understood in broader terms, with an appreciation of the learning contributions arising from ethnic and sociocultural diversity, as well as the requirements of general civic education (ECLAC, 2017a).

Strengthening technical and vocational education and training (TVET) in the region is also of vital importance, not only because it helps to ensure a successful transition from education to the world of work, but also because, in many countries, a large proportion of all secondary and higher education students are in TVET programmes. It is important to link this type of education to industry by putting students in touch with potential workplaces and systematically involving potential employers in developing the curricula of these training programmes.

Lastly, the aforementioned access gaps are even wider in higher education. Another aspect to consider is how to reduce gender bias in training, given women's limited presence in science, technology and mathematics disciplines.

5. Decent work as a strategic complement to social policy

In order for social policies to achieve their objectives effectively, they must be implemented in accordance with production policies, especially those that affect the creation of formal, high-productivity jobs (ECLAC, 2018a; ILO/ECLAC, 2018). Decent employment policies are crucial to eradicating poverty and reducing inequality. In order to make progress towards the goal of full employment with high productivity the following measures, among others, must be taken:

- Foster labour market dynamics capable of expanding decent work opportunities through virtuous relationships linked to formalization and social protection.
- Expand the coverage of pension systems and ensure adequate benefits are provided. As part of social protection systems and a social security benefit, pension systems play a fundamental role in the exercise of human rights. Various international legal instruments mandate access to pension systems and their form of operation.
- Foster women's economic autonomy and develop policies that promote a work-life balance.
- Expand decent work opportunities for young people. Youth unemployment is especially worrying as it can affect future career paths. Prolonged unemployment in youth can also lead to inactivity, which can have serious repercussions on the lives of young people and their families, and on the region's societies.
- Eradicate child labour, which is a reality for millions of children and adolescents in Latin America and the Caribbean that leaves an indelible mark on their lives. Given the complexity of this phenomenon, together with the region's uncertain economic outlook, not only must efforts be redoubled to avoid a further setback, but also more focused, coordinated and integrated strategies must be defined to address this situation.

- Combat all forms of discrimination and inequality. The axes of the social inequality matrix (socioeconomic stratum, gender, ethnicity and race, life cycle and territory) are interconnected, intersecting and mutually reinforcing. They thus create circles of exclusion and more adverse employment conditions for the most vulnerable groups of the different axes of the matrix.
- Guarantee labour rights and promote trade unionism.
- Develop skills and competences for the digital world so that both young people and adults have the necessary skills to access decent work or to become entrepreneurs.
- Strengthen ongoing training mechanisms that facilitate integration into the world of work in light of the disruptive changes of the technology revolution, which continues to redefine the capacities demanded in the labour market.

The measures listed above highlight the need for policies that promote inclusion, as well as links among different sectors. Universal social protection systems need to be developed and progress made with policies on capacity-building and social and inclusion. At the same time, an institutional framework is also needed that is commensurate with the magnitude of social policy challenges (with legal frameworks, governance and coordination structures, organizational and management capacities, and resources). This would support integration between sectoral policies, stronger intersectoral coordination and linkage between different levels of government, citizen participation, accountability, and the capacity to produce data, registers, and diagnosis, monitoring and evaluation indicators.

In addition, agreements and compacts on designing and implementing public policies would have to be established at both the national and regional levels. The role that cooperation agreements between the public and private sectors can play in this regard is analysed below.

C. Public and private sector cooperation on the 2030 Agenda for Sustainable Development

The 2030 Agenda for Sustainable Development proposes a paradigm shift by integrating the economic, social and environmental dimensions and involving multiple stakeholders from both the public and private sectors. The environmental big push and social policies, as instruments of this Agenda, require a policy effort and a level of investment that would be unachievable without the engagement of the private sector or, more broadly, of civil society. The SDGs also include targets that refer explicitly to the private sector (for example, target 9.5).

Many of the world's leading companies already recognize that integrating sustainability principles and criteria into their corporate culture and operations is not just an ethical imperative, but also a factor of competitiveness that is crucial to positioning in the medium and long term. Hence, the private sector's involvement in the 2030 Agenda should not be treated merely as a matter of corporate social responsibility, but as an opportunity to adapt and transform business models. Many private companies find their operating costs increased by the degradation of natural resources and oceans, biodiversity loss, the effects of inequality and social insecurity on the purchasing power of some population segments, congestion and urban inefficiencies, to mention just a few of the themes addressed in the 17 SDGs of the 2030 Agenda. Sustainability can drive innovation in design, products and services, and in the management of operations, logistics and supply chains, which could give companies competitive advantages, helping to reduce spending on resources (water, energy and other inputs). A business that promotes a management culture and corporate practices that can address sustainability challenges will also be better prepared for changes that are hard to predict, such as those relating to climate change (Whelan and Fink, 2016).

1. Sustainability principles in business models

Private companies have at their disposal a range of opportunities to operate in a more sustainable manner and to contribute to the implementation of the SDGs as an integral part of their business models, from the management of operations and of supply and logistics chains, to the definition of management practices and standards pertaining to labour relations and human resource management. The aim is not to merely enhance efficiency in the use of resources, and thus reduce the carbon footprint and use of water and energy resources, but to establish a different, more equitable relationship with providers of goods and services as an integral part of business. Several large companies have pointed to the possibility of creating incentives for their providers to improve energy efficiency, reduce environmental impacts and even create decent work for employees (for example many businesses carry out certification processes that measure social and environmental impacts as a strategy to ensure that supply processes are sustainable).

While good-quality jobs with full entitlement to rights remain the cornerstone of equality, new business models and the fast pace of digital and technological development are reconfiguring the labour market, collective bargaining and the role of trade unions and workers' groups. Cross-cutting aspects of the 2030 Agenda such as gender equality (SDG 5) and decent work (SDG 8) can be addressed by adopting management and leadership practices that reinforce them. In the future, many jobs will be created in areas that do not currently exist and the regulations associated with new sectors created by the digital revolution are just now beginning to be developed by public and government entities. Future growth and jobs depend on the region's full engagement with the technological revolution. For this reason, companies also play a crucial role by investing in training, protection and development of the labour force in a work environment marked by rapid and potentially disruptive technological changes.

2. New public-private partnerships for sustainable development

One way in which public and private actors should collaborate is by channelling the potential of a region rich in natural resources and biodiversity to create economic sectors whose operations have sustainability principles embedded in them. The expansion of agricultural areas is one of the major causes of forest cover loss, deterioration of terrestrial ecosystems and biodiversity loss. As a result, agricultural production must urgently develop more modern and more technology- and knowledge-intensive processes. This would increase production, create jobs and reduce the effects on the environment.

It is also necessary to promote new public-private partnerships to shift business models and production processes from physical to digital, which is a challenge for Latin America and the Caribbean, with its economic model based on natural-resource-intensive sectors and static advantages associated with a high material footprint, and its still very limited investment in scientific and technological research and development. Private actors are currently leading the technological changes of the new industrial era, specifically the expansion of digital technologies and data generation as central dimensions of new business models.

Without technology as a key driver of the relationship between the public and private sectors (including in the academic sector), it will be difficult, or even impossible, to achieve the SDGs, especially in areas such as employment, social well-being and the environment. The technological sectors, the digital economy and big data offer many opportunities for public-private collaboration. The countries now have available very large amounts of data with which to inform policies and cooperate much more efficiently with the private sector and civil society.

D. Financing for development

The 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Sendai Framework for Disaster Risk Reduction 2015–2030 and the Paris Agreement represent commitments to bring about deep economic transformation. This requires a major mobilization of domestic and external resources and coordinated work between governments, the private sector and civil society as a whole. Quantifying the financial resources required to implement these agendas is difficult, and overall estimates vary considerably. Table VI.1 presents these estimates based on the different areas addressed by the SDGs.

Table VI.1
Estimated annual investment requirements, core Sustainable Development Goal sectors
(Billions of dollars)

Sector	Range
Education	320–350
Health	200–230
Ecosystem biodiversity	70–230
Climate change adaptation	80–140
Climate change mitigation	550–870
Food security and agriculture	480–500
Water and sanitation	400–423
Transport	350–790
Energy	630–970
Total	3 000–4 500

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Development Programme (UNDP), *Financing the 2030 Agenda: An Introductory Guidebook for UNDP Country Offices*, New York, 2018.

The estimates shown in table VI.1 testify to the need for a significant increase in the mobilization of external and domestic resources to achieve the goals of the new development agenda. The amounts required are much higher than Official Development Assistance (ODA) flows (US\$ 142 billion in 2016) and the resources mobilized by the United Nations, which represent just 1% of the amount required (UNDP, 2018).

1. Mobilization of external financing

(a) Official development assistance and private capital flows

With regard to external financing, note must be taken of the changes associated with the growing importance of new actors and sources of financing for development, including donors which are not members of the Development Assistance Committee (DAC), non-governmental organizations (NGOs), climate funds, innovative financing mechanisms and South-South cooperation initiatives. Private capital has also become an important source of financing, through a diversified range of instruments including shares, bonds, debt securities, concessional loans and risk hedging instruments (including guarantees), as well as workers' remittances and voluntary private contributions (ECLAC, 2015a).

In the external sphere, the growing importance of private flows poses the challenge of how to mobilize and channel these resources towards the achievement of the 2030 Agenda. The analysis of financial flows towards Latin America and the Caribbean shows that the proportion of ODA received by the region has declined sharply compared to other developing regions and relative to its average gross national income (GNI). ODA flows currently represent 0.17% of regional GNI, which is lower than the 0.4% seen in previous decades (ECLAC, 2018e).

Compared with other sources of income, such as tax revenues, the share of ODA has decreased since the 1990s. In most of the countries in Latin America and the Caribbean that rely the most on assistance, ODA amounts in the 1990s exceeded or resembled local tax revenues. This changed in the 2000s, when the tax burden as a percentage of GDP exceeded aid as a percentage of gross national income (see figure VI.1). Therefore, the share of ODA as a source of financing for development has fallen compared with public domestic sources of financing, although tax revenues remain low compared with the levels seen in OECD countries and with the financing required to boost inclusive development in the region.

Figure VI.1
Latin America and the Caribbean (7 countries): tax revenues and official development assistance
in the countries of the region most dependent on assistance, 1990, 2000 and 2016
(Percentages of gross national income and of gross domestic product)



Source: Organization for Economic Cooperation and Development (OECD), Global Revenue Statistics Database [online] <http://www.oecd.org/tax/tax-policy/global-revenue-statistics-database.htm>; and OECD, "Net ODA" [online] <https://doi.org/10.1787/33346549-en> [accessed on: 22 December 2018].

While ODA is declining in relative terms, private financing is increasingly important (close to US\$ 263.4 billion in net terms, or 95% of total financial flows in 2016). The main component is foreign direct investment (FDI), which represented 2.18% of regional GDP in 2015 and is directly linked to the region's trade specialization patterns and comparative advantages. A second component of private flows is migrant remittances, which account for roughly 25% of net financial flows. Portfolio flows are the third component of financial flows, although these are not considered a source of financing for development because of their objectives and volatility (ECLAC, 2018e).

The increasing importance of private flows poses a new challenge for the 2030 Agenda. Private capital is largely driven by profit, which can lead to underinvestment in crucial areas for sustainable development if the expected return underperforms compared to other investment opportunities. Against

this backdrop, the public sector plays an increasingly important role in including social returns in the cost-benefit analysis, providing public financing for sectors that do not attract sufficient private flows and establishing proper incentives for gearing private capital towards development goals (ECLAC, 2018e).

(b) Changes in financing modalities

The challenge of mobilizing an adequate volume of combined public and private funds is made more complex by the significant changes in the financing for development landscape in recent decades. These changes include the emergence of new actors, mechanisms and sources of finance. In this last category are emerging donors that are not Development Assistance Committee member countries, innovative financing mechanisms or climate funds. While these changes in the financial landscape have increased the options of development funding, they have also increased the complexity of coordinating and combining the different actors, funds, mechanisms and instruments under a coherent architecture. This is particularly true in the case of climate funds and innovative financing mechanisms, which need more clarity in terms of development goals, sources of funding and conditions of use and access. At the same time, this should not lead to some countries being excluded from ODA on the basis of per capita income criteria.

Innovative financing for development encompasses a wide range of mechanisms and instruments, some of which are already being used, while others are still at the planning stage. These fall into four major categories: (i) taxes, dues and other obligatory charges on globalized activities; (ii) voluntary solidarity contributions; (iii) frontloading and debt-based instruments; and (iv) State guarantees, public-private incentives, insurance and other market-based mechanisms.

Countries in the Latin American and Caribbean region have embraced some of these new innovative financing initiatives, including tax on airline ticket sales, the auctioning (or sale) of emission permits and a sovereign insurance pool known as the Caribbean Catastrophe Risk Insurance Facility (ECLAC, 2015a). ECLAC has proposed an innovative debt-swap mechanism, which would allow the Caribbean economies to create a fund to finance climate change adaptation and mitigation, and thus reduce their vulnerability to natural disasters. The strategies for mobilizing domestic resources in a region as diverse as Latin America and the Caribbean must take this heterogeneity into account. In some of the region's economies, such as small island developing States, small size is a significant constraint for the mobilization of domestic resources (ECLAC, 2018e).

Mobilizing external and domestic resources must be a key pillar of the financing architecture for meeting the challenges of the 2030 Agenda for Sustainable Development. However, this does not mean that responsibility for the development process should lie with national policies alone. The principle that applies is rather that of common but differentiated responsibilities: countries must assume greater responsibility for their own development and steer their own development agenda. At the same time, the means of implementation also require a propitious external environment to tackle and reduce existing asymmetries (ECLAC, 2018e), as discussed in chapter I. This requires a profound change in the means of implementation, including in the financial system, the global trade system and in the conditions for the transfer of knowledge and technology from developed to developing countries (ECLAC, 2018e). This external environment must reflect the importance of developing economies in its governance structure, avoid discrimination in access to funding, guarantee stability as a global public good, enhance the international trade participation of developing countries—including middle-income countries—and open up opportunities to reap the benefits of technology and knowledge acquisition and transfer (ECLAC, 2018e).

The financial architecture at the global, regional and national levels must address three major challenges: promoting greater financial stability as a global public good; improving the governance

structure of multilateral financial institutions, which is asymmetrical in terms of the representation and participation of emerging economies and middle-income countries; and broadening the limited capacity to channel resources to finance inclusive and sustainable development (ECLAC, 2018e).

2. Domestic resource mobilization

A central element of financing of the 2030 Agenda relates to countries' capacity to mobilize domestic resources and the region's low average tax burden is undoubtedly an obstacle to this. Other challenges for the countries include high levels of tax evasion and avoidance and illicit flows.

(a) Tax evasion and avoidance

Tax evasion and avoidance still represent one of the main obstacles to the mobilization of domestic resources to finance the 2030 Agenda for Sustainable Development in Latin America and the Caribbean. The most recent ECLAC estimates of the losses stemming from non-compliance with regard to income tax and value added tax (VAT) came to 6.3% of GDP in 2017, or US\$ 335 billion (see figure VI.2). To put this in context, total capital expenditure by central governments—and therefore, public investment—in Latin America amounted to roughly US\$ 115 billion that same year.⁵

Figure VI.2
Latin America (16 countries):^a income tax and value added tax non-compliance, 2017
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Estimates are based on national studies on income tax and VAT non-compliance. The figures refer to a weighted average based on GDP at current prices expressed in dollars.

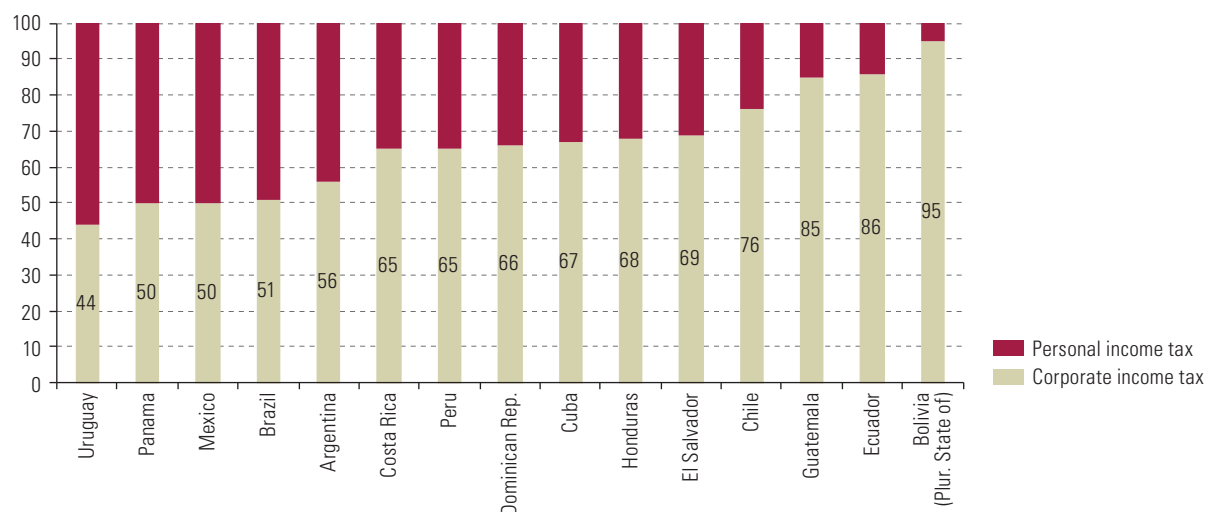
^a The countries included in the analysis of income tax are: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panama, Peru and Uruguay. The countries included in the analysis of VAT are: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

As shown in figure VI.2, income tax (personal and corporate) non-compliance is a particularly serious problem in the region. There are significant differences between the countries in this regard, however. Evasion and avoidance of corporate income tax, the largest component of income tax in the region (see figure VI.3) ranges from 31% in Chile to 73% in Panama, where the cost of non-compliance

⁵ This figure excludes the Bolivarian Republic of Venezuela.

amounted to roughly 6.6% of GDP in 2015 (DGI, 2018). In several countries, for example Costa Rica, Ecuador, Guatemala, Panama and Peru, tax systems generate less than 50% of the potential receipts.

Figure VI.3
Latin America (15 countries): structure of income tax revenues, around 2017
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online database] <http://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

VAT non-compliance is less severe than income tax non-compliance, both in absolute terms and relative to the theoretical VAT tax take. Nonetheless, the picture varies greatly from one country to the next (see table VI.2). In Argentina, Chile, Mexico and Uruguay, the non-compliance rate stands at 20% or lower. Meanwhile, in the Dominican Republic and Panama, VAT evasion amounts to 40% or more of potential receipts. VAT non-compliance produces a revenue loss in excess of the regional average in, for example, Brazil, the Dominican Republic, Ecuador, El Salvador, Guatemala, Nicaragua and Peru.

Table VI.2
Latin America (16 countries): VAT non-compliance and associated loss of tax receipts, around 2017
 (Percentages and percentages of GDP)

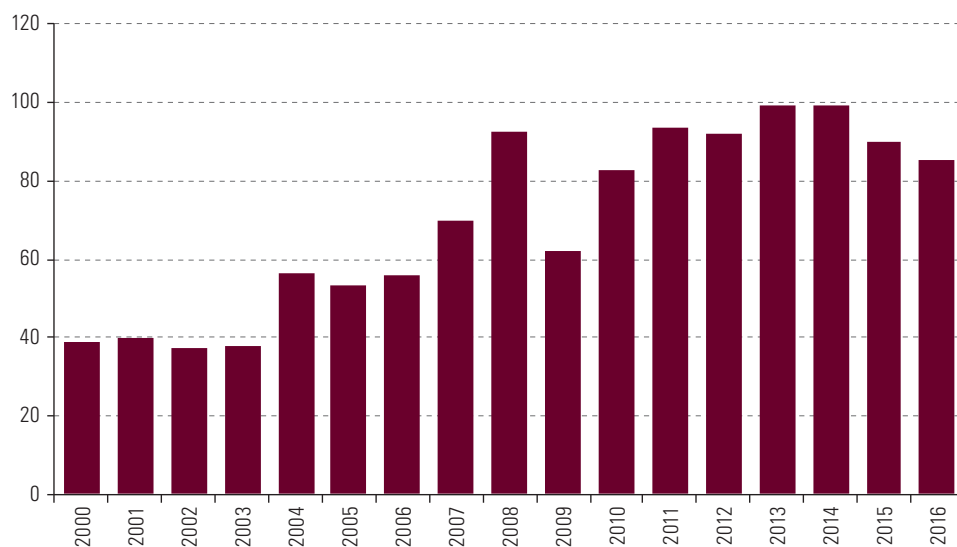
Country	Non-compliance rate	Tax loss
Argentina	20	1.8
Bolivia (Plurinational State of)	22	2.2
Brazil	27	3.1
Chile	20	2.1
Colombia	24	2.0
Costa Rica	31	2.2
Dominican Republic	43	3.5
Ecuador	32	3.1
El Salvador	36	4.3
Guatemala	38	2.9
Mexico	16	0.7
Nicaragua	32	2.9
Panama	40	1.6
Paraguay	31	2.3
Peru	36	3.3
Uruguay	14	1.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of studies on VAT non-compliance in the respective countries.

(b) Illicit financial flows

The most recent ECLAC estimates of gross outflows owing to trade misinvoicing continue to indicate a downward trend. In 2016, these flows amounted to US\$ 85 billion, or 1.5% of regional GDP (see figure VI.4). This represents a significant reduction from the peak of US\$ 100 billion per year in 2013 and 2014. In absolute terms, the decline between 2013 and 2016 derived from the performances of Argentina, Brazil, Chile, Colombia and Costa Rica, which recorded a combined decrease of roughly US\$ 17 billion over the period.

Figure VI.4
Latin America and the Caribbean: estimated value of goods trade misinvoicing, 2000–2016
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

In terms of products, the reduction in misinvoicing occurred mainly in global value chain intermediaries (especially in Brazil, Colombia and Costa Rica), and in outflows relating to non-renewable natural resources. In addition to declining in absolute terms over the period, these outflows also decreased in relation to exports of the respective products and by country, suggesting that the fall was not simply a function of weaker exports, but also reflected improvements in transfer pricing regulations and tax and customs administration.

E. International trade and regional integration

1. Trade governance

Trade governance determines the space available to States to implement policies in diverse spheres with a bearing on sustainable development, such as public health (for example, through the regulation of pharmaceutical patents and food labelling), environmental protection, labour standards and the regulation of international e-commerce (ECLAC, 2018e). Target 17.10 of the SDGs refers to the promotion of a universal, rules-based, open, non-discriminatory and equitable multilateral trading system in the framework of the World Trade Organization (WTO). However, that system is being called into question as never before in its 70-year history. The tensions of globalization that first emerged with the Brexit

referendum in the United Kingdom have only worsened, fuelling fears about the outbreak of a trade war between the world's two largest economies, the United States and China.

A common denominator among the various anti-globalization political platforms is the rejection of the supranational norms and institutions that limit the sovereignty of nation States. The current Administration in the United States has been particularly critical of WTO, both in its role as a dispute settlement body and as a forum for negotiating new trade rules. The Administration alleges that WTO dispute settlement procedures have often been biased against the United States.⁶ It also alleges that the Organization's current rules have failed to address various "unfair practices" by China (including mechanisms for forcing the transfer of technology and intellectual property, industrial subsidies and benefits for State enterprises). The concerns regarding China's practices are shared, to a greater or lesser extent, by other partners in the developed world, in particular the European Union and Japan.

It will be recalled that the last round of multilateral trade negotiations, the Uruguay Round, was concluded in 1993, when commercial use of the Internet was incipient and prior to China's accession to WTO in 2001. The current trade tensions have thus highlighted the need to reform WTO so that it can better respond to substantial changes in the world economy, such as the explosion of e-commerce. This was recognized by the Group of 20 (G-20) leaders at their recent summit in Buenos Aires. The European Union and Canada have already put forward initial proposals to that effect. However, discussions have so far been informal among various countries and have not included the wider WTO membership.

It is crucial to preserve WTO as a forum for negotiation and dispute resolution, particularly for small developing States which would otherwise have to deal with major economic powers on a bilateral basis. Furthermore, a well-functioning multilateral trade system is an important means of implementation of the 2030 Agenda, given the existing links between trade and various social and environmental goals (full employment, poverty reduction, ocean conservation and climate change mitigation, among others).

The debate on WTO reform cannot be limited to the world's largest economies, be these developed or developing (see chapter I). At stake are the rules of trade and foreign investment trade in the coming decades, when both will be drastically reshaped by the ongoing technological revolution and, in particular, by digitization. These rules will, in turn, determine the space available to developing countries to pursue not only economic goals (such as industrialization), but also other goals related to sustainable development. Ultimately, as argued by Rodrik (2018), an open world trade regime should seek a *modus vivendi* among the diverse economic models without unduly limiting the ability of developing and least developed countries to pursue different paths according to their own realities and priorities.

The countries of the region must participate actively in the discussions on reform, as the outcome of these will affect their ability to achieve the Sustainable Development Goals within the planned time frame. They should also define common positions wherever possible in order to maximize their leverage —agriculture is a perfect example. Any negotiations on new issues, such as e-commerce, must also include the reform of agricultural trade, which has been pending since the end of the Uruguay Round. This is a central priority for the countries of the region, as it is crucial for poverty reduction and food security, among other goals.

2. The need for deeper regional integration

As seen in chapter I, empirical evidence shows that intraregional trade involves more diversified production and exports. Boosting intraregional trade is thus one of the region's major pending issues, because of

⁶ The United States blocked the renewal of members of the WTO Appellate Body —the Organization's highest dispute settlement body— for almost two years, resulting in the Body operating with only three of its seven members, the minimum membership required to examine dispute cases. If the current impasse is not resolved, it will be unable to function as of December 2019, when the terms of office of two members come to an end. The Organization would thus cease to serve as a forum for the settlement of disputes between members.

the high industrial content of intraregional trade and its crucial role for export SMEs (Urmeneta, 2016). Nonetheless, the share of intraregional exports in total exports worldwide remains at about 17% in Latin America and the Caribbean (ECLAC, 2018b), much lower than the intraregional trade figures seen in Europe, North America and East Asia.

The persistence of tariff and especially non-tariff barriers restrict intraregional trade and foreign investment flows, limiting the possibilities for greater production integration. These barriers are largely the result of the considerable institutional and regulatory fragmentation that marks Latin American and Caribbean integration. There are large discrepancies in the different integration mechanisms' treatment of issues that are highly relevant to modern value chains. These include trade in services, FDI, public procurement, technical standards and the procedures and documentation required for foreign trade transactions.

The larger percentage of manufactured and processed goods and modern services is what sets intraregional trade apart from interregional trade. In South America, in particular, trade with other regions is dominated by commodities. This specialization poses serious problems from the sustainable development perspective, as the extractive activities linked to commodity exports have a low formal employment intensity and a very high environmental impact, both directly and in terms of energy consumption (ECLAC, 2017a). Meanwhile, the fact that SMEs account for a large share of intraregional trade makes it more socially inclusive than exports to extraregional markets, which are generally dominated by a relatively small number of large companies that usually operate in the natural resources sector.

To summarize, intraregional trade is the type most conducive to progressive structural change and economically, socially and environmentally sustainable development. The adoption of measures to gradually lift the currently low levels of intraregional trade should therefore be a priority for all the countries in the region. This calls for action on multiple fronts, including coordinating initiatives to close the wide regional infrastructure gap (Sánchez and others, 2017) and building an integrated regional space with common trade and investment rules. Given the considerable economic and demographic weight of the Pacific Alliance and the Southern Common Market (MERCOSUR), the convergence of these two blocs would be a positive step in that direction (ECLAC, 2018b).

The need to step up efforts to move towards greater regional economic integration is all the more urgent in the context of slowing growth, net capital outflows and the mounting protectionism facing the region, which will likely worsen in 2019. In this context, the trade facilitation agenda is of the utmost importance. The proliferation and complexity of border procedures applicable to foreign trade disproportionately affect SMEs. Trade facilitation could thus foster the internationalization of SMEs and encourage intraregional trade more broadly. In recent decades, the most dynamic and technology-intensive trade flows have largely taken place within regional or global value chains wherein trade facilitation is a factor for competitiveness.⁷ Progress in trade facilitation could strengthen weak intraregional production chains and increase the region's presence in global value chains, which is still very limited.

The findings of the trade facilitation surveys conducted by ECLAC among governments of the region (ECLAC 2015b) reflect significant progress in several countries. These advances would have a greater impact if they were coordinated at the regional or at least the subregional level. For example, if the aim is to ease the operations of regional value chains, it would be preferable for a number of countries to agree among themselves on the criteria a firm has to meet to be certified as an authorized economic operator, or on the content of advance rulings on tariff classification. Similarly, the design of the procedures needed to ensure full interoperability of national single windows should be coordinated at the regional or subregional level. In this context, the recent declaration in which nine countries in

⁷ Moisé and Sorescu (2015) conclude that there is a positive relationship between trade facilitation measures and the level and strength of participation in value chains. An increase of 0.1 point in a country's performance on the OECD trade facilitation indicators (whose scale runs from 0 to 2) could increase its imports of foreign value added by between 1.5% and 3.5% and its exports of local value added by between 1% and 3%.

South America, Central America and the Caribbean commit to exploring the possibility of signing a regional agreement on mutual recognition of their respective authorized economic operator systems is encouraging.⁸ In the same vein, efforts are under way to conclude a framework agreement on trade facilitation between the Pacific Alliance and MERCOSUR, as set out in the action plan agreed upon by the Presidents of the member States of both groupings in July 2018.

F. New forms of South-South, North-South and triangular cooperation

One of the challenges to achieving the Sustainable Development Goals is the need to broaden the concepts of development and development cooperation. As noted in the report of the Secretary-General of the United Nations, “achieving the 2030 Agenda and scaling up the means of implementation call for diverse forms of South-South and triangular cooperation, including technical cooperation, trade, investment, finance and infrastructure” (United Nations, 2018). The report also states that “partnerships across the South do not focus exclusively on financial flows, but also on economic cooperation and the exchange of knowledge, experiences and development solutions, which are critical for the South to achieve the 2030 Agenda” (United Nations, 2018).

Development cooperation must be adapted to the new global reality. Long-term trends in trade and financial markets show an increasingly integrated, complex and interdependent world, in which economic and political power has shifted from long-established centres, becoming more evenly distributed among new and traditional economic actors. However, the multidimensional nature of development must be borne in mind and other measures of development should be used besides traditional ones such as GDP. Per capita income alone should not be the basis for excluding middle-income countries from developed countries’ international cooperation programmes. The role of cooperation in middle-income countries must be re-examined, as per capita GDP does not reflect their real capacity to access or mobilize resources, nor does it reflect levels of social and economic welfare and environmental protection.

International cooperation should take into account the region’s particularities and support inclusive cooperation for middle-income countries, small island developing States in the Caribbean and landlocked developing countries, while ensuring that excessive segmentation does not lead to competition for resources. The countries of the Caribbean subregion face exclusion on two counts: because they are considered middle-income, they do not have access to concessional financing and other forms of trade and cooperation facilitation; because they are located in one of the subregions most vulnerable to the effects of extreme natural events, made worse by climate change, they are exposed to repeated external shocks that cause significant losses and cumulative damage. This results in tighter fiscal space, a high level of external debt, and dynamics of low growth difficult to overcome without international cooperation.

In response to these challenges and as part of the preparations for the Second High-level United Nations Conference on South-South Cooperation in Buenos Aires in March 2019, the countries of the region held a regional interactive dialogue of the countries of Latin America and the Caribbean on the priorities of the region on 29 November 2018 at United Nations Headquarters in New York. The dialogue was convened pursuant to agreement 6 of the eighth meeting of the Presiding Officers of the Committee on South-South Cooperation of ECLAC and to resolution 730(XXXVII) of the thirty-seventh session of ECLAC. At that meeting, the countries identified common interests with a view to strengthening South-South cooperation and improving its mechanisms to ensure compliance with the 2030 Agenda.

⁸ This commitment is set forth in the Declaration of São Paulo, signed on 27 November 2018 by the National Customs Directors of Argentina, Brazil, Chile, the Dominican Republic, Guatemala, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Through the exchange of experiences and capacity-building in different areas of development policy, the subsidiary bodies of ECLAC have played an important role in regional cooperation in Latin America and the Caribbean. The Commission's subsidiary bodies offer a solid basis for the follow-up of the SDGs, capacity-building among countries, and the identification of regional trends and gaps in the implementation of the 2030 Agenda. This intergovernmental architecture provides a regional platform that serves as a bridge between the national and global spheres. The subsidiary bodies of the Commission include: the Caribbean Development and Cooperation Committee (CDCC), established in 1975 to promote cooperation and economic integration in the subregion; the Committee on South-South Cooperation, which aims to strengthen international cooperation for development, including South-South, North-South and multilateral cooperation; the Conference on Science, Innovation and Information and Communications Technologies, established in 2012 to promote policies on science, technology and those related to the information and knowledge society; the Regional Conference on Population and Development in Latin America and the Caribbean, with responsibility for monitoring issues relating to demographics, international migration, indigenous peoples and Afrodescendent populations, and ageing; the Regional Conference on Social Development in Latin America and the Caribbean, established in 2014, which focuses on multidimensional poverty, inequality and structural gaps; the Regional Conference on Women in Latin America and the Caribbean, which, since 1977, has been addressing gender equality and policies that affect women's well-being; the Regional Council for Planning, established in 1975 as the guiding body for the activities of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) and which brings together ministers and heads of planning from the region; and the Statistical Conference of the Americas, established in 2000 to promote the development and improvement of national statistics and work to ensure that they are comparable internationally, as well as to promote international, regional and bilateral cooperation among national statistical offices and international and regional agencies.

Furthermore, the subsidiary bodies of ECLAC are enriched by the debates and outcomes of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, which has allowed them to adapt their mandates —many of which preceded the adoption of the 2030 Agenda— and to redirect their activities towards the implementation of the SDGs. One example of this is the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030, a regional political commitment adopted at the thirteenth session of the Regional Conference on Women in Latin America and the Caribbean, held in October 2016, to guide the full implementation of the agreements adopted by the Regional Conference and make these agreements the road map for achieving the 2030 Agenda for Sustainable Development at the regional level from the perspective of gender equality and women's autonomy and human rights. Another is the Network for the strengthening of national capacities for the implementation and monitoring of the 2030 Agenda for Sustainable Development in Latin America and the Caribbean, which was proposed by the Committee on South-South Cooperation and adopted by the countries at the thirty-seventh session of the Economic Commission for Latin America and the Caribbean (ECLAC), held in Havana in May 2018. It is a voluntary network formed by member countries of the Forum and aims to strengthen the institutional and technical capacities of the governments of the region with regard to national coordination mechanisms, the generation of statistics and the promotion of South-South and triangular cooperation programmes focused on the 2030 Agenda. In the framework of the Statistical Conference of the Americas, the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean has been supporting the preparation and implementation of regional indicators and related capacity-building since April 2017. This Group has updated the diagnosis of national capacities for producing global indicators, implemented an online system to compile these results and prepared a preliminary proposal for the regional indicator framework for SDG follow-up in Latin America and the Caribbean.

South-South cooperation does not replace North-South cooperation, but rather complements it based on the guiding principles set forth in the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries and in the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation. South-South cooperation is a “common endeavour of peoples and countries of the South, born out of shared experiences and sympathies,

based on their common objectives and solidarity, and guided by, inter alia, the principles of respect for national sovereignty and ownership, free from any conditionalities” (United Nations, 2010). The same principles must apply to triangular or trilateral cooperation.

It is important for the region that the principle of shared but differentiated responsibilities prevail over other concerns and that developed countries honour their commitment to allocate 0.7% of their total gross national income (GNI) for official development assistance (ODA). The participation of multiple stakeholders, including non-governmental organizations, multilateral agencies, the private sector, civil society, academic institutions, parliamentarians and local governments, is also vital. Furthermore, it is essential to have mechanisms to systematize and measure the impact of South-South and triangular cooperation and to define the methodologies for measuring and preparing voluntary reviews on cooperation activities and initiatives. As South-South cooperation is carried out with public financial and human resources, it is imperative that they be used efficiently and with full transparency, which in turn requires strengthening information and data generation systems and measurement parameters for South-South cooperation and development.

Forty years after the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, Latin America and the Caribbean must redouble its efforts to promote respect for the region’s identities and advance the process of political, economic, social and cultural integration; and lead the strategic development of a South-South and triangular cooperation policy by linking actions and outcomes to the regional and global agreements to which the region is bound, including the Paris Agreement, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the 2030 Agenda. Greater effort is also needed to reduce regional asymmetries and structural gaps by means of innovative partnerships for cooperation, improve systems for the recording and review of South-South and triangular cooperation in Latin America and the Caribbean, and promote relations with extraregional partners that enable the sustainable development of the region (see box VI.1).

Box VI.1
South-South and triangular cooperation in the Caribbean: some success stories

The Commission of the Organisation of Eastern Caribbean States (OECS) has been establishing a number of strategic partnerships since 2014, including with:

- The Global Green Growth Institute, with whom it signed a memorandum of understanding formalizing a framework of cooperation and collaboration on 23 February 2018, to pursue joint programmes and activities in support of capacity-building and development of green growth options for OECS member States.
- The NDC Partnership, of which the OECS Commission became a member with a view to mobilizing financial and technical resources to accelerate the implementation of nationally determined contributions in the OECS region.
- The Small Island Developing States Lighthouses initiative and the Global Geothermal Alliance of the International Renewable Energy Agency (IRENA): the OECS Commission has recently committed to working with IRENA in support of the transition to sustainable energy for its member States.
- Statistics Canada, the Convention on Biological Diversity, the World Bank, the United Nations Development Programme (UNDP), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Pan American Health Organization (PAHO), which have benefited specific projects.
- The Partnership in Statistics for Development in the 21st Century (PARIS21), which continues to provide support to OECS in statistical governance and the design of national statistics development strategies.
- The Caribbean Catastrophe Risk Insurance Facility (CCRIF), with which the OECS Secretariat signed a Memorandum of Understanding (MoU) in June 2012, the main objective of which was to assist OECS governments in adopting disaster risk reduction and mitigation policies that minimize the socioeconomic, physical and environmental damage caused by natural disasters. In October 2017, a second MoU was signed, establishing a framework for cooperation between the two organizations for the period 2017–2023. The objective of the 2017 MoU remains the same. Over the period June 2018–May 2020, the following will be pursued under the MoU:
 - Communication architecture for an early warning system for communities;
 - Capacity development to implement community-based disaster risk reduction (DRR) initiatives.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), subregional headquarters for the Caribbean, 2018.

G. Migratory flows and achieving the 2030 Agenda for Sustainable Development

The 2030 Agenda is being implemented in a context of intense international mobility of people (IOM, 2018a). Although there have been high levels of migration at other points in history, current flows involve the largest number of migrants on record at 258 million people worldwide. There are 9.5 million migrants in the region, while nearly 38 million people born in the region are now elsewhere (United Nations, 2017). Migrants make a positive and meaningful contribution to societies, cultures and economies, in both their countries of origin and destination. The countries of origin receive remittances that bolster the incomes of emigrants' families and that represent a source of foreign exchange for the country. Destination countries benefit from the increase in labour supply and social security contributions, as well as the promotion of cultural diversity within host societies. It is estimated that migrants contributed US\$ 6.7 trillion in 2015, equivalent to 9.4% of total global GDP that year (IOM, 2018b). At the same time, migrants face high risks and the possible violation of their rights throughout the different stages of the migration cycle, compounded by rising prejudice and xenophobia in many destination countries.

Given its cross-border nature, improving the international migration system and the situation of migrants requires multilateral responses and cooperation among countries, the United Nations system and other stakeholders. As most international migration occurs within regions, the regional dimension is key to strengthening cooperation on migration and to addressing the vulnerabilities that affect migrants today. On 10 December 2018, at the Intergovernmental Conference in Marrakech (Morocco), the vast majority of States Members of the United Nations adopted the Global Compact for Safe, Orderly and Regular Migration. The Compact sets out 23 objectives that address all stages of the migration cycle and seek to minimize the adverse drivers that compel people to leave their country of origin, to save lives, to strengthen the transnational response to smuggling of migrants, to use migration detention only as a measure of last resort, and to provide access to basic services for migrants. It should be borne in mind that the Compact is a non-legally binding, cooperative framework, and reaffirms the sovereign right of States to determine their national migration policy. As such, it presents a comprehensive framework to foster multilateral cooperation on international migration.

There are many links between policies on international migration and sustainable development and, therefore, many synergies between the implementation of the Global Compact and the 2030 Agenda. On the one hand, by identifying various migration-related factors in the SDGs, the 2030 Agenda recognizes its role in and contribution to development processes. On the other, the 2030 Agenda requires greater multilateral cooperation and global public goods that can reduce the imbalances in the current development model. Some of these are directly linked to the drivers of migration, as well as to the rise in negative attitudes towards migrants in destination countries. For example, reducing poverty and inequality, as well as closing structural gaps, could mitigate some of the forces driving migration today. Climate change mitigation and adaptation, together with policies to combat environmental degradation, will become increasingly important as migration caused by climatic and environmental factors rises. Furthermore, sustainable development plays a central role in conflict prevention and can reduce the risk of forced displacement.

Several areas of regional cooperation and specific experiences relating to migration contribute to the implementation of the 2030 Agenda, including data collection and policy repositories; capacity-building and regional initiatives to coordinate guidelines and policy responses; and analysis of the links between migration and development.

Promoting data collection and systematization helps to support evidence-based governance and policies and, in turn, to combat negative narratives about migrants. The regional commissions, in cooperation with the agencies of the United Nations system, can provide considerable support in this area to countries and migrants. Collecting, systematizing and disaggregating information on

migration—including on variables such as sex, age, educational level and occupation in order to build an accurate picture of the migrant population— allows initiatives to be developed on the basis of details of the residency permits granted by the countries of the region. This also contributes to efforts to monitor and evaluate policies implemented at the regional level.

Observatories at the regional and national levels play an important role. One example is the repository of regulations on gender and international migration, created in 2017 by the ECLAC Observatory for Gender Equality in Latin America and the Caribbean and the Office of the International Organization for Migration (IOM) in Chile. The repository exhibits national legal instruments that recognize migrant women as rights-holders and was created in response to the fact that female migrants suffer the most acutely from inequality. Several countries in the region have also developed migration governance profiles⁹ to provide baseline information to support a comprehensive understanding of the situation and an integrated approach to migration policy, identify gaps and improve the regulations and institutions that govern migration processes.

Capacity-building is another area where the regional commissions, together with other organizations of the United Nations system, make important contributions. This includes building digital knowledge platforms on migration, as well as supporting the data collection and analysis efforts of regional observatories and research centres. One example is the IOM initiative to build the institutional capacities of migration departments and institutes in Central American and Caribbean countries, with a view to developing a migration information system to provide data to underpin policymaking on migration.

Among the cooperation initiatives of the countries of the region, within the framework of the South American Conference on Migration, the South American countries undertook to implement regional guidelines on protecting and assisting cross-border displaced persons and migrants. Binational, regional and multilateral actions are proposed to strengthen existing regional mechanisms and agreements and integrate them into these guidelines, in particular consular cooperation mechanisms, residency and free movement agreements, and mutual assistance mechanisms and agreements in the event of disasters.

Another example of cooperation at the regional level is the coordinated effort by the Office of the United Nations High Commissioner for Refugees (UNHCR) and IOM to provide a comprehensive response to the needs of migrants and refugees from the Bolivarian Republic of Venezuela and their host communities. The Regional Refugee and Migrant Response Plan for Refugees and Migrants from Venezuela involves 95 organizations from 16 countries and is the first of its kind in the Americas: it is an operational blueprint, coordination template and strategy for responding to the needs of displaced Venezuelans and securing their social and economic inclusion in the host communities.

The link between migration and development reflects the synergies between the 2030 Agenda and the Global Compact for Secure, Orderly and Regular Migration. The association between the two is crucial for analysis of the critical links among migration, demographics and their economic and social impacts. Gender equality is an important factor to take into account because, as noted earlier, migrant women suffer particularly acute inequalities. Since 2017, within the framework of the Regional Conference on Migration and with the support of IOM, guidelines have been developed on assistance and protection for women in the context of migration and programmes and policies in this area have been assessed in order to strengthen public policies to protect and empower migrant women in Central America. In addition, the Comprehensive Development Plan for Central America, spearheaded by Mexico and the Northern Central American countries (El Salvador, Guatemala and Honduras) acknowledges the close links between development and migration. The initiative was made official on 1 December 2018 with the signing of a joint declaration by the four Presidents, who then presented it, together with ECLAC, at the Intergovernmental Conference to Adopt the Global Compact for Safe, Orderly and Regular

⁹ See Migration Data Portal, “About the Migration Governance Indicators” [online] <https://migrationdataportal.org/snapshots/mgi#0>.

Migration in Marrakesh. The Plan contemplates four pillars of action that address the structural causes of migration in countries of origin; how to protect the human rights of migrants in transit; the situation in the destination country, including regularization and asylum, in those cases where it is required; and the return to their countries of origin.

H. Violence and international cooperation

The security of all citizens must be ensured if they are to exercise their rights effectively, as recognized in SDG 16 (peace, justice and strong institutions). Chapter IV notes the severity and persistence of violence in the region, and how it affects the most vulnerable groups more intensely (see UNICEF, 2017; UN-Women, 2018). This section examines the possibilities of regional and international cooperation to combat violence.

When the State does not ensure citizens' security, it creates the conditions for public security to be privatized. Where this occurs, a large group of citizens may then lack access to security and, in fact, that is the situation that prevails in many of the region's countries. Paradoxically, the privatization of security leads to higher levels of general insecurity, since the excluded group tends to be seen as a threat, while society as a whole feels unprotected and loses confidence in institutions. The State's absence compromises the foundations of peace and justice and often leaves the door open for other actors to take its place, with the poorest segments of the population paying the highest cost in terms of insecurity and violence.

Globalization has produced changes not only in trade, finance and culture, but also in the nature and intensity of violence and in the role of international cooperation efforts to prevent or reduce it. The region has already seen a number of national initiatives and cooperation efforts in this area.

UNODC (2012) draws attention to the need for strategic coordination of policies in the field of security. In the fight against corruption, Barbados is implementing a national anti-corruption strategy, and Costa Rica, Ecuador and Jamaica will launch the pilot phase of tools to strengthen judicial integrity, developed in accordance with international standards. Meanwhile, El Salvador and Guatemala are implementing cybercrime prevention programmes for children and adolescents in public schools. In turn, the Dominican Republic has been selected for a pilot programme that promotes sport as a crime prevention tool. The youth policies of Barbados, the British Virgin Islands, Guyana and Saint Lucia also foster sport as a tool for peace and development.

With regard to cybercrime, in March 2016, the member States of the Caribbean Community (CARICOM) endorsed the CARICOM Cybersecurity and Cybercrime Action Plan. The Action Plan identifies five priority areas of intervention, including building sustainable capacity, technical standards and infrastructure, the legal environment and law enforcement in the member States. CARICOM countries have also sought to disrupt terrorist activities linked to cyberattacks on financial institutions as a means of funding those activities (CARICOM, 2018). The International Telecommunication Union (ITU) has provided assistance in that regard, organizing a Caribbean cybersecurity and cyberdrill workshop in 2017, which provided training on setting up a national computer incident response team in nine countries: the Dominican Republic, Grenada, Guyana, Montserrat, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, and the United States Virgin Islands.

Several of the region's countries also have specialized inter-agency units with real-time communication connections in ports (Argentina, Brazil, Colombia, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Panama, Paraguay, Peru, Plurinational State of Bolivia and Suriname) and airports (Argentina, Barbados, Brazil, Colombia, Dominican Republic, El Salvador, Jamaica, Panama, Peru and Plurinational State of Bolivia) to tackle illicit trafficking flows. At the regional level, the

public prosecution offices of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Panama have signed a memorandum of understanding to exchange information on trafficking in persons. In Panama, the justice sector reform is being consolidated, concluding the transition period from an inquisitorial system to an adversarial criminal justice system throughout the country, as other countries of the region have done.

Access to justice remains challenging in Latin America and the Caribbean, especially for people living in poverty, who are usually defenceless against formal justice, whether as victims or perpetrators of crimes. Another major challenge for the region, according to the United Nations Children's Fund (UNICEF, 2017), is juvenile criminal justice. Various countries of the region have undertaken reforms to increase the severity of the law in matters of adolescent criminal responsibility, with excessive use of deprivation of liberty. There is also a lack of comparable data among countries and over time on the situation of minors under the system of adolescent criminal responsibility, which makes it difficult to formulate evidence-based policies.

Initiatives have also been launched in relation to States' obligations under the principles of international law. These include legal and regulatory measures, which together provide a frame of reference. They consist largely of conventions and other instruments, such as the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families and several ILO conventions (for example, the ILO Domestic Workers Convention, 2011 (No. 189), to which many countries of the region have acceded, although some have yet to ratify it). In general, the region's countries have ratified a large number of international conventions on human rights, therefore widespread accession to the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families is expected. Ratification is important because it provides a framework for reciprocity and gives an indication of the direction countries will take in terms of regulation, plans, programmes, strategies and policies, for example in response to migration-related emergencies, violence, extortion, disappearances, reprisals and crises.

I. Concluding remarks

The 2030 Agenda and the SDGs provide a frame of reference around which development policies and regional and international cooperation can be connected. Policies must act in a coordinated manner in order to attain the Goals and targets set out in the 2030 Agenda. Given the comprehensive nature of the SDGs, instruments must be consistent with each other and must leverage complementarities between efforts towards the different Goals and minimize trade-offs in the event of conflict or inconsistency. ECLAC has proposed an environmental big push for the region as a coordinated response to these challenges, combining environmental, production and social development policies.

The environmental big push—in the tradition of development theory—recognizes the disruptive effects of technology on societies and the negative externalities generated by climate change and environmental destruction, at both the national and global levels. Underlying the proposal is the idea of harnessing leaps in knowledge to forge a different sort of development in which new production and consumption patterns dovetail with a brand of social policy that embraces equality as a driver of capacities and innovation, a stabilizer of democracy and a fundamental pillar of development. This sustainable development strategy opens a space for investment and innovations in and dissemination of new technologies that would reduce the income and capacity gap between the centre and periphery, with political and economic benefits for both groups of countries.

At the same time, the 2030 Agenda requires a rethink of international cooperation for development and the provision of global and regional public goods. Public goods should create a stable environment

for international trade and finance, and strengthen the diffusion of technology by avoiding the polarization of capacities (domestic and external productivity gaps). They should also promote employment and income distribution within countries and between central and peripheral countries, in light of the negative impacts of inequality on peace and political stability. ECLAC considers that the alternative to the form taken by globalization since the 1990s is not unilateralism or policies to close off economies, but a new multilateralism capable of strengthening democracy and correcting asymmetries.

Meanwhile, cooperation in international governance is weakening. Today's tensions and the trend towards unilateralism is the opposite of what is required to achieve sustainable development. Major progress had been made with regard to climate change and environmental stewardship, but this has slowed in the past two years. The reduction in inequality and poverty levels has also lost momentum in Latin America and the Caribbean. New global public goods are needed to diversify exports in developing economies and thereby expand their formal employment. Regional public goods can contribute significantly to the process of structural change. In Latin America and the Caribbean, manufactures with a higher technological content account for a greater share of intraregional trade than trade with the rest of the world, especially in the case of South America. This scope for changing specialization patterns has not been fully explored. At the same time, regional agreements on migration, infrastructure, renewable energy and technology have shown great potential for positive impact and chart a course for future regional cooperation initiatives.

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