The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean

Transitions towards Sustainability

Seventh report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean
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The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean
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Seventh report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean
This document was prepared by the substantive divisions, subregional headquarters and country offices of the Economic Commission for Latin America and the Caribbean (ECLAC).

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Individual figures and percentages in tables may not always add up to the corresponding total because of rounding.
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Foreword

The Sustainable Development Goals Summit was held at United Nations Headquarters in New York in September 2023, halfway through the period that member countries agreed upon to achieve the Sustainable Development Goals (SDGs). Unfortunately, the review of progress showed that advances towards most of the SDG indicators were not on track to achieve the Goals, making clear the urgent need to correct the course and pick up the pace. Accordingly, the political declaration made at the Summit includes a road map for putting the world back on track to achieve the SDGs through ambitious, just and transformative actions.

Globally, United Nations forecasts indicate that, on current trends, only 15% of the targets will be met by 2030. In the region, the Economic Commission for Latin America and the Caribbean (ECLAC) estimates that 22% of the targets have already been met or will be met by 2030. However, progress towards 46% of the targets, although in the right direction, is not fast enough to meet them, and the remaining 32% of targets will be missed.

The current and foreseeable international landscape poses diverse and complex challenges for Latin America and the Caribbean as it strives to accelerate progress towards the SDGs. On the one hand, the combination of multiple adverse trends: slow growth in its economies, trade and investment, increased and more diverse migratory flows, growing inequalities within and between countries, food insecurity, the growing impacts of the technological revolution and climate change, higher international financing costs and a powerful reshaping of globalization, fuelled by emerging geoeconomics and geopolitics. These trends not only exist in combination; several of them appear to be here to stay, giving rise to what has been called a “permacrisis”—a new normal whereby the world will continue to experience shocks and unforeseen events generated by different sources. In this scenario, it is all the more important to pursue policies and actions to make economic, social and environmental systems more resilient. Globalization has also entered a new era, with more decentralization across a network of regional poles (polyglobalization), heavily dominated by geopolitics, with blocs competing not only economically and militarily, but also in terms of their world visions.

A detailed review of progress and setbacks in relation to the SDGs afforded priority at the 2024 meeting of the high-level political forum on sustainable development points to the challenges posed by this complex international context. The analysis shows the need for major transformations in different spheres to trigger structural changes capable of steadily accelerating progress towards achievement of the SDG targets by 2030.

The weak growth of the Latin American and Caribbean economies is one of the factors hindering progress toward more productive, inclusive and sustainable development in the region. Regional GDP growth has been sluggish for the past 15 years, which makes it difficult for policies aimed at achieving the SDGs to have the impact intended. The region’s economic growth is expected to remain weak in 2024, at just 1.9%: 1.4% in South America, 2.7% in the group comprising Central America and Mexico, and 2.6% in the Caribbean.

If it is to achieve stronger growth, the region must improve its poor investment rate which, at around 20% of GDP, has languished for decades below the levels needed to drive high and sustained growth and decent job creation across Latin America and the Caribbean. A modern productive development policy can provide incentives for investments in key driving sectors that will have an impact on growth and foster changes in productive structures and, thus, more sustainable development in the region.
Accelerating progress towards the SDGs also requires driving key transitions with respect to food systems; energy access and affordability; digital connectivity; education; jobs and social protection; and climate change, biodiversity loss and pollution. As indicated by the United Nations Sustainable Development Group, these six transitions can have catalytic and multiplier effects across the SDGs and an outsized determinant impact for achieving the Goals.¹

These transitions must be planned in a joined-up manner, with intelligent foresight, and be redirected towards the desired objectives. This means designing and implementing a new generation of public policies that are intended as policies of State, with a future vision and endowed with strategic governance and anticipatory management, as the outcome of inclusive and democratic participation by development stakeholders in spheres and in dialogue and governance processes appropriate to each of the various transitions.

Achieving the SDG targets depends largely on the strategic engagement of all stakeholders at the national, subnational and local levels, in each country's communities, cities and regions. The experience of the first eight years of 2030 Agenda implementation shows the positive results offered by cooperation and coordinated action. There is ample space in Latin America and the Caribbean for deeper cooperation and coordination by exchanging the ideas, experiences and lessons learned of governments, civil society, the private sector and cooperation agencies in the region.

The institutional footprint left by the 2030 Agenda implementation process has strengthened the countries’ capacities to face the challenges of the future. This legacy must be harnessed and leveraged to implement urgent policies to put us back on track towards meeting the SDGs. This also requires greater investment and innovative financing modalities, as well as longer planning horizons.

Against a backdrop of uncertainty over the achievement of the SDGs, Secretary-General António Guterres has issued a strong call for the world to redouble its efforts to achieve them. The Secretary-General noted that the Summit of the Future, to be held in September 2024, offers a chance to shape multilateralism for years to come. While warning that the world is entering an age of chaos, he said that global peace and security frameworks need to be strengthened and renewed to deal with the complexities of today's multipolar world. He has insisted on a reform of the outdated, dysfunctional and unfair global financial system, to make it responsive to the needs of all countries, and to make financial institutions and frameworks truly universal and inclusive.²

Enormous challenges face the countries of the region. The risk of straying further from the path towards sustainable development is clear. There is no time for pause, let alone for setbacks. In this context, ECLAC reiterates its commitment to contribute to the achievement of the SDGs by 2030, by holding the annual meetings of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, providing support for the conduct of voluntary national and local reviews on progress and challenges in relation to the SDGs, offering technical cooperation in various fields, and other measures discussed in this report on progress towards fulfilment of the 2030 Agenda in the region.

José Manuel Salazar-Xirinachs
Executive Secretary
Economic Commission for Latin America and the Caribbean (ECLAC)

Introduction

The second half of the implementation period agreed for the Sustainable Development Goals (SDGs) is now under way. To this end, the Economic Commission for Latin America and the Caribbean (ECLAC) presents herein the seventh report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean.

The background to this report is a difficult global context characterized by various persistent crises that have been unfolding for several years in connection with slow economic and trade growth, climate change, forced migrations, geopolitical conflicts and the recent humanitarian crises caused by the ongoing wars in Europe and the Middle East.

The regional picture is no less problematic. As a result of the global circumstances and the region’s own structural constraints, Latin America and the Caribbean is experiencing very slow growth and a high prevalence of substandard employment, leading to a deterioration in levels of social well-being and material progress. Short-term challenges in the region are compounding this situation, which is delaying progress towards the SDGs there.

Chapter I of the report takes an in-depth look both at the international landscape of slow economic development, fragmentation among the major powers and geopolitical difficulties and at the challenges facing the region in relation to sustainable development. It also discusses the implementation of productive development policies, which can contribute significantly to a renewal of economic growth, by placing this on a sustainable and lasting footing, and to faster progress towards the SDGs.

Given this difficult regional and global situation, the design and implementation of innovative policies with a long-term strategic vision need to be pursued more vigorously if there is to be progress towards the SDGs in Latin America and the Caribbean. This means having access to information that enables the challenges facing the region to be more clearly identified and measured with a view to making evidence-based decisions and designing desirable future scenarios and the pathways towards them.

Chapter II focuses on measurement of progress with the SDG indicators and targets regionally and in three subregions: South America, Central America and Mexico, and the Caribbean. ECLAC estimates that only 22% of the targets for which information is available are on their way to being achieved by 2030. For 46%, movement is in the right direction but too slow for them to be met by the deadline, while in the remaining 32% of cases the trend is away from the targets, making their attainment by 2030 highly unlikely.

Chapter III presents progress and challenges with the five SDGs that were selected for in-depth study at the high-level political forum on sustainable development: Goal 1 (End poverty), Goal 2 (Zero hunger), Goal 13 (Climate action), Goal 16 (Peace, justice and strong institutions) and Goal 17 (Partnerships for the Goals). Analysis of recent developments with the indicators and targets for these SDGs gives an idea of the scale of the efforts that would be needed to get them on track for 2030. The trajectory of some indicators is a cause for real concern and shows the need for immediate action to bring about improvements in institutions and governance and to mobilize the public and private sectors and civil society alike in concerted efforts and engagement to remedy the situation.

To get back on track to achieve the SDGs by the deadline, it is important to have options for addressing the most urgent problems, based on both successful experiences and expert knowledge. The second part of the report looks at two of these options.

Chapter IV discusses, from the perspective of the region, the proposal by the United Nations Sustainable Development Group for a set of six just transitions to sustainability that can accelerate progress towards the SDGs. ECLAC has determined that these transitions are essential for fostering
productive, inclusive and sustainable development in the countries of the region. They relate specifically to the following areas: (i) food systems; (ii) energy access and affordability; (iii) digital connectivity; (iv) education; (v) jobs and social protection; and (vi) climate change, biodiversity loss and pollution. In each case, the desirable characteristics of the transition concerned, the challenges involved in achieving it and the nature of the investments required are analysed.

Chapter V reviews the recent evolution of sources of financing for development in Latin America and the Caribbean. It emphasizes the need to expand the availability of financial resources and considers the policy proposals required to get back on track towards the SDGs. It analyses the recent evolution of domestic and external financing sources, including innovative debt management mechanisms, and the urgent need to reform the architecture and institutional arrangements of the international financial system.

Lastly, the report concludes with a summary of its main findings and a set of recommendations for more thorough analysis of the policy alternatives and actions needed to get the indicators on track for the 2030 targets.
Progress in the implementation of the Sustainable Development Goals
Towards productive, inclusive and sustainable development in Latin America and the Caribbean

Introduction
A. The international context: multilateral relations shaped by geopolitics
B. The regional macroeconomic outlook: economic activity, consumption, exports and imports, inflation, growth and employment
C. The shift to a new productive, inclusive and sustainable development model: the importance of productive development policies and the cluster approach
D. Conclusions
Bibliography
Introduction

Global economic growth remained sluggish in 2023. Despite easing global inflation, interest rates did not fall in the major economies. As a result, financing costs were high and are expected to remain so in the coming years. This contributed to slower growth in GDP and trade relative to 2022 and a downturn in capital flows to emerging economies.

Latin America and the Caribbean has remained on a path of low growth with respect to the historical average (ECLAC, 2023a). Compared with 2022, growth in 2023 was lower in all subregions, with the sharpest downturn in South America. Although sovereign debt levels have come down, they remain high; this substantial debt, added to the increased cost of external and internal debt financing, has continued to squeeze fiscal space (ECLAC, 2023a).

On the monetary policy front, inflation has continued to subside, but countries are maintaining their contractionary stance, wary of the effects that interest rate cuts could have on capital flows and exchange rates, since, as mentioned, developed countries’ interest rates remain high. Investment and job creation capacity is also slowing in all sectors, while high levels of labour informality persist along with wide gender gaps, in particular in labour participation and unemployment rates.

In this context, the policies implemented in Latin America and the Caribbean for approximately 40 years have been insufficient to drive the region’s sustainable development. In particular, as will be seen in chapter II, many of the targets of the Sustainable Development Goals (SDGs) are unlikely to be met by 2030. It is critical to rapidly begin the transition towards a development model that can drive transformations to boost productive, social and environmental performance, and therefore achieve the main objective of inclusive and sustainable development. This, in turn, requires substantial institutional changes in the area of public policymaking. Far-reaching policy transformations are urgently needed and must impact not only decisions on “what” must be done but also “how”. These changes must touch on both productive development policies and the related macroeconomic policies (fiscal, monetary and exchange-rate) that can support their implementation and leverage their impact on growth and productivity. The changes must be made through a strategic, long-term approach that fosters institutional effectiveness and virtuous, enduring structural change.

Following this introduction, sections A and B of this chapter present recent international and regional developments with a view to understanding their impact on the considerable challenges posed by the achievement of the SDGs in the region. Section C contains a discussion on the necessary shift towards a new model of productive inclusive and sustainable development that can be driven by the implementation of productive development policies, in particular by fostering the development of key clusters. Lastly, section D presents the conclusions.

A. The international context: multilateral relations shaped by geopolitics

Latin American and Caribbean countries are facing challenges stemming from both the global economic situation and regional trends. The globalization that the world has known since the 1990s has changed and will continue to do so. The multilateral system based on clear and predictable rules, with highly fragmented global production chains predicated on a quest for efficiency, is currently losing ground to another system, in which political rather than economic concerns are prioritized in decision-making. While, in the past, interdependency was celebrated and multilateral organizations were entrusted with settling disputes between sovereign States, the current system is less focused on rules and more on strategy and power.
The deceleration of global growth has been influenced by the transformation of global production chains, the conflict between the Russian Federation and Ukraine, and intensified productive and technological competition among major global powers, factors which have heightened volatility on international financial and commodity markets. This has fuelled global inflationary pressure worldwide and prompted central banks to collectively speed up monetary policy tightening in an attempt to anchor inflation expectations, substantially diminishing capital flows to emerging markets.

The major global economic powers are leery of interdependency and are actively seeking to mitigate risk. They are also incentivizing the development of a new generation of industrial policies and reshoring production chains. All of these factors have major repercussions for the region’s growth and influence its economic decision-making, as they force the region to pay heed to geopolitical situations that are beyond its control.

The conflict between Hamas and Israel has added to the mounting geopolitical tensions that are driving the world toward greater geo-economic fragmentation, intensifying economic and social instability and uncertainty. Interest rates are expected to remain high and could even be raised further if inflationary pressure intensifies again. The real estate crisis in China adds a further threat to the global economic outlook. A sharper-than-expected slowdown in China could severely affect the global economy and have a particularly significant impact on its trading partners, including several countries of the region. It could also directly affect global commodity prices (ECLAC, 2023a).

The global economy was expected to grow by 3.0% in 2023 and by 2.9% in 2024 (see figure I.1), below the annual average of 3.8% registered between 2000 and 2019. Growth in the advanced economies is projected to slow, from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024. The United States (the region’s top trading partner) outstripped mid-year projections, while the European Union (the region’s third-largest trading partner) performed worse than expected. Emerging and developing economies are expected to grow by 4.0% in both 2023 and 2024, down from 4.1% in 2022. Within this group, China, the region’s second-largest trading partner, is expected to see growth of 5.0% in 2023 and 4.2% in 2024 amid the continuing real estate crisis (ECLAC, 2023a).

**Figure I.1**
Selected regions and countries: GDP growth rate, 2022 and projections for 2023 and 2024 (Percentages)

<table>
<thead>
<tr>
<th>Region</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>3.5</td>
<td>3.0</td>
<td>2.6</td>
</tr>
<tr>
<td>Advanced economies</td>
<td>2.9</td>
<td>2.6</td>
<td>2.1</td>
</tr>
<tr>
<td>United States</td>
<td>2.1</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Japan</td>
<td>1.0</td>
<td>1.0</td>
<td>0.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.5</td>
<td>0.8</td>
<td>1.3</td>
</tr>
<tr>
<td>European Union</td>
<td>1.2</td>
<td>1.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Emerging and developing economies in Asia</td>
<td>4.1</td>
<td>4.0</td>
<td>0.0</td>
</tr>
<tr>
<td>China</td>
<td>4.1</td>
<td>4.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Emerging and developing economies in Europe</td>
<td>5.2</td>
<td>4.8</td>
<td>5.0</td>
</tr>
<tr>
<td>India</td>
<td>7.8</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Emerging and developing economies in Asia</td>
<td>6.3</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Russia</td>
<td>-2.1</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Middle East and Central Asia</td>
<td>2.3</td>
<td>2.0</td>
<td>5.6</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>3.3</td>
<td>3.3</td>
<td>4.0</td>
</tr>
</tbody>
</table>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), *World Economic Outlook: Navigating Global Divergences*, Washington, D.C., 2023.

*a* In India, the fiscal year begins in April and ends in March the following year.
Against a backdrop of lower demand and slower global GDP growth, international trade volume grew by just 3.2% in 2022, a marked slowdown following the growth of 10.8% recorded in 2021 (ECLAC, 2023b) (see figure I.2). Growth in regional trade in goods slowed in 2023, especially on the import side. From January to August 2023, export volumes grew by 1.0% year-on-year, which was not enough to offset the drop in prices (-3.5%). As a result, the value of exports fell by 2.4% over that period. Import prices and volumes both declined year-on-year in the first eight months of the year (-2.5% and -4.5%, respectively) (ECLAC, 2023b). It is estimated that trade will expand by 3.3% in 2024.

Figure I.2
World trade volume: year-on-year variation, January 2018–August 2023 and projection for 2023
(Percentages, on the basis of a seasonally adjusted index)

Prices of non-energy commodities in 2023 continued the downward trend that began in the second half of 2022. In contrast, energy commodity prices, especially for oil, have risen since the second half of 2023 (ECLAC, 2023a). Despite this, in 2023 average energy prices were down 21% from the averages recorded in 2022, while commodity prices fell by 11% (see table I.1). These declines are attributable not only to the high baseline from 2022, but also to the global economic slowdown. For 2024, prices are expected to be 1.0% lower than in 2023. Notably, in spite of the falls in 2023 and the projected declines for 2024, commodity prices are still forecast to be over 30% above the averages in 2019, before the coronavirus disease (COVID-19) pandemic (ECLAC, 2023a).

Average global inflation is projected to fall from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, which would still exceed the 3.6% averaged in the decade prior to the pandemic (2010–2019). In 2022, as in the period 2010–2019, the year-on-year consumer price inflation rate was higher in emerging and developing economies than in developed economies. This is estimated to have been the case in 2023 and is also expected to continue in 2024.
Table I.1
International commodity prices: year-on-year variation in 2022, projected year-on-year variations in 2023 and 2024 and comparison of average prices in 2019 and 2024 (Percentages)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Change from 2019 to 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural products</td>
<td>13</td>
<td>-3</td>
<td>-4</td>
<td>34</td>
</tr>
<tr>
<td>Foods, beverages and oilsseeds</td>
<td>16</td>
<td>-3</td>
<td>-5</td>
<td>43</td>
</tr>
<tr>
<td>Foods</td>
<td>15</td>
<td>3</td>
<td>-4</td>
<td>36</td>
</tr>
<tr>
<td>Tropical beverages</td>
<td>20</td>
<td>0</td>
<td>-3</td>
<td>76</td>
</tr>
<tr>
<td>Oils and oilsseeds</td>
<td>16</td>
<td>-11</td>
<td>-6</td>
<td>44</td>
</tr>
<tr>
<td>Forestry and agricultural raw materials</td>
<td>1</td>
<td>-1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Minerals and metals</td>
<td>-9</td>
<td>-5</td>
<td>-2</td>
<td>27</td>
</tr>
<tr>
<td>Energy</td>
<td>48</td>
<td>-21</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td>Crude oil</td>
<td>39</td>
<td>-17</td>
<td>3</td>
<td>34</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>59</td>
<td>-17</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td>Coal</td>
<td>101</td>
<td>-50</td>
<td>-15</td>
<td>42</td>
</tr>
<tr>
<td>Natural gas</td>
<td>65</td>
<td>-60</td>
<td>30</td>
<td>29</td>
</tr>
<tr>
<td>Total excluding energy</td>
<td>16</td>
<td>-11</td>
<td>-3</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>-11</td>
<td>-1</td>
<td>32</td>
</tr>
</tbody>
</table>


Note: Figures for 2023 are estimates and those for 2024 are projections.

On the financial front, although global financial volatility was lower in 2023 than in 2022 on average, financing conditions remain highly restrictive. The repeated increases in policy interest rates by developed countries have not only driven up costs of access to financing in their own economies, but have also led to sweeping rises in the financing costs of emerging markets, including those of Latin America and the Caribbean. The current level of tightening has not been seen since the 2008–2009 global financial crisis. The tightening of financial conditions reflects a contraction in global liquidity in 2023, which occurred simultaneously in the United States, the eurozone and the United Kingdom (ECLAC, 2023a) (see figure I.3).

In this more restrictive financial context, global debt has risen, especially in developed economies. This, in turn, has added to the cost of borrowing for developing countries, including those in Latin America and the Caribbean, and to a reduction in the volume of debt issued by those countries on international capital markets. In 2023, developing countries issued foreign currency debt equivalent to US$ 360 billion. This volume of debt was lower than the US$ 380 billion issued in 2022 (ECLAC, 2023a). More importantly, the high cost of financing has increased the risk of default for several developing countries (ECLAC, 2023a).

In 2022, foreign direct investment totalled US$ 1.29 trillion globally, 12% lower than in 2021 (ECLAC, 2023c). Capital flows to emerging markets remain at historically low levels. In fact, in the third quarter of 2023 there were net portfolio outflows from emerging markets, accompanied by increased demand for dollars and worldwide appreciation of the currency (ECLAC, 2023a).
In short, recent developments and the outlook at the international level confirm the challenges facing Latin America and the Caribbean as it seeks to emerge from the current development crisis. The sluggish international growth, investment and trade documented in this chapter are affecting the region, where growth in GDP, productivity and employment is also very weak and the consequences of the pandemic continue to be felt.

To accelerate progress towards the achievement of the SDGs by 2030, considerable effort by all stakeholders is required, with specific, targeted policies and action. A long-term development strategy is also needed, centred around steadily boosting the GDP growth rate over long periods of time. To this end, the Economic Commission for Latin America and the Caribbean (ECLAC) proposes reviving a set of productive development policies, which, by driving sectors considered to be strategic owing to their spillover effect on the rest of the economy, can pave the way for the six transitions presented in chapter IV: food systems; energy; digital; education; jobs and social protection; and climate change, which are mutually reinforcing and can play a key role in accelerating the achievement of the SDGs.

B. The regional macroeconomic outlook: economic activity, consumption, exports and imports, inflation, growth and employment

Economic growth in Latin America and the Caribbean continues to slow owing to factors that include tightening of policy to suppress inflation, weaker external forces and the weakening of consumption—in particular, private consumption—and gross fixed capital formation. Lethargic economic growth is generalized across all sectors, especially manufacturing.
In 2023, GDP in Latin America and the Caribbean grew at an estimated annual rate of 2.2%. Although the subregions vary somewhat, all three will post lower growth in 2023 than in 2022: South America is set to grow by 1.5% (3.8% in 2022); the group comprising Central America and Mexico by 3.5% (4.1% in 2022); and the Caribbean (excluding Guyana) by 3.4% (6.4% in 2022). The slowdown was sharper in the South American subregion, and even more so if Brazil is excluded. In 2024, GDP in Latin America and the Caribbean is projected to grow by an average of 1.9%, maintaining the trend of low growth. All the subregions are expected to see lower growth than in 2023: projections are 1.4% for South America, 2.7% for Central America and Mexico and 2.6% for the Caribbean (excluding Guyana). Against this backdrop, fiscal and monetary policy space is expected to remain limited in the countries of the region.

The low growth forecast is not only a short-term issue; rather, it reflects an ongoing decline in regional trend GDP growth (see figure I.4).

**Figure I.4**
Latin America and the Caribbean: growth in GDP and trend GDP, 1951–2024
(Percentages, on the basis of dollars at constant 2018 prices)

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

At the end of 2023, Latin America’s balance of payments current account recorded a deficit of 1.4% of GDP, narrower than the deficit of 2.6% in 2022. This improvement is a result of the goods balance posting a surplus rather than a deficit and smaller deficits for services and income, while the current transfers balance remained stable.

Goods exports declined in value, owing to price falls (5.0%) that were not offset by rises in export volumes (3.0%). On the import side, the value of inbound goods fell more sharply (by 6.0%) as a result of drops in both volume (3.0%) and price (3.0%). In view of these trends, the goods balance posted a surplus of 0.6% of GDP for the year. Latin America’s terms of trade, on the other hand, fell by 2.6% in 2023, owing to the fact that, in keeping with estimates, export prices declined by 5.0% and import prices by 3.0%. However, the differences between the subregions of Latin America should be taken into consideration, as the import and export structure of each is different. South America’s terms of trade declined by 3.1%, whereas Central America’s improved by 3.0% and the Caribbean’s (excluding Guyana) by 0.3%.

1 The estimated growth rate in Guyana in 2023 was 40%.
trade declined by 4.4%, since the subregion mainly comprises exporters of food, minerals and energy goods, for which prices fell in 2023. In contrast, in Central America, where countries are net importers of these products, it is estimated that the terms of trade improved slightly (0.9%).

The services account deficit is estimated to have narrowed in 2023 in Latin America and the Caribbean. Services exports grew by 14.0% in 2023 (driven by tourism in particular, a critical activity for Caribbean and some Central American economies), double the 7.0% growth rate expected for services imports.

In 2023, migrant workers’ foreign exchange remittances, the main component of the balance of current transfers, grew by 8.5% year-on-year, according to aggregate figures for the countries for which information is available. This is down from the 11.6% growth recorded in 2022 and represents a return to pre-pandemic growth rates of 8.7% per year, on average, for 2015–2019.

International debt issuance remains very low, reflecting tight credit conditions and the emergence of new external risks, although thematic bond issuance remains significant. Financial inflows remain relatively stable, sustained exclusively by direct investment, while there are net outflows from the region for other financial flows.

On the fiscal front, countries’ official projections suggest that total spending in Latin America rose slightly in 2023, breaking the downward trend seen in both 2021 and 2022 amid a reduction in tax revenues. As a result, the overall fiscal deficit widened in 2023, while the primary balance returned to a deficit following the surplus recorded in 2022. In the Caribbean, the primary surplus is estimated to have grown owing to a contraction in primary spending. Although public debt had fallen by September 2023, it remained high, suggesting that fiscal space will shrink in the region as a whole, in particular when taking into account the rise in domestic and international interest rates and the expected fall in tax revenues.

Inflation continued to ease in most of the region’s economies after June 2022. The median regional inflation rate in September 2023 was 4.4%, down 4.2 percentage points from the September 2022 rate (see figure I.5). Inflation fell everywhere except in economies with chronic inflation.

**Figure I.5**
Latin America and the Caribbean: median annual rates of change in the consumer price index, January 2019–September 2023
(Percentages)

![Graph showing median annual rates of change in the consumer price index from January 2019 to September 2023.]

_Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures._
Lower inflation has prompted the region’s monetary authorities to cautiously begin lowering monetary policy rates. The caution in relaxing the monetary policy stance is explained, firstly, by the persistence of core inflation and, secondly, by concerns about the possible effect of the narrowing spreads relative to interest rates in advanced countries on the exchange rate and capital flows. This is compounded by the uncertainty generated by the global geopolitical situation—and the risk it poses for energy prices—and the impacts of El Niño on food supply (ECLAC, 2023a). As a result, the pace of net domestic credit growth continued to slacken in 2023 in nominal terms.

In this context, the job creation capacity of the economies of Latin America and the Caribbean weakened in all sectors. In 2023, the number of employed persons is estimated to have increased by 1.4%, down 4 percentage points from 5.4% in 2022. This trend is expected to continue in 2024, when the number of employed persons is projected to grow by 1.0%. In 2023, the slow pace of job creation was accompanied by an increase in the number of inactive persons (1.8%) compared with 2022 (ECLAC, 2023a). Worryingly, after recovering for five consecutive half-year periods (between the second half of 2020 and the second half of 2022), the regional labour participation rate fell by 0.1 percentage points in the first half of 2023 relative to the year-earlier period, from 62.6% to 62.5%. This could indicate that the post-pandemic recovery has come to an end and the new equilibrium is being disrupted by a fresh shock (ECLAC, 2023a). The above-mentioned trends in employment and labour inactivity are expected to result in a further reduction in the regional unemployment rate, which is estimated at 6.5% for 2023 and 6.9% for 2024. Informal employment levels in the region remained close to 48% in 2023, and no significant changes are expected in this variable in 2024, especially if labour inactivity increases again (ECLAC, 2023a).

The trends described above suggest that wide gender gaps will persist in indicators such as the unemployment and participation rate (ECLAC, 2023d). The unemployment rate for men in 2023 is estimated at 5.5% and for women at 8.0%, while the figures for the participation rate are 74.1% and 51.9%, respectively. Nonetheless, women’s presence in the labour market has not reduced their participation in unpaid domestic and care work nor has it significantly boosted men’s participation. This situation constitutes an obstacle to women’s labour inclusion, which is compounded by the rising demand for care and exacerbated by population ageing, changes in epidemiological trends and the effects of climate change (ECLAC, 2023e). The growth in the demand for care work, combined with the fact that care is a female-dominated and undervalued activity, will have a major impact on the labour market as a whole. The reproduction of inequalities over time in the region is triggered by gender as well as ethnic and racial inequalities, gaps associated with the different stages of the life cycle, territorial inequalities and migratory status (ECLAC, 2023d).

Improvements have been made in the region with respect to poverty, but they are insufficient for the targets of Goal 1 to be met by 2030. In 2022, the percentage of people living in poverty in the region fell back to pre-COVID-19 levels, although poverty remains higher than in 2019 in more than half the countries (ECLAC, 2023d). In recent years, income inequality also fell to levels lower than before the onset of the pandemic (ECLAC, 2023d). The Gini inequality index was lower than in 2019 in 9 of 12 Latin American countries. However, this progress occurred in a context of very high inequality, with the top decile receiving 21 times the income of the bottom decile (ECLAC, 2023d). Wealth was even more concentrated than income: in 2021, the assets of the region’s 105 billionaires accounted for 4% of the wealth of the entire population, a higher percentage than in 2019 or 2020 (ECLAC, 2023d).

According to ECLAC estimates (2023d), the region’s extreme poverty rate reached 11.4% in 2023, an increase of 2.7 percentage points compared with 2015. While extreme poverty fell between 2010 and 2014, it has been steadily rising ever since. Only in 2022 was a decline recorded, which was roughly equal to the increase triggered by the pandemic in 2020. The figures for poverty are equally discouraging: the expected rate of 29.1% in 2023 is 0.1 percentage points above the 2015 rate.
Added to the various socioeconomic challenges facing the region are significant climate-related challenges. One example is the abovementioned effect of El Niño on food supply. The effects of climate change are increasingly evident around the world, and are harming people, societies, economies and ecosystems (ECLAC, 2023e). In Latin America and the Caribbean, droughts, forest fires and extreme storms are increasing in both frequency and intensity. For example, the temperature in Latin America and the Caribbean has risen by between 0.7°C and 1.0°C with respect to the 1961–1980 average, and the number of days of exposure to heat waves has increased (see figure I.6) (ECLAC, 2023e).

Figure I.6
Latin America and the Caribbean (19 countries): number of additional days of exposure to heat waves over the period 2016–2020 compared with 1986–2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suriname</td>
<td>15.2</td>
</tr>
<tr>
<td>Honduras</td>
<td>11.2</td>
</tr>
<tr>
<td>Colombia</td>
<td>9.3</td>
</tr>
<tr>
<td>Belize</td>
<td>8.8</td>
</tr>
<tr>
<td>Venezuela (Bol. Rep. of)</td>
<td>8.5</td>
</tr>
<tr>
<td>Guatemala</td>
<td>8.4</td>
</tr>
<tr>
<td>Guyana</td>
<td>8.2</td>
</tr>
<tr>
<td>Ecuador</td>
<td>7.6</td>
</tr>
<tr>
<td>Argentina</td>
<td>6.9</td>
</tr>
<tr>
<td>Peru</td>
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</tr>
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<td>Chile</td>
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<tr>
<td>Brazil</td>
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<tr>
<td>Uruguay</td>
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</tr>
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<td>Panama</td>
<td>2.7</td>
</tr>
<tr>
<td>Paraguay</td>
<td>2.6</td>
</tr>
<tr>
<td>Bolivia (Plur. State of)</td>
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<tr>
<td>Nicaragua</td>
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</tr>
<tr>
<td>Costa Rica</td>
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</tbody>
</table>


Nonetheless, climate action presents an opportunity to drive growth and innovation, create jobs, and enhance the global economic integration of the countries of the region, because investment in this area can generate not only environmental but also economic and social gains. The substantial investment and financing endeavour required to foster climate action would not only drive the energy transition but would also provide a major impetus for growth, employment and social development, which is particularly crucial in a region characterized by the above-mentioned chronically low levels of growth and investment. As will be analysed below, the energy and climate transitions have a knock-on effect for many of the Sustainable Development Goals and hold the potential to spur considerable momentum for growth, job creation and inclusion, given that the major transformation entailed by achieving carbon neutrality requires investment in both new technologies —with their respective new ecosystems of private and public goods— and in physical and human capital.

Latin America and the Caribbean has set ambitious targets for combating climate change, undertaking to reduce emissions by between 24% and 29% by 2030 compared with a business-as-usual scenario. Achieving cuts of this magnitude represents an enormous challenge, as it implies a four- to five-fold increase in the region’s historical decarbonization rate. This entails implementing a strategy that encompasses not only the energy sector but also transport, agrifood, efforts to combat deforestation,
and waste management, among others, strengthening synergies between enabling economic sectors and the transitions being recommended. The plans, policies and investments needed to address the climate crisis can also help achieve economic and social objectives, although this also requires more effective action by the countries considered to be the largest emitters of greenhouse gases (GHGs).

Solving the problem of low, exclusionary and unsustainable growth requires changing investment trends and the development model, for which transformations are needed in strategic areas that put the economy and society as a whole on the path towards achievement of the SDGs.

For this new growth model, which requires greater productivity, inclusivity and sustainability, it will be necessary to design an agenda linking three major transformations in a new development paradigm:

- Development that is more productive, since productivity is a determinant of standard of living in the long term; fostering productivity and breaking from the low-growth trap requires broadening the scope of next-generation productive development policies.
- Development that is more inclusive, underpinned by a dynamic labour market that creates more and better jobs.
- Development that is more sustainable, which entails achieving growth that can ensure planetary survival and quality of life.

To foster steady and sustainable growth that leads to the achievement of the SDGs, it is important for the region's productive agendas to include the transitions proposed by the United Nations, as their potential to foster synergies for the achievement of the targets and Goals can give new momentum to the 2030 Agenda. Boosting the productive sectors that drive the economy, in line with the transitions that will be analysed in depth in chapter IV of this report, opens up tremendous opportunities to promote a more productive, inclusive and sustainable development model. The by-product of these sectoral efforts would be stronger economic growth, which the countries of the region urgently need.

C. The shift to a new productive, inclusive and sustainable development model: the importance of productive development policies and the cluster approach

One of the main reasons for the region's poor economic growth is the downward trend in productivity. Productivity had already begun lagging at the end of the last century, after the Asian financial crisis, although the trend has worsened over the last decade (see figure I.7). Boosting productivity is a necessary condition for escaping the structural syndrome of low growth that has marked the region for decades, addressing the remaining development challenges and accelerating progress towards the SDGs.

To achieve and sustain productivity growth, it is necessary to enhance the sophistication and diversification of the region's productive apparatus, encouraging structural changes. The experiences of countries that have already undergone a productive transformation show that this is not a spontaneous process. It requires multilevel coordination between the public sector, the private sector, academia and civil society to identify and resolve the bottlenecks to change. Such coordination is what is referred to as industrial policies, more commonly termed “productive development policies” in this era of technological and digital revolution, as they can be applied to any economic sector.

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2 This will be explored in greater detail in chapters III and IV of this document.
3 See ECLAC (2023g, chapter V).
4 For more details, see Salazar-Xirinachs, Nübler, and Kozul-Wright (2014) and McMillan and Rodrik (2011).
5 See Acemoglu, Robinson and Verdier (2012), Stiglitz (2015), and Ahumada, Wirth and Sossdorf (2021), for example.
6 See ECLAC (1994) and Crespi, Fernández-Arias and Stein (2014), for example.
Productive development policies include a mix of instruments, interventions and, more generally, efforts that are both horizontal (with a cross-cutting impact on all economic sectors or activities) and vertical (related to specific economic activities or sectors). The implementation of this type of policy also requires simultaneous action in several areas, including science, technology and innovation; technological extension services; the digital transformation; entrepreneurship; identifying and closing human talent gaps, paying particular attention to the automation of many production processes; financing throughout a firm’s life cycle (including the role of development banks); investment (including attracting foreign direct investment); specific infrastructure; specific policy and regulatory agendas (including quality issues); and internationalization (see diagram I.1).

The various initiatives implemented in these wide-ranging areas must be strategically coordinated. To this end, two cross-cutting themes should be highlighted in terms of how to organize cooperation. First, it is important to adopt a territorial approach, because efforts to develop production should be combined and geotargeted, in line with the strategies, capacities and preferences of each territory. Second, governance is also important for productive development, in keeping with Goal 17, since the new generation of productive development policies entails collaboration and coordination between the public and private sectors, academia, civil society and the different levels of government.7

The region is faced with the great challenge of expanding and improving its productive development policy actions to reorient growth and drive the transitions needed to achieve sustainable development targets. It is increasingly urgent and important to determine how to address this challenge. One of the main productive development policy instruments being used in developed countries is generous subsidization.8 This new productive development policy activism in advanced countries should lead the countries of the region to be much more pragmatic, strategic and effective in their own productive development policies.

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7 For more details on multilevel governance for productive development, see Correa, Dini and Letelier (2022), and Sotomayor and others (2023).
8 Examples of this include the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act and the Inflation Reduction Act in the United States and the European Green Deal in the European Union.
Diagram I.1
Definition and scope of productive development policies

Productive development policies are focused on sophistication, diversification and virtuous structural change to drive productivity and achieve more productive, inclusive and sustainable development models.

Productive structure (sectors, chains, clusters, MSMEs, companies)

- Science, technology and innovation
- Technological extension services
- Digital transformation
- Entrepreneurship
- Closing human capital gaps
- Whole-of-life cycle business financing
- Investment, including foreign direct investment
- Specific infrastructure and other public assets
- Specific legal and regulatory agenda
- Internationalization

Territory-focused productive development

Governance for productive development

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

To facilitate a more in-depth conversation on how to address this challenge, ECLAC has proposed six strategic approaches to guide productive development policy action, as follows:

(i) Scale up ambition and improve the implementation of next-generation productive development policies.
(ii) Boost specific sectors and activities.
(iii) Improve balance between top-down and bottom-up approaches, working with local stakeholders.
(iv) Use cluster initiatives and other ways of coordinating local production to concretely and effectively organize management and cooperation for productive development.
(v) Improve governance for productive development policies through an experimentalist approach.
(vi) Continuously evaluate policies to correct course in a timely manner amid changing conditions.

In particular, while there has been much discussion on targeting specific sectors and activities and making them policy priorities, the debate has gradually lost significance. One reason is that empirical observation has shown that all countries are implementing selective productive policies in one way or another. Another is that, as mentioned, the modern approach to productive development policies is based more on organizing collective action in specific sectors through cooperation between the public and private sectors and academia than on enacting protectionist measures for certain sectors or directly subsidizing them. Moreover, the need for prioritization is predicated on limited public policy capacity to address so many potential productive development needs, meaning that specific sectors or areas of action must be selected or prioritized. Therefore, although governments must do everything in their power to broaden the scope of action and address as many needs in as many sectors as possible, the fact is that prioritization becomes practically inevitable in productive development policies (Hausmann and Rodrik, 2006).

9 For more details on this strategic approach, see Salazar-Xirinachs and Llinás (2024).
10 For a more detailed discussion of selective action, see Salazar-Xirinachs and Llinás (2024).
Although sectors or areas of production can be prioritized at the national level—preferably through the collective effort of multiple stakeholders—this is usually done in specific locations. In the most successful cases, there is a high degree of coordination between local stakeholders and the various levels of government. For this reason, two of the recommendations on how to implement productive development policies involve a territorial approach and the use of cluster and other initiatives aimed at organizing the work of coordinating production locally.

Productivity is local and it is generated locally with local stakeholders. This reflects not only the heterogeneity of production in the different territories of each country, but also the fact that a territorial approach allows for the differences as well as the specific needs of local productive apparatuses and institutional capacity to be taken into account in establishing policy agendas. Moreover, this approach is tailored to a political reality that is evident throughout the region: territories and local stakeholders want to lead their development, in particular when it comes to productive development.

One concrete and effective way of organizing productive development efforts from a territorial perspective is through cluster initiatives, meaning strategic agendas developed by multiple stakeholders from the public and private sectors, academia and civil society. These agendas include projects and actions aimed at boosting productivity in companies in one or more of the value chains that make up an economic cluster in a set territory.

To foster dialogue and coordinate these agendas, and as part of the governance of productive development, institutional mechanisms for establishing, organizing and sustaining cluster initiatives over time are needed. There is no single model or universal template that is perfectly adapted to different local circumstances. However, there are some well-documented solutions common to the various governance modalities adopted in cluster initiatives: a professional, dedicated team; a governing board made up of representatives from the private and public sectors, support organizations, academia, and science and technology; a number of thematic working groups that varies depending on the priority topics; and an expanded board tasked with approving and legitimizing the strategic agenda and any potential adjustments based on the progress made.11

Several of the countries of the region have made significant efforts to foster cluster initiatives. These include national policies such as iNNovaclúster in Colombia, Integrated Territorial Programmes in Chile, the National Cluster Programme in Costa Rica, and the Compete Caribbean Partnership Facility (CCPF) in thirteen Caribbean countries. Other notable policies have been promoted by subnational governments, such as Córdoba Acelera, in the province of Córdoba in Argentina, and the cluster initiatives in several states in Mexico, including Baja California, Chihuahua, Jalisco and Nuevo León.12

Notwithstanding the successes, significant experience and practical knowledge that have accrued through these policies and programmes, there are many opportunities for improvement: expanding the implementation of such initiatives in all the countries of the region, for example by boosting their funding; reducing unevenness in the quality and number of projects and actions; strengthening the professional capacities of those involved and improving the quality of management; and, as mentioned, better coordinating these initiatives with other work on developing production.

In that regard, ECLAC launched the Platform for Cluster and Other Local Initiatives for Coordinating Production in Latin America and the Caribbean to boost and raise the profile of the many initiatives to coordinate production that are under way in the region, foster conversations between them, establish more of them and strengthen their contribution to countries’ productive development. That objective is

11 For example, see Llinás Vargas (2021), Salazar-Xirinachs (2020a and 2020b) and Monge González and Salazar-Xirinachs (2016).
12 See Salazar-Xirinachs (2020b) for a review of policies and programmes that have helped to boost important clusters in Latin America (aerospace in Querétaro, software in Jalisco, agricultural machinery in Argentina and medical equipment in Costa Rica).
being pursued through projects and initiatives focused on raising awareness, training, systematizing and disseminating knowledge, technical support, matchmaking for businesses, investments and projects, and initiatives to integrate regional production.\(^{13}\)

**D. Conclusions**

The figures and analysis presented in this chapter highlight the development challenges facing Latin America and the Caribbean, in particular in terms of accelerating progress in the achievement of the SDGs by 2030. From a long-term perspective, the region is in the midst of a development crisis, which is reflected in slow progress on social, economic and environmental indicators. Productive development is lagging. Total factor productivity has practically stalled over the past 20 years when compared with China (where productivity is up by a factor of 2.4).

It is not realistic to expect the trend scenario to be maintained, with the behaviours of recent decades being replicated. A shift towards a model focused on achieving productive, inclusive and sustainable development is imperative. Outside-the-box approaches are needed to facilitate the implementation of forward-looking public policies—policies with long-term goals that are the outcome of dialogue with development stakeholders and are grounded in large-scale, participatory and inclusive compacts—the renovation of the State and the democratic assignment new roles to development stakeholders. The foregoing should result in the development of a new and truly democratic governance for public affairs, which will vary from country to country as outcomes are achieved and assessed. Productive development policies are crucial in that undertaking.

Cluster initiatives are a good example of a productive development policy that has had promising outcomes and yielded valuable lessons in several countries of the region. These initiatives can usefully be integrated into other productive development policies and programmes, both national and territorial, and can be led by national or subnational institutions. Dialogue between and integration of cluster initiatives and broader policy agendas are both important: they improve cluster performance and allow for the concrete implementation of country-wide or territorial productive development policies.

In this context, ECLAC has recommended different areas or driving sectors that countries and their territories can use to establish policy priorities for productive development.\(^{14}\) These driving sectors exist to varying degrees in all the economies of the countries of the region, and not only do they incentivize productivity growth but they also offer significant opportunities for investment and cooperation with other countries of the region and with other regions.\(^{15}\)

The development crisis and the relative lag in progress towards the SDGs in Latin America and the Caribbean call for a change of course, abandoning ineffectual practices and policies, and developing new strategic areas that can drive and lead progress. Also required is the implementation of transformative initiatives and a new governance model for public policymaking, the use of tools such as strategic planning and foresight, and a reconfiguration of the roles of development stakeholders.

The region must foster a new model of governance for development that drives transition processes like those recommended in chapter IV, in the areas of climate, energy, digitalization, education, food systems, employment, and social protection, which have the potential to substantially advance the shift towards more sustainable, productive and inclusive development.

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\(^{13}\) For more details on the Platform, see ECLAC (2023h).

\(^{14}\) See ECLAC (2023g, chapter V).

\(^{15}\) For more details on this subject, see ECLAC (2023f).
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CHAPTER II

Progress towards achieving the targets of the Sustainable Development Goals in Latin America and the Caribbean: outlook to 2030

Introduction
A. Sustainable Development Goal targets: outlook to 2030
B. 2030 outlook for the Latin American and Caribbean subregions
C. Achieving the Sustainable Development Goal (SDG) targets in Latin America and the Caribbean as a whole: a work in progress

Bibliography
Annex II.A1
Annex II.A2
Introduction

The global indicator framework for the Sustainable Development Goals, together with the complementary indicators prioritized for Latin America and the Caribbean, constitutes a useful mechanism for the quantitative assessment of progress towards the commitments of the 2030 Agenda in the countries of the region. This set of metrics, defined by the Statistical Commission of the United Nations and promoted at the regional level by the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean of the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean (ECLAC, 2019), allows for the statistical assessment of progress towards the 2030 targets and thus provides relevant information for implementing, strengthening or redirecting efforts to fulfil the commitments made in 2015.

As discussed in chapter I, governments tend to focus their efforts on solving urgent problems related to the economic and geopolitical state of the world and region, leaving less room to strengthen the measures needed to fulfil the commitments of the 2030 Agenda and achieve the Sustainable Development Goals (SDGs). With the 2030 horizon just six years away, results and pending challenges should be analysed with a view to guiding actions that accelerate transition processes to achieve the targets, through the implementation of public policy measures that rise to the challenge.

As 2030 approaches, progress towards the SDG targets to date must be constantly monitored, using the statistics and indicators designed for that purpose, in order to forecast future performance and to plan and implement forward-looking strategies to accelerate progress.

This chapter contains the results of the analysis of current trends in that regard. The 2030 scenarios are based on projection models that are suited to the data available, as well as on statistically significant relationships and measurement against the defined thresholds. The analysis constitutes an update to ECLAC analyses published in previous reports on regional progress and challenges related to the 2030 Agenda in Latin America and the Caribbean.

A. Sustainable Development Goal targets: outlook to 2030

The assessment of progress on the 2030 Agenda is based on an analysis of trends in the statistical series available for each SDG indicator. Where sufficient data are available, and taking into account current conditions and the pace and direction of trends, future estimates can be used to determine whether the region as a whole is making adequate progress to achieve the targets. The projection model takes into account the impact of some additional indicators that incorporate possible relevant external scenarios. This enables the derivation of estimates that are adapted to some degree to the behaviour of external variables that could impact the SDG indicators.

In the exercise presented in this chapter, the regional projections are compared with the thresholds defined in the 2030 Agenda. On the basis of these comparisons, the statistical series included in the analysis are classified according to the likelihood of achieving the targets, making it possible to identify those targets that require additional efforts to overcome inertia and reach the 2030 thresholds.

Once the distance between the projections and the thresholds has been ascertained, the results for each target are summarized using a “traffic light” system to facilitate easy comprehension of the results and to quickly identify achievements and pending challenges with regard to the 2030 Agenda. As noted on previous occasions, although this aggregation exercise makes it easier to understand and communicate results, it tends to obscure the mixed trends among the series for each indicator and among the indicators of the same target. It is therefore advisable to read more detailed analysis of each SDG for a more comprehensive regional picture.
The calculation of statistical series projections requires sufficient data to ensure reliable results. The statistical community at the international, regional and national levels has enhanced strategies to facilitate access to the basic information needed to calculate indicators. Nevertheless, in 2023, for 18 of the indicators, no country in Latin America and the Caribbean had data available for the period of analysis 2015–2023 (compared to 24 indicators without data in 2022). Moreover, of the total amount of annual data needed for all the countries of the region for all SDG indicators considered, only 36.5% is available, up from approximately 34% in 2022.¹

However, year after year, the number of available statistical series with the required information increases. In addition, the minimum amount of data necessary for the application of the traffic light methodology is increasingly being met, enabling the analysis to be expanded every year. The data available for Latin America and the Caribbean in February 2024 have produced the following results:

- The number of statistical series analysed is 794, up 60% from 2023.
- The analysis was expanded to 179 indicators, accounting for 69% of the indicators identified in the universe of analysis (compared to 66% in 2023).
- The information available made it possible to assess the probability of meeting the 2030 thresholds for 131 targets (78% of the total).
- The SDGs for which the smallest proportion of indicators have been assessed are Goal 5 (gender equality), Goal 10 (reduced inequalities), Goal 11 (sustainable cities and communities), Goal 13 (climate action) and Goal 16 (peace, justice and strong institutions).

As mentioned, the analytical model includes a set of additional indicators, or explanatory variables, to account for external situations that could have an impact on the future performance of the SDG indicators. For example, the GDP growth rate has been incorporated as an argument variable in the following manner: a contraction in economic activity of around 5.8% in 2020, a recovery of 11.7% in 2021, growth of 2.7% in 2022, and expected growth of 1.7% in 2023 and 1.5% in 2024. This assumes a gradual readjustment of the rate back to the projected level by 2030 (IMF, 2023).

For the statistical series with sufficient information, the likelihood of reaching the 2030 target is calculated on the basis of the distance between the projection and the target’s defined threshold. Given the number of statistical series and indicators analysed, the “traffic light” system developed previously has again been used to make it easier to present and read the results, with green, yellow and red lights to identify different types of situations: (i) when statistical series are in the green group, it means that the targets have already been achieved or will be by 2030 if the current trend and pace are maintained; (ii) when series are in the yellow group, it means that the targets are on track but the pace of progress is too slow to ensure that thresholds will be achieved by 2030; and (iii) when series are in the red group, it means that targets will not be achieved by 2030 unless public policies are implemented to reverse the trend moving in the wrong direction (see figure II.1).

¹ The completeness of available information for SDG indicators is measured as the percentage of annual data available from 2015 onward. In the case of indicators comprising more than one statistical series, the series with the most years available has been considered. The analysis includes the official indicators of the global indicator framework for the SDGs and the indirect (proxy) and complementary regional indicators that together comprise the set of indicators prioritized for SDG monitoring in Latin America and the Caribbean. In the case of official indicators, the source of information corresponds to the Global SDG Indicators Database maintained by the United Nations Statistics Division. The complementary regional indicators are based on statistical information compiled and published by ECLAC through the CEPALSTAT database. The determination of what to measure for each indicator is based on the amount of data available over time from 2015 to the current year as a percentage of the total expected data points for that period. Some indicators with characteristics that render them inapplicable to the region or to some countries in particular have been excluded for certain countries.
The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean…

The results show a slight decline with respect to previous results (ECLAC, 2020, 2021, 2022 and 2023). According to projections, only 34% of the statistical series (41% in 2023), 28% of the indicators (31% in 2023) and 22% of the targets (25% in 2022) are on track to meet the 2030 deadline. Trends in indicators and targets for each SDG remain noticeably mixed. In other words, there is no single diagnosis applicable to all components of a given SDG, and trends vary with respect to the achievement of the 2030 targets. Some 30% of the series, 39% of the indicators and 46% of the targets remain on track but the rate of progress would need to be accelerated to reach the established thresholds, while 36% of the series, 33% of the indicators and 32% of the targets reflect regression from their starting point in 2015. This regression must urgently be reversed (see figure II.1).

For all the SDGs, it is important to redouble the efforts made to date, by implementing public policy measures in order to reinforce positive trends and to accelerate or reverse trends as necessary.2

The results in table II.1 show that the 2030 outlook for most of the indicators for Goal 7 (affordable and clean energy) and Goal 15 (life on land) is good. This scenario is complemented by the identification of Goals reflecting the fewest lags, namely Goal 4 (quality education), Goal 5 (gender equality), Goal 7 (affordable and clean energy), Goal 11 (sustainable cities and communities), Goal 14 (life below water) and Goal 15 (life on land), for which less than 25% of indicators (those for which projections could be made) are moving away from the target.

However, none of the indicators for Goal 6 (clean water and sanitation), Goal 10 (reduced inequalities), Goal 11 (sustainable cities and communities) and Goal 13 (climate action) are favourable. Likewise, the trend for more than 50% of the indicators for Goal 2 (zero hunger), Goal 12 (responsible production and consumption), and once again, Goal 13 (climate action), is moving away from the target.

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2 See annex II.A1 for a list of the indicators analysed.
Table II.1
Latin America and the Caribbean: Sustainable Development Goal (SDG) targets, indicators and statistical series analysed, by likelihood of achieving the defined threshold by 2030 (Number)

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<th>Target likely to be reached only with public policy intervention</th>
<th>The trend is in the right direction, but progress is too slow for the target to be met</th>
<th>The trend is moving away from the target</th>
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Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Twenty-four additional statistical series relating to the indicators prioritized for the region have been included. The totals do not necessarily match the sum of the values, as series and indicators repeated under more than one SDG are considered only once.

Although most of the indicators for Goal 5 (gender equality), Goal 6 (clean water and sanitation), Goal 10 (reduced inequalities), Goal 11 (sustainable cities and communities) and Goal 16 (peace, justice and strong institutions) are on the right path, progress has not increased fast enough for the targets to be met by 2030.
Lastly, for Goal 1 (end poverty), Goal 3 (good health and well-being), Goal 8 (decent work and economic growth), Goal 9 (industry, innovation and infrastructure) and Goal 17 (partnerships for the Goals), all three projected situations (targets achieved, trend moving in the right direction but with insufficient progress and trend moving away from the target) are in evidence, in roughly the same proportion.

Figure II.2 shows the number of indicators for each SDG, classified using the traffic light system explained above. Indicators for which sufficient information is lacking are included (in grey), which shows the need to boost data availability to gain a broader overview of progress in the Goals and their targets, in particular for Goals 1, 5, 11, 13 and 16.

**Figure II.2**
Latin America and the Caribbean: Sustainable Development Goal (SDG) indicators, by likelihood of achieving the defined threshold by 2030
(Number)

Many of the indicators analysed do not yet reflect the possible impact of the global economic context, geopolitical conflicts and other external factors, given the manner in which statistical operations are implemented and the time required to gather, verify and produce the data needed to establish these indicators. Thus, the methodological approach used, which enables the incorporation of GDP variations and a set of explanatory or regression variables, supports the inclusion of a specific impact from those processes in the projections up to 2030 and in the traffic light system.
The aggregated results for targets of the 2030 Agenda approximate what can be expected by 2030, revealing uneven trends among Goals and among targets for the same Goal.

The targets with the least auspicious forecasts are linked with the following areas: extreme poverty, social protection, undernutrition and food security, sustainable agriculture, non-communicable diseases and mental health, universal health coverage, effective learning, efficient water resources use, water-related ecosystems, material resource efficiency, full employment and decent work, infrastructure development, inclusive and sustainable industrialization, financial market regulation, migration and safe mobility, sustainable use of natural resources, food loss and waste, management of chemicals and waste, climate change policies, climate change awareness, marine pollution, desertification and soil degradation, biodiversity loss, justice for all, effective institutions, public access to information, collection of tax revenues, universal multilateral trade system, exports from developing countries, global macroeconomic stability and effective partnerships.

Some of the trends that are moving in the wrong direction pertain to targets in areas proposed as catalysts and means of implementation for others, including the following: investment in agriculture, health research and development (R&D), health risk management, scholarships, participatory water and sanitation management, international energy cooperation, business support, financial flows for development, sustainable tourism monitoring, fossil fuel subsidies, and capacity-building in marine research and technology.

The targets for the following areas are faring better, with trends that are moving in the right direction, albeit at a pace that is insufficient for them to be reached by 2030: disaster resilience; malnutrition; genetic resources for agriculture; maternal mortality; communicable diseases; sexual and reproductive health; traffic accidents; early childhood development; adult literacy and numeracy; violence against women and girls; child marriage; unpaid care and domestic work; women and leadership; access to basic services; access to drinking water; access to sanitation and hygiene services; water quality; cross-border water resource cooperation; universal access to energy services; energy efficiency; per capita economic growth; economic productivity and innovation; formalization of small and medium-sized enterprises (SMEs); young people not in employment, education or training; child and forced labour; access to financial services; R&D; social, economic and political inclusion; fiscal and social protection policies; inclusive global governance; housing and basic services; air quality and management of urban waste; waste reduction; marine and coastal ecosystems; marine resources for small island developing States and least developed countries; terrestrial and freshwater ecosystems; conservation of mountain ecosystems; invasive exotic species; reduction in violence and related deaths; trafficking in children; corruption and bribery; debt sustainability; additional financial resources; technology transfer and access to tariff-free markets for least developed countries.

Among the targets that are moving in the right direction but at an insufficient pace are also some means of implementation in the following areas: funding for programmes to combat poverty, mechanisms to prevent food price volatility, education facilities, qualified teachers, technologies for women’s empowerment, international cooperation on water and sanitation, resilient infrastructure, special and differentiated treatment for trade in developing countries, cost of remittances, small-scale artisanal fishing and violence prevention capacity.

Among the targets that are moving in the right direction but at an insufficient pace are also some means of implementation in the following areas: funding for programmes to combat poverty, mechanisms to prevent food price volatility, education facilities, qualified teachers, technologies for women’s empowerment, international cooperation on water and sanitation, resilient infrastructure, special and differentiated treatment for trade in developing countries, cost of remittances, small-scale artisanal fishing and violence prevention capacity.

There is also a set of targets regarding which the region is making steady progress and the commitments of the 2030 Agenda are expected to be met. These targets pertain to the following areas: child mortality, abuse of addictive substances, impacts of pollution on health, tertiary education and technical and vocational training, equal access to education, share of renewable energy, labour rights and safe and secure work environments, sustainable tourism, clean and sustainable industries, sustainable production and consumption programmes, sustainable corporate practices, conservation of coastal and marine areas, fishing subsidies, sustainable forest management, use of genetic resources, additional financial resources, international cooperation in science and technology, capacity-building for information and communications technologies, capacity-building for the SDGs and statistical capacity.
The scenario is also promising regarding means of implementation for the following areas: subsidies for agricultural exports, tobacco control, health-care and health-workforce funding, gender equity policies, investment in energy infrastructure, development of national technologies, access to information and communications technologies and the Internet, support for developing countries in R&D for sustainable development, funding for biodiversity and ecosystems, and funding for forest management.

Figure II.3 presents more detailed information on progress with the SDGs, showing the likelihood that the targets of each Goal will be met by 2030, classified using the traffic light system.

Figure II.3
Latin America and the Caribbean: Sustainable Development Goal (SDG) targets by likelihood of achievement by 2030

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 1</td>
<td>1.1 1.3</td>
</tr>
<tr>
<td>SDG 2</td>
<td>2.1 2.4 2.a</td>
</tr>
<tr>
<td>SDG 3</td>
<td>3.4 3.8 3.b 3.d</td>
</tr>
<tr>
<td>SDG 4</td>
<td>4.1 4.b</td>
</tr>
<tr>
<td>SDG 5</td>
<td>5.2 5.3 5.4 5.5 5.b 5.c 5.1 5.6 5.a</td>
</tr>
<tr>
<td>SDG 6</td>
<td>6.4 6.6 6.b</td>
</tr>
<tr>
<td>SDG 7</td>
<td>7.a 7.1 7.3 7.2 7.b</td>
</tr>
<tr>
<td>SDG 8</td>
<td>8.4 8.5 8.a</td>
</tr>
<tr>
<td>SDG 10</td>
<td>10.5 10.7 10.b</td>
</tr>
<tr>
<td>SDG 11</td>
<td></td>
</tr>
<tr>
<td>SDG 12</td>
<td>12.2 12.3 12.4 12.b 12.c</td>
</tr>
<tr>
<td>SDG 13</td>
<td>13.2 13.3 13.1 13.a 13.b</td>
</tr>
<tr>
<td>SDG 15</td>
<td>15.3 15.5 15.1 15.4 15.8 15.2 15.6 15.a 15.b</td>
</tr>
<tr>
<td>SDG 16</td>
<td>16.3 16.6 16.10</td>
</tr>
<tr>
<td>SDG 17</td>
<td></td>
</tr>
</tbody>
</table>

- The trend is moving away from the target
- The trend is in the right direction, but progress is too slow for the target to be met
- Target already reached or likely to be reached on the current trend
- Insufficient data

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

The global context is not facilitating government efforts to meet the needs arising from the 2030 Agenda for Sustainable Development, rendering it essential to boost commitment, partnerships and international cooperation to support the decision-making processes that further the achievement of the Goals.

Independently of the situation of the targets of the 2030 Agenda, it is important to note the need to sustain the efforts made and step up action to: (i) consolidate processes that are well under way; (ii) accelerate progress for targets with a good outlook but which are progressing at a pace that remains insufficient to ensure the Goals are met; and (iii) shift the trends that are moving in the wrong direction.
B. 2030 outlook for the Latin American and Caribbean subregions

In addition to examining the uneven progress in the region among the indicators for each target and the targets for each Goal, the likelihood of meeting the targets of the 2030 Agenda can be analysed for the geographical subregions that make up Latin America and the Caribbean, taking into account the territorial characteristics and common challenges of its countries.

Below are the results of the analysis of whether the targets can be met based on the 2030 scenarios for South America, Central America and Mexico, and the Caribbean, with the aim of identifying and analysing patterns and differences between the subregions in order to undertake common or differentiated actions.

The results show that the number of targets for which the trend is moving in the wrong direction is lowest in South America (40%), compared to Central America and Mexico and the Caribbean (48%).

In all subregions, the forecast is positive for fewer than 30% of the targets (24% in South America, 19% in the Caribbean and 21% in Central America and Mexico). In all cases, progress is expected to be made in approximately a third of the targets that could be measured, but at a pace that does not guarantee that the Goals will be achieved by 20303 (see figure II.4).

Figure II.4
Latin America and the Caribbean: Sustainable Development Goal (SDG) targets by likelihood of achievement by 2030, by subregion

A. South America

<table>
<thead>
<tr>
<th>Goal</th>
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</table>

The trend is moving away from the target
The trend is in the right direction, but progress is too slow for the target to be met
Target already reached or likely to be reached on the current trend
Insufficient data

3 The subregional outlook is derived from an approximation of the 2030 scenario based on the same assumptions used in the regional model. Lack of data affects the analysis and the validity of the methods used. This becomes more apparent when the metrics are applied to smaller sets, for which the information gaps in the statistical series are larger.
### B. Central America and Mexico

<table>
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<tr>
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<td>SDG 14</td>
<td>15.2</td>
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<td>SDG 16</td>
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### C. The Caribbean

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<tr>
<td>SDG 17</td>
<td>17.1</td>
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</table>

The trend is moving away from the target
The trend is in the right direction, but progress is too slow for the target to be met
Target already reached or likely to be reached on the current trend
Insufficient data

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
C. Achieving the Sustainable Development Goal (SDG) targets in Latin America and the Caribbean as a whole: a work in progress

The results illustrate a heterogeneous and complex regional panorama. Although performance has been good in some areas of development recommended in the 2030 Agenda, significant challenges remain in achieving the Goals established in 2015, and urgent, specific action must be taken to change course, realigning the targets affected by the coronavirus disease (COVID-19) pandemic and by global phenomena and crises.

Of the targets whose trends could be evaluated, 68% were moving in a manner and direction consistent with the results expected for the issues and phenomena in question. However, the 2030 scenario was positive for only 22% of the targets, meaning that they would be met by the deadline if the current direction and pace were maintained. While the efforts made in Latin America and the Caribbean for the other 46% of the targets have kept the trend on track, they are insufficient for the targets to be met by 2030.

The situation is more pressing for the rest of the targets (32%), for which the exercise performed using the available data illustrates that the 2030 thresholds cannot be met, as the progress expected in the indicators analysed is faltering.

The results show that progress among the Goals and in each Goal has been uneven. The Goals whose targets are most likely to be met are Goal 3 (health and well-being), Goal 7 (affordable and clean energy), Goal 9 (industry, innovation and infrastructure) and Goal 15 (life on land). The Goals whose targets are least likely to be met are Goal 12 (responsible production and consumption) and Goal 13 (climate action).

Although Goal 1 (end poverty), Goal 2 (zero hunger), Goal 4 (quality education), Goal 5 (gender equality), Goal 6 (clean water and sanitation), Goal 8 (decent work and economic growth), Goal 10 (reduced inequalities), Goal 11 (sustainable cities and communities) and Goal 16 (peace, justice and strong institutions) are on the right path for most targets to be met, some are expected to fail owing to slow progress.

The situation is the same in the subregions, indicating that countries with suitable subregional institutional mechanisms for horizontal cooperation can work together to achieve the targets. Although the forecast for the countries of South America is better than for Central America and the Caribbean, the overall scenario for all subregions is more problematic than in previous ECLAC studies.

Given this regional context, it is urgent for countries to implement specific public policy measures focused on addressing the remaining lags, in order to contribute to and consolidate the pace of progress towards the fulfilment of the commitments made in the 2030 Agenda.

Work must continue on all SDGs, with a particular focus on those whose targets and indicators have strayed farthest from their respective thresholds. The 2030 scenario described, in particular the very low likelihood of meeting 32% of the targets, should not be a reason for efforts to flag; rather, they should be redoubled to establish better conditions to continue working for a productive, inclusive and sustainable future beyond 2030.

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### Annex II.A1

#### Table II.A1.1
Indicators analysed to evaluate fulfilment of the 2030 Agenda for Sustainable Development

<table>
<thead>
<tr>
<th>SDG</th>
<th>Target</th>
<th>Indicator</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day</td>
<td>1.1.1. Proportion of the population living below the international poverty line, by sex, age, employment status and geographical location (urban/rural)</td>
<td>🟢</td>
</tr>
<tr>
<td></td>
<td></td>
<td>P-1.1.1. Proportion of the population living below the regional extreme poverty line by sex, age, employment status, geographical location (urban/rural) and ethnicity</td>
<td>🟢</td>
</tr>
<tr>
<td>1.2</td>
<td>By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</td>
<td>1.2.2.2. Prevalence of malnutrition (weight for height &gt;+2 or &lt;-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age</td>
<td>🟢</td>
</tr>
<tr>
<td>1.3</td>
<td>Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</td>
<td>1.3.1. Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable</td>
<td>🟢</td>
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<tr>
<td>1.4</td>
<td>By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</td>
<td>1.4.1. Proportion of population living in households with access to basic services</td>
<td>🟢</td>
</tr>
<tr>
<td>1.5</td>
<td>By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</td>
<td>1.5.2. Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)</td>
<td>🟢</td>
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<tr>
<td>1.a</td>
<td>Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions</td>
<td>1.4.1. Proportion of population living in households with access to basic services</td>
<td>🟢</td>
</tr>
<tr>
<td>1.2</td>
<td>By 2030, ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round</td>
<td>2.1.2. Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)</td>
<td>🟢</td>
</tr>
<tr>
<td>2.1</td>
<td>By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round</td>
<td>2.1.2. Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)</td>
<td>🟢</td>
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<tr>
<td>2.2</td>
<td>By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons</td>
<td>2.2.2. Prevalence of malnutrition (weight for height &gt;+2 or &lt;-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age</td>
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<td>2.2.1. Prevalence of stunting (height for age &lt;-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age</td>
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<td>2.2.3. Prevalence of anaemia in women aged 15 to 49 years, by pregnancy status (percentage)</td>
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<td>2.4</td>
<td>By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</td>
<td>2.4.4.2. Intensity of fertilizer use (apparent consumption by cultivated area)</td>
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<td>2.4.4.3. Apparent consumption of pesticides by type (herbicides, insecticides or fungicides)</td>
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<td>2.5</td>
<td>By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed</td>
<td>2.5.1. Number of plant and animal genetic resources for food and agriculture secured in either medium- or long-term conservation facilities</td>
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<td>2.5.2. Proportion of local breeds classified as being at risk of extinction</td>
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<td>2.a</td>
<td>Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries</td>
<td>2.a.1. The agriculture orientation index for government expenditures</td>
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<td>2.a.2. Total official flows (official development assistance plus other official flows) to the agriculture sector</td>
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<td>2</td>
<td>2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round</td>
<td>2.b.1 Agricultural export subsidies</td>
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<td>2</td>
<td>2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility</td>
<td>2.c.1 Indicator of food price anomalies</td>
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<td>3</td>
<td>3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births</td>
<td>3.1.1 Maternal mortality ratio</td>
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<td>3.1.2 Proportion of births attended by skilled health personnel</td>
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<td>3.1.3 Proportion of births attended by skilled health personnel (at least four consultations)</td>
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<td>3</td>
<td>3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births</td>
<td>3.2.1 Under-5 mortality rate</td>
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<td>3.2.2 Neonatal mortality rate</td>
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<td>3</td>
<td>3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases</td>
<td>3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations</td>
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<td>3</td>
<td>3.3.2 Tuberculosis incidence per 100,000 population</td>
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<td>3.3.3 Malaria incidence per 1,000 population</td>
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<td>3.3.4 Hepatitis B incidence per 100,000 population</td>
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<td>3.3.5 Number of people requiring interventions against neglected tropical diseases</td>
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<td>3.3.6 HIV/AIDS prevalence among population aged 15–49 years</td>
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<td>3</td>
<td>3.3.7 HIV/AIDS mortality</td>
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<td>3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being</td>
<td>3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease</td>
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<td>3.4.2 Suicide mortality rate</td>
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<td>3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol</td>
<td>3.5.1 Alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol</td>
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<td>3</td>
<td>3.5.2 Alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol</td>
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<td>3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents</td>
<td>3.6.1 Death rate due to road traffic injuries</td>
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<td>3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes</td>
<td>3.7.1 Proportion of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods</td>
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<td>3.7.2 Adolescent birth rate (aged 10–14 years; aged 15–19 years) per 1,000 women in that age group</td>
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<td>3.7.3 Percentage of women aged 15–19 years who are mothers</td>
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<td>3.7.4 Unmet family planning needs</td>
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<td>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</td>
<td>3.8.1 Coverage of essential health services</td>
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<td>3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income</td>
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<td>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</td>
<td>3.9.1 Mortality rate attributed to unintentional poisoning</td>
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<td>3.9.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income</td>
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<td>3.9.3 Mortality rate attributed to unintentional poisoning</td>
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<td>3.4</td>
<td>3.9.4 Mortality rate attributed to intentional poisoning</td>
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<td>3.9.5 Mortality rate attributed to violence and abuse</td>
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<td>3.10 By 2030, substantially reduce the number of deaths and illnesses from communicable diseases</td>
<td>3.10.1 Mortality rate attributed to communicable diseases</td>
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<td>3.10.2 Mortality rate attributed to non-communicable diseases</td>
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<td>3.10.3 Mortality rate attributed to neo-natal and perinatal conditions</td>
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<td>3.10.4 Mortality rate attributed to maternal conditions</td>
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<td>3.10.5 Mortality rate attributed to congenital anomalies</td>
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<td>3.10.6 Mortality rate attributed to injuries</td>
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<td>3.10.7 Mortality rate attributed to accidents</td>
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<td>3.10.8 Mortality rate attributed to injuries from violence</td>
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<td>3.10.9 Mortality rate attributed to intentional violence</td>
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<td>3</td>
<td>3.11 Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate</td>
<td>3.11.1 Age-standardized prevalence of current tobacco use among persons aged 15 years and older</td>
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<td>3.11.2 Proportion of the adult population aged 18 years and older who smoke</td>
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<td>3</td>
<td>3.11.3 Proportion of the adult population aged 18 years and older who are exposed to second-hand tobacco smoke</td>
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<td>3.11.4 Proportion of the adult population aged 18 years and older who have quit smoking</td>
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<td>3.11.5 Proportion of the adult population aged 18 years and older who have never smoked</td>
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<td>3.11.6 Proportion of the adult population aged 18 years and older who are not exposed to second-hand tobacco smoke</td>
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<td>3.11.7 Proportion of the adult population aged 18 years and older who are regular users of alternative tobacco products</td>
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<td>3.12 Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all</td>
<td>3.12.1 Proportion of the target population covered by all vaccines included in their national programme</td>
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<td>3.12.2 Total net official development assistance to medical research and basic health sectors</td>
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<td>3.c Substantially increase health financing and the recruitment,</td>
<td>3.c.1 Health worker density and distribution</td>
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<td>development, training and retention of the health workforce in</td>
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<td>developing countries, especially in least developed countries</td>
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<td></td>
<td>and small island developing States</td>
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<td>3.d Strengthen the capacity of all countries, in particular</td>
<td>3.d.1 International Health Regulations (IHR) capacity and health emergency</td>
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<td>developing countries, for early warning, risk reduction</td>
<td>preparedness</td>
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<td>and management of national and global health risks</td>
<td>3.d.2 Percentage of bloodstream infections due to selected antimicrobial-</td>
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<td></td>
<td></td>
<td>resistant organisms</td>
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<td>4</td>
<td>4.1 By 2030, ensure that all girls and boys complete free, equitable</td>
<td>4.1.1 Proportion of children and young people (a) in grades 2/3; (b) at the</td>
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<td>and quality primary and secondary education leading to relevant</td>
<td>end of primary; and (c) at the end of lower secondary achieving at least a</td>
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<td>and effective learning outcomes</td>
<td>minimum proficiency level in (i) reading and (ii) mathematics, by sex</td>
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<td>4.1.2 Completion rate (primary education, lower secondary education, upper</td>
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<td></td>
<td>secondary education)</td>
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<td>4.2 By 2030, ensure that all girls and boys have access to quality</td>
<td>4.2.2 Participation rate in organized learning (one year before the official</td>
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<td>early childhood development, care and pre-primary education</td>
<td>primary entry age), by sex</td>
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<td>so that they are ready for primary education</td>
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<td>4.3 By 2030, ensure equal access for all women and men to</td>
<td>4.3.1 Participation rate of youth and adults in formal and non-formal</td>
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<td>affordable and quality technical, vocational and tertiary</td>
<td>education and training in the previous 12 months, by sex</td>
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<td>education, including university</td>
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<td>4.5 By 2030, eliminate gender disparities in education and ensure</td>
<td>4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth</td>
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<td>equal access to all levels of education and vocational training</td>
<td>quintile and others such as disability status, indigenous peoples and</td>
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<td>for the vulnerable, including persons with disabilities, indigenous</td>
<td>children in vulnerable situations</td>
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<td>peoples and children in vulnerable situations</td>
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<td>4.6 By 2030, ensure that all youth and a substantial proportion of</td>
<td>C-4.6 Literacy rate in persons aged 15–24 years and 15 years and older,</td>
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<td></td>
<td>adults, both men and women, achieve literacy and numeracy</td>
<td>by sex</td>
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<td>4.4 Build and upgrade education facilities that are child, disability</td>
<td>4.4.1 Proportion of schools with access to (a) electricity; (b) the Internet</td>
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<td>and gender sensitive and provide safe, non-violent, inclusive</td>
<td>for pedagogical purposes; (c) computers for pedagogical purposes;</td>
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<td>and effective learning environments for all</td>
<td>(d) infrastructure and materials adapted for students with disabilities;</td>
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<td>(e) basic drinking water; (f) single-sex basic sanitation facilities; and</td>
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<td>(g) basic handwashing facilities (as per the WASH indicator definitions)</td>
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<td>4.b By 2020, substantially expand globally the number of</td>
<td>4.b.1 Volume of official development assistance flows for scholarships by</td>
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<td>scholarships available to developing countries, in particular least</td>
<td>sector and type of study</td>
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<td>developed countries, small island developing States and African</td>
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<td>countries, for enrolment in higher education, including vocational</td>
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<td>training and information and communications technology, technical,</td>
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<td>engineering and scientific programmes, in developed countries and</td>
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<td>other developing countries</td>
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<td>4.c By 2030, substantially increase the supply of qualified teachers,</td>
<td>4.c.1 Proportion of teachers with the minimum required qualifications,</td>
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<td>including through international cooperation for teacher training</td>
<td>by education level</td>
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<td>in developing countries, especially least developed countries</td>
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<td></td>
<td>and small island developing States</td>
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<td>5</td>
<td>5.2 Eliminate all forms of violence against all women and girls in</td>
<td>C-5.2 Rate of femicide or feminicide (gender-related killings of women</td>
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<td>the public and private spheres, including trafficking and sexual</td>
<td>aged 15 years and older per 100,000 women</td>
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<td>and other types of exploitation</td>
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<td>5.3 Eliminate all harmful practices, such as child, early and forced</td>
<td>5.3.1 Proportion of women aged 20–24 years who were married or in a union</td>
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<td>marriage and female genital mutilation</td>
<td>before age 15 and before age 18</td>
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<td>5.4 Recognize and value unpaid care and domestic work through</td>
<td>5.4.1 Proportion of time spent on unpaid domestic and care work, by sex,</td>
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<td>the provision of public services, infrastructure and social</td>
<td>age and location</td>
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<td>protection policies and the promotion of shared responsibility</td>
<td>C-5.4 Average hours per week spent on unpaid and paid work, combined</td>
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<td>within the household and the family as nationally appropriate</td>
<td>(total workload), by sex</td>
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<td></td>
<td>5.5 Ensure women’s full and effective participation and equal</td>
<td>5.5.1 Proportion of seats held by women in (a) national parliaments and</td>
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<td>opportunities for leadership at all levels of decision-making</td>
<td>(b) local governments</td>
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<td>in political, economic and public life</td>
<td>5.5.2 Proportion of women in managerial positions</td>
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<td>5.b Enhance the use of enabling technology, in particular</td>
<td>5.b.1 Proportion of individuals who own a mobile telephone, by sex</td>
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<td>information and communications technology, to promote the</td>
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<td></td>
<td>empowerment of women</td>
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<td>5.c Adopt and strengthen sound policies and enforceable</td>
<td>5.c.1 Proportion of countries with systems to track and make public</td>
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<td>legislation for the promotion of gender equality and the empowerment</td>
<td>allocations for gender equality and women’s empowerment</td>
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<td>of all women and girls at all levels</td>
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<td>6</td>
<td>6.1 By 2030, achieve universal and equitable access to safe</td>
<td>6.1.1 Proportion of population using safely managed drinking water services</td>
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<td>and affordable drinking water for all</td>
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<td>6.2 By 2030, achieve access to adequate and equitable sanitation</td>
<td>6.2.1 Proportion of population using (a) safely managed sanitation services</td>
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<td>and hygiene for all and end open defecation, paying special attention</td>
<td>(b) a hand-washing facility with soap and water</td>
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<td>to the needs of women and girls and those in vulnerable situations</td>
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<td>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</td>
<td>6.3.2 Proportion of bodies of water with good ambient water quality</td>
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<td>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</td>
<td>6.4.1 Change in water-use efficiency over time</td>
<td>🟢</td>
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<td>6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate</td>
<td>6.5.1 Degree of integrated water resources management implementation (0–100)</td>
<td>🟢</td>
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<td>6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes</td>
<td>6.6.1 Change in the extent of water-related ecosystems over time</td>
<td>🟢</td>
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<td>6.8 By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies</td>
<td>6.8.1 Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan</td>
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<td>6.8.2 By 2020, substantially reduce the proportion of youth (aged 15–24 years) not in education, employment or training, and not working exclusively in the home, by sex</td>
<td>6.8.2.1 Proportion of youth (aged 15–24 years) not in education, employment or training, by occupation, age and persons with disabilities</td>
<td>🟢</td>
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<tr>
<td>7</td>
<td>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</td>
<td>7.1.1 Proportion of population with access to electricity</td>
<td>🟢</td>
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<td>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</td>
<td>7.2.1 Renewable energy share in the total final energy consumption</td>
<td>🟢</td>
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<td>7.3 By 2030, double the global rate of improvement in energy efficiency</td>
<td>7.3.1 Energy intensity measured in terms of primary energy and GDP</td>
<td>🟢</td>
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<td></td>
<td>7.4 By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</td>
<td>7.4.1 International financial flows to developing countries in support of clean energy research and development and renewable energy production, including in hybrid systems</td>
<td>🟢</td>
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<td>7.5 By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support</td>
<td>7.5.1 Installed renewable energy-generating capacity in developing countries (in watts per capita)</td>
<td>🟢</td>
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<td>8</td>
<td>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries</td>
<td>8.1.1 Annual growth rate of real GDP per capita</td>
<td>🟢</td>
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<td>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</td>
<td>8.2.1 Annual growth rate of real GDP per capita</td>
<td>🟢</td>
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<td>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</td>
<td>8.3.1 Proportion of informal employment in total employment, by sector and sex</td>
<td>🟢</td>
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<td>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</td>
<td>8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP</td>
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<td>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</td>
<td>8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities</td>
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<td></td>
<td>8.5.2 Unemployment rate, by sex, age and persons with disabilities</td>
<td>8.5.2.1 Unemployment rate, by sex, age and persons with disabilities</td>
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<td></td>
<td>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training</td>
<td>8.6.1 Proportion of youth (aged 15–24 years) not in education, employment or training</td>
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<td>8.6.2 Proportion of youth (aged 15–24 years) not in education, employment or training, and not working exclusively in the home, by sex</td>
<td>8.6.2.1 Proportion of youth (aged 15–24 years) not in education, employment or training, by occupation, age and persons with disabilities</td>
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<td>SDG</td>
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<td>8</td>
<td>8.7 Take immediate and effective measures to eradicate forced labour,</td>
<td>8.7.1 Proportion and number of children aged 5–17 years engaged in child</td>
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<td>end modern slavery and human trafficking and secure the prohibition</td>
<td>labour, by sex and age</td>
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<td></td>
<td>and elimination of the worst forms of child labour, including</td>
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<td>recruitment and use of child soldiers, and by 2025 end child labour in</td>
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<td></td>
<td>all its forms</td>
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<td>8.8</td>
<td>Protect labour rights and promote safe and secure working</td>
<td>8.8.1 Frequency rates of fatal and non-fatal occupational injuries, by sex</td>
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<td>environments for all workers, including migrant workers, in</td>
<td>and migrant status</td>
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<td>particular women migrants, and those in precarious employment</td>
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<td>8.9</td>
<td>By 2030, devise and implement policies to promote sustainable</td>
<td>8.9.1 Tourism direct GDP as a proportion of total GDP and in growth rate</td>
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<td>tourism that creates jobs and promotes local culture and products</td>
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<td>8.10</td>
<td>Strengthen the capacity of domestic financial institutions to encourage</td>
<td>8.10.1 (a) Number of commercial bank branches per 100,000 adults and (b) number of automated teller machines (ATMs) per 100,000 adults</td>
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<td></td>
<td>and expand access to banking, insurance and financial services for all</td>
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<td>8.a</td>
<td>Increase Aid for Trade support for developing countries, in particular</td>
<td>8.a.1 Aid for Trade commitments and disbursements</td>
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<td></td>
<td>least developed countries, including through the Enhanced Integrated</td>
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<td>Framework for Trade-related Technical Assistance to Least Developed</td>
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<td></td>
<td>Countries</td>
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<td>9</td>
<td>9.1 Develop quality, reliable, sustainable and resilient</td>
<td>9.1.2 Passenger and freight volumes, by mode of transport</td>
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<td></td>
<td>infrastructure, including regional and transborder infrastructure,</td>
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<td>to support economic development and human well-being, with a focus</td>
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<td>on affordable and equitable access for all</td>
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<td>9.2</td>
<td>Promote inclusive and sustainable industrialization and, by 2030,</td>
<td>9.2.1 Manufacturing value added as a proportion of GDP and per capita</td>
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<td></td>
<td>significantly raise industry’s share of employment and gross</td>
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<td>domestic product, in line with national circumstances, and double its</td>
<td>9.2.2 Manufacturing employment as a proportion of total employment</td>
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<td></td>
<td>share in least developed countries</td>
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<td>9.4</td>
<td>By 2030, upgrade infrastructure and retrofit industries to make them</td>
<td>9.4.1 CO₂ emission per unit of value added</td>
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<td>sustainable, with increased resource-use efficiency and greater</td>
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<td></td>
<td>adoption of clean and environmentally sound technologies and</td>
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<td>industrial processes, with all countries taking action in</td>
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<td>accordance with their respective capabilities</td>
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<td>9.5</td>
<td>Enhance scientific research, upgrade the technological</td>
<td>9.5.1 Research and development expenditure as a proportion of GDP</td>
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<td></td>
<td>capabilities of industrial sectors in all countries, in particular</td>
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<td>developing countries, including, by 2030, encouraging innovation</td>
<td>9.5.2 Researchers (in full-time equivalent) per million inhabitants</td>
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<td>and substantially increasing the number of research and development</td>
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<td>workers per 1 million people and public and private research and</td>
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<td></td>
<td>development spending</td>
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<td>9.a</td>
<td>Facilitate sustainable and resilient infrastructure development in</td>
<td>9.a.1 Total official international support (official development assistance plus other official flows) to infrastructure</td>
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<td></td>
<td>developing countries through enhanced financial, technological and</td>
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<td></td>
<td>technical support to African countries, least developed</td>
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<td>countries, landlocked developing countries and small island</td>
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<td></td>
<td>developing States</td>
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<td>9.b</td>
<td>Support domestic technology development, research and innovation in</td>
<td>9.b.1 Proportion of medium and high-tech industry value added in total</td>
<td></td>
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<td>developing countries, including by ensuring a conducive policy</td>
<td>value added</td>
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<td>environment for, inter alia, industrial diversification and value</td>
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<td></td>
<td>addition to commodities</td>
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<td>9.c</td>
<td>Significantly increase access to information and communications</td>
<td>9.c.1 Proportion of population covered by a mobile network, by technology</td>
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<td></td>
<td>technology and strive to provide universal and affordable access to</td>
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<td></td>
<td>the Internet in least developed countries by 2020</td>
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<td>10</td>
<td>10.2 By 2030, empower and promote the social, economic and political</td>
<td>10.2.1 Proportion of people living below 50 per cent of median income, by</td>
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<td>inclusions of all, irrespective of age, sex, disability, race,</td>
<td>sex, age and persons with disabilities</td>
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<td>ethnicity, origin, religion or economic or other status</td>
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<td>10.4</td>
<td>Adopt policies, especially fiscal, wage and social protection</td>
<td>10.4.1 Labour share of GDP, comprising wages and social protection</td>
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<td>policies, and progressively achieve greater equality</td>
<td>transfers</td>
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<td>10.5</td>
<td>Improve the regulation and monitoring of global financial</td>
<td>10.5.1 Financial Soundness Indicators</td>
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<td>markets and institutions and strengthen the implementation of such</td>
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<td></td>
<td>regulations</td>
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<td>10.6</td>
<td>Ensure enhanced representation and voice for developing countries in</td>
<td>10.6.1 Proportion of members and voting rights of developing countries in</td>
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<td></td>
<td>decision-making in global international economic and financial</td>
<td>international organizations</td>
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<td>institutions</td>
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<td>10</td>
<td>10.7</td>
<td>Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies</td>
<td>10.7.3 Number of people who died or disappeared in the process of migration towards an international destination</td>
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<td>10.4</td>
<td>Proportion of the population who are refugees, by country of origin</td>
<td>10.7.4 Proportion of the population who are refugees, by country of origin</td>
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<tr>
<td>10.a</td>
<td>Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements</td>
<td>10.a.1 Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff</td>
<td></td>
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<td>10.b</td>
<td>Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes</td>
<td>10.b.1 Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)</td>
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<td>10.c</td>
<td>By 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%</td>
<td>10.c.1 Remittance costs as a proportion of the amount remitted</td>
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<td>11</td>
<td>11.1</td>
<td>By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</td>
<td>11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing</td>
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<td>11.5</td>
<td>By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations</td>
<td>11.5.2 Direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters</td>
</tr>
<tr>
<td>11.a</td>
<td>By 2030, ensure access for all to affordable drinking water and sanitation</td>
<td>11.6.2 Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)</td>
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<td>11.b</td>
<td>By 2030, improve access to water and sanitation, and substantially reduce the number of people suffering from water-related diseases</td>
<td>11.6.3 Proportion of population with access to improved sanitation facilities, by sex and urban/rural area</td>
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<td>11.c</td>
<td>By 2030, by 2030, increase significantly the proportion of households with access to improved water sources</td>
<td>11.6.4 Proportion of population with access to improved drinking water sources, by sex and urban/rural area</td>
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<td>12</td>
<td>12.1</td>
<td>Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</td>
<td>12.1.1 Number of countries with sustainable consumption and production national action plans mainstreamed as a priority or a target into national policies</td>
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<td>12.2</td>
<td>By 2030, achieve the sustainable management and efficient use of natural resources</td>
<td>12.2.1 Installed renewable energy-generating capacity in developing countries (in watts per capita)</td>
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<td>12.3</td>
<td>By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses</td>
<td>12.3.1 (a) Food loss index and (b) food waste index</td>
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<td>12.4</td>
<td>By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</td>
<td>12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement</td>
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<td>12.5</td>
<td>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</td>
<td>12.5.1 National recycling rate, tons of material recycled</td>
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<td>12.6</td>
<td>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</td>
<td>12.6.1 Number of companies publishing sustainability reports</td>
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<tr>
<td>12.a</td>
<td>Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</td>
<td>12.a.1 Installed renewable energy-generating capacity in developing countries (in watts per capita)</td>
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<td>12.b</td>
<td>Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products</td>
<td>12.b.1 Implementation of standard accounting tools to monitor the economic and environmental aspects of tourism sustainability</td>
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<td>12.c</td>
<td>Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities</td>
<td>12.c.1 Amount of fossil-fuel subsidies (production and consumption) per unit of GDP</td>
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<td>13</td>
<td>13.2</td>
<td>Integrate climate change measures into national policies, strategies and planning</td>
<td>13.2.2 Total greenhouse gas emissions per year</td>
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<td>13.3</td>
<td>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</td>
<td>C-13.3 Greenhouse gas emissions by sector (economic activity)</td>
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<td>SDG Target</td>
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<td>14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</td>
<td>14.1.1(a) Index of coastal eutrophication; and (b) plastic debris density</td>
<td>🔶</td>
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<td>14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans</td>
<td>C-14.2 Area of mangroves</td>
<td>🔶</td>
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<td>14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information</td>
<td>14.5.1 Coverage of protected areas in relation to marine areas</td>
<td>🔶</td>
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<td>14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation</td>
<td>14.6.1 Degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing</td>
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<td>14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism</td>
<td>14.7.1 Sustainable fisheries as a proportion of GDP in small island developing States, least developed countries and all countries</td>
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<td>14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries</td>
<td>14.a.1 Proportion of total research budget allocated to research in the field of marine technology</td>
<td>🔶</td>
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<td>14.b Provide access for small-scale artisanal fishers to marine resources and markets</td>
<td>14.b.1 Degree of application of a legal/regulatory/policy/institutional framework which recognizes and protects access rights for small-scale fisheries</td>
<td>🔶</td>
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<td>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</td>
<td>15.1.1 Forest area as a proportion of total land area</td>
<td>🔶</td>
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<td>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</td>
<td>15.2.1 Progress towards sustainable forest management</td>
<td>🔶</td>
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<tr>
<td>15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world</td>
<td>15.3.1 Proportion of land that is degraded over total land area</td>
<td>🔶</td>
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<tr>
<td>15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development</td>
<td>15.4.1 Coverage by protected areas of important sites for mountain biodiversity</td>
<td>🔶</td>
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<tr>
<td>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</td>
<td>15.5.1 Red List Index</td>
<td>🔶</td>
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<tr>
<td>15.6 Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed</td>
<td>15.6.1 Number of countries that have adopted legislative, administrative and policy frameworks to ensure fair and equitable sharing of benefits</td>
<td>🔶</td>
<td></td>
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<tr>
<td>15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species</td>
<td>15.8.1 Proportion of countries adopting relevant national legislation and adequately resourcing the prevention or control of invasive alien species</td>
<td>🔶</td>
<td></td>
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<tr>
<td>15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems</td>
<td>15.a.1 (a) Official development assistance on conservation and sustainable use of biodiversity; and (b) revenue generated and finance mobilized from biodiversity-relevant economic instruments</td>
<td>🔶</td>
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<tr>
<td>SDG Target</td>
<td>Indicator</td>
<td>2023</td>
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<tr>
<td>16.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection</td>
<td>16.1.1 Number of victims of intentional homicide per 100,000 population, by sex and age</td>
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<td></td>
<td>16.1.2 Number of victims of murder or manslaughter per 100,000 population, by sex and age</td>
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<td></td>
<td>16.1.3 Proportion of population subjected to (a) physical violence, (b) psychological violence and (c) sexual violence in the previous 12 months</td>
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<td></td>
<td>16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children</td>
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<td></td>
<td>16.3.1 Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms</td>
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<td></td>
<td>16.3.2 Unsentenced detainees as a proportion of overall prison population</td>
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<td></td>
<td>16.5 Substantially reduce corruption and bribery in all their forms</td>
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<td></td>
<td>16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months</td>
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<tr>
<td></td>
<td>16.5.2 Proportion of persons who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months</td>
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<td></td>
<td>16.6 Develop effective, accountable and transparent institutions at all levels</td>
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<td></td>
<td>16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)</td>
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<td></td>
<td>16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance</td>
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<td></td>
<td>16.8.1 Proportion of members and voting rights of developing countries in international organizations</td>
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<td></td>
<td>16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</td>
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<td></td>
<td>16.10.1 Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months</td>
<td></td>
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<tr>
<td>16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime</td>
<td>16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principles</td>
<td></td>
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<tr>
<td>17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection</td>
<td>17.1.1 Total government revenue as a proportion of GDP, by source</td>
<td></td>
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<td></td>
<td>17.1.2 Proportion of domestic budget funded by domestic taxes</td>
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<td></td>
<td>17.3 Mobilize additional financial resources for developing countries from multiple sources</td>
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<td></td>
<td>17.3.1 Foreign direct investment, official development assistance and South-South cooperation as a proportion of gross national income</td>
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<td></td>
<td>17.3.2 Volume of remittances (in United States dollars) as a proportion of total GDP</td>
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<tr>
<td>17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress</td>
<td>17.4.1 Debt service as a proportion of exports of goods and services</td>
<td></td>
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<tr>
<td>17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism</td>
<td>17.6.1 Fixed Internet broadband subscriptions per 100 inhabitants, by speed</td>
<td></td>
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<tr>
<td>17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</td>
<td>17.7.1 Total amount of funding for developing countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies</td>
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<tr>
<td>17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology</td>
<td>17.8.1 Proportion of individuals using the Internet</td>
<td></td>
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<td>17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation</td>
<td>17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries</td>
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<tr>
<td>SDG</td>
<td>Target</td>
<td>Indicator</td>
<td>2023</td>
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<tr>
<td>17</td>
<td>17.10</td>
<td>Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda</td>
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<td></td>
<td>17.10.1</td>
<td>Worldwide weighted tariff-average</td>
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<td>17</td>
<td>17.11</td>
<td>Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020</td>
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<td></td>
<td>17.11.1</td>
<td>Developing countries’ and least developed countries’ share of global exports</td>
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<td>17</td>
<td>17.12</td>
<td>Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access</td>
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<td></td>
<td>17.12.1</td>
<td>Weighted average tariffs faced by developing countries, least developed countries and small island developing States</td>
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<td>17</td>
<td>17.13</td>
<td>Enhance global macroeconomic stability, including through policy coordination and policy coherence</td>
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<td></td>
<td>17.13.1</td>
<td>Macroeconomic Dashboard</td>
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<td>17</td>
<td>17.17</td>
<td>Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</td>
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<td></td>
<td>17.17.1</td>
<td>Amount in United States dollars committed to public-private partnerships for infrastructure</td>
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<td>17</td>
<td>17.18</td>
<td>By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts</td>
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<td></td>
<td>17.18.2</td>
<td>Number of countries that have national statistical legislation that complies with the Fundamental Principles of Official Statistics</td>
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<td></td>
<td>17.18.3</td>
<td>Number of countries with a national statistical plan that is fully funded and under implementation, by source of funding</td>
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<tr>
<td>17</td>
<td>17.19</td>
<td>By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries</td>
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<tr>
<td></td>
<td>17.19.1</td>
<td>Dollar value of all resources made available to strengthen statistical capacity in developing countries</td>
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<td></td>
<td>17.19.2</td>
<td>Proportion of countries that (a) have conducted at least one population and housing census in the last 10 years; and (b) have achieved 100 per cent birth registration and 80 per cent death registration</td>
<td></td>
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<td></td>
<td>C-17.19.a</td>
<td>Proportion of public budget represented by the (a) national statistical office, (b) national statistical system, (c) national geographic institute and (d) national geographic system</td>
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<td></td>
<td>C-17.19.c</td>
<td>Proportion of countries with basic geospatial data infrastructure</td>
<td></td>
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</tbody>
</table>

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Annex II.A2

Box II.A2.1
Methodology used to calculate the projections for the selected indicators and the likelihood of the targets they relate to being met by 2030

The projection models for the statistical series corresponding to the indicators selected in this report were determined by the nature of each indicator, the availability of secondary information and the reliability of the available data. CEPALSTAT data, the source of the series used, are drawn from the Global Sustainable Development Goal Indicators Database and from regional indicators established and compiled by ECLAC.

An autoregressive integrated moving average (ARIMA) model was used for all series, and data availability permitting, econometric panel data models were constructed on the basis of the literature review and model discrimination using various statistical tests.

For series where there was little information or no significant explanatory variables, the panel regression was omitted and projection was carried out using the ARIMA model only. For that model, again, Dickey-Fuller (1979) unit root tests were performed to determine the stationarity of the series. Once the test was performed, a first-order autoregressive model was used in the event that the series to be projected did not have a unit root, and a different first-order autoregressive model was used in the event that the indicator had one or more unit roots.

For series where sufficient information was available to make projections using a panel data model, the most appropriate specification was identified and regressions were estimated using ordinary least squares, random effects and fixed effects models. Subsequently, the Hausman test (Durbin, 1954) was performed to choose between the fixed and random effects models, and the Breusch-Pagan (1979) test was carried out to decide between the random effects model and the ordinary least squares model.

Once the regressions were estimated, the coefficients obtained were used to establish projections in scenarios in which the probability of occurrence of the explanatory variables was high, and to predict series values by 2030. For the explanatory variables, projections were made using estimates from international agencies, such as the International Monetary Fund (IMF), the trend, and the average change or change at increasing or decreasing rates, or by keeping the variable constant, depending on the most suitable method for the observed series.

Lastly, in order to facilitate the reading of the results on the achievement of the targets set, a “traffic light” was constructed, with three colours (green, yellow and red), to compare two gaps: the gap between the value estimated for 2030 and the target value, and the gap between a base year and the target value (Bidarbakht-Nia, 2017).

A quantitative threshold to be reached by 2030 was set for each series. The thresholds used were those set in the 2030 Agenda, or in the absence of explicit thresholds, were based on official documents from specialized agencies of the United Nations or taken from different international commitments made by Member States.

The base year was chosen in the light of data availability for 2015; if no information was available for that year, data were interpolated; where interpolation was not possible, the value estimated in the ARIMA model was used. Where none of the above options was feasible, the nearest year before and after 2015 was taken as the base year.

The traffic light was calculated using the following formula:

\[ Stoplight = \frac{|Threshold_y - Projection_y|}{|Threshold_y - Base_y|} \]

where subscript \( y \) refers to the variable of interest, \( threshold \) refers to the threshold targeted as the Goal to be achieved by 2030, and \( projection \) refers to the estimate of the panel model or the ARIMA model (in the event that no panel data estimate is available).

The following colours were assigned depending on the value obtained from the above formula:

- **Green**: Traffic light \( \leq 0.1 \)
- **Yellow**: \( 0.1 < \text{Traffic light} < 1 \)
- **Red**: Traffic light \( \geq 1 \)

Green indicates that the target will be met if the current trajectory is maintained; yellow that more effort will be needed; and red that the target will not be met. The series were also aggregated at the indicator, target and SDG levels by implementing the proposal of the Economic and Social Commission for Asia and the Pacific (ESCAP) (Bidarbakht-Nia, 2017 and 2020).

CHAPTER III

Progress in the achievement of Goals 1, 2, 13, 16 and 17 of the 2030 Agenda for Sustainable Development

Introduction
A. Sustainable Development Goal 1: End poverty in all its forms everywhere
B. Sustainable Development Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
C. Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts
D. Sustainable Development 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
E. Sustainable Development Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
F. Conclusions
Bibliography
Introduction

As discussed in chapter II, efforts to achieve the SDGs in Latin America and the Caribbean have encountered a variety of challenges. For the targets and indicators with promising trajectories, the traffic light exercise carried out by the Economic Commission for Latin America and the Caribbean (ECLAC) reveals strengths and good practices. However, the exercise also reveals weaknesses, which call for a redoubling of collective efforts by governments, the private sector and civil society, as well as multilateral organizations, to get back on track and accelerate progress to fully achieve the SDGs by 2030.

The high-level political forum on sustainable development is the main United Nations platform for monitoring the implementation of the 2030 Agenda for Sustainable Development. In 2024, the forum will include a detailed global review of five SDGs: Goal 1 (no poverty), Goal 2 (zero hunger), Goal 13 (climate action), Goal 16 (peace, justice and strong institutions) and Goal 17 (partnerships for the Goals). This chapter presents a detailed analysis of progress and challenges related to those five SDGs in Latin America and the Caribbean. The chapter is divided into sections, each dedicated to one of the five SDGs under review. Each section contains a detailed review of progress on the SDG in question and its targets, as measured by indicators for which direct or indirect data are available. These reviews provide insight into the scope of the efforts required to achieve the targets by 2030.

The analysis takes into account two major factors. First, where possible, it incorporates a cross-cutting gender perspective in accordance with the 2030 Agenda, which recognizes the urgency of achieving gender equality through the 17 SDGs and sets forth a transformative vision to foster economic, social and environmental equality and sustainability. Second, in view of the challenging international and regional outlook in the wake of the coronavirus disease (COVID-19) pandemic (see chapter I), the analysis underscores the need for a far-reaching vision that can help to design and execute transformative policies and initiatives, and the need for the countries of the region to cooperate and exchange experiences and lessons learned, in particular on building and strengthening institutional capacities. In that regard, each section identifies relevant experiences to inform recommendations.

With regard to Goal 1 (no poverty), emphasis is placed on the essential nature of extreme poverty eradication and poverty reduction for development. The analysis presented in the section on Goal 1 takes into account income-based measurements and incorporates multidimensional and gender perspectives. The section also examines the exposure and vulnerability of the poor to extreme events and identifies the most significant challenges to getting the region back on track to achieve this SDG, taking into account that the traffic light assessment shows all Goal 1 targets in yellow or red.

In the section on Goal 2 (zero hunger), the traffic light assessment shows most targets in yellow and red, indicating that the region is progressing too slowly or has regressed. It includes a discussion of challenges and opportunities related to food security; malnutrition, undernutrition and obesity; agricultural production, sustainability, genetic diversity, infrastructure and trade; and the commodities market.

With regard to Goal 13 (climate action), 2019 data show that Latin America and the Caribbean only contributes 10% of global greenhouse gas (GHG) emissions (ECLAC, 2023a) and yet is one of the regions most affected by the climate emergency. This paradox calls for an analysis of adaptation and mitigation challenges and highlights the need for action in the following areas: strengthening capacity-building and the planning and implementation of strategies and policies; raising awareness; and fulfilling international commitments. As detailed in this chapter, this SDG presents a challenge, as the traffic light assessment of Goal 13 shows all targets in red.

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1 For a description of all the Sustainable Development Goals, targets and indicators of the 2030 Agenda, see ECLAC (2023)).
In the section on Goal 16 (peace, justice and strong institutions), the analysis is focused on challenges in maintaining peace and justice, as well as institutional relevance, as enabling factors for sustainable development. Emphasis is placed on the cross-cutting importance of this SDG for the achievement of all the Goals and targets of the 2030 Agenda, especially with little more than five years remaining before the arrival of the 2030 deadline. In Latin America and the Caribbean, most of the Goal 16 targets are progressing, but not fast enough, and some targets have experienced setbacks or even regressed relative to 2015 levels, in particular the following: promoting the rule of law and ensuring access to justice for all; building effective, accountable and transparent institutions; and ensuring public access to information. These aspects are analysed in depth with a view to identifying strategies to accelerate progress towards the achievement of this SDG.

Lastly, the section on Goal 17 (partnerships for the Goals) recognizes the importance of partnerships among entities including governments, the private sector, civil society and international institutions. Goal 17 targets, such as financing; data; access to technology; trade and multilateralism; and partnerships and cooperation are shown in red, yellow and green in the traffic light assessment. The varying degrees of progress reflected in the assessment are analysed in detail in the section on this SDG.
A. Sustainable Development Goal 1: End poverty in all its forms everywhere

Sustainable Development Goal 1: End poverty in all its forms everywhere
Progress in Latin America and the Caribbean

Target 1.1 Eradicate extreme poverty
Indicator 1.1.1 Proportion of the employed population living below the international poverty line, 2015–2022 (Percentages)

Target 1.3 Implement social protection systems
Indicator 1.3.1 Proportion of population covered by social protection floors/systems, 2016 and 2020 (Percentages)

Target 1.4 Equal rights to economic resources, basic services, property and technology
Indicator 1.4.1 Proportion of population with access to basic services: drinking water, 2015–2022 (Percentages)
Indicator 1.4.1 Proportion of population with access to basic services: sanitation, 2015–2022 (Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Note: Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.
1. Ending poverty and extreme poverty as measured by income (targets 1.1 and 1.2)\(^2\)

Latin America made notable advances in the reduction of poverty and extreme poverty\(^3\) between the early 2000s and the early 2010s. However, owing to regression in recent years, the achievement of Goal 1 in the region is less likely than before (see diagram III.1).\(^4\) The incidence of poverty in the Caribbean countries is at least as heterogeneous as in the Latin American countries, but the information needed to measure trends in this indicator in the Caribbean is not available (see box I.2 in ECLAC, 2023b).

ECLAC estimates that the extreme poverty rate in the region reached 11.4% in 2023. This represents an increase of 2.7 percentage points compared to 2015, the baseline year for assessing the SDGs, indicating that the region has regressed on target 1.1 (see figure III.1). Despite a slight decrease between 2010 and 2014, extreme poverty has been rising ever since. The only exception occurred in 2022, when the increase that the COVID-19 pandemic had caused in 2020 was more or less reversed. The figures for poverty are equally discouraging. The poverty rate for 2023 is estimated at 29.1%, up 0.1 percentage points from the 2015 baseline, which indicates a lack of regional progress on target 1.2.

Poverty and extreme poverty trends in Latin America are not uniform. Since 2015, extreme poverty has declined in seven countries, while poverty has declined in nine, demonstrating that progress is possible at the regional level.

Poverty disproportionately affects certain population groups. In 2022, the poverty rate for women of working age was 1.2 times greater than the men’s rate; the rate for the population aged 17 and under (42.5%) was 16 percentage points higher than the rate for adults aged 35 to 44; and the rate for the self-identified Indigenous population (43.1%) was more than double that of the non-Indigenous and non-Afrodescendent population (ECLAC, 2023b). Public policy measures aimed at reducing poverty gaps between population groups will be decisive in improving the region’s prospects for achieving target 1.1.

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\(^2\) Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US$ 1.25 a day (this threshold has been updated to US$ 1.90 a day). Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

\(^3\) Poverty is defined as insufficient household income to afford the goods and services that household members need to meet their basic needs. Extreme poverty is defined as insufficient income to cover basic food needs.

\(^4\) Figures refer to 18 countries in Latin America.
Available data show a complementary relationship between economic growth and redistribution measures with regard to poverty reduction. The period 2008–2014 was characterized by a significant reduction in poverty rates, driven mainly by growth in average income. Meanwhile, income redistribution measures were an important factor in the modest reductions in poverty rates that some countries recorded between 2014 and 2022, whether by propping up low levels of average household income growth or stopping their decline (ECLAC, 2023b). A combination of measures to stimulate growth and reduce the inequality of income distribution is needed to more significantly reduce poverty and extreme poverty by 2030.
In a highly informal and insecure labour market affected by the surge in widespread productive automation, productive jobs must be created in order to improve average income and reduce income gaps, which would strengthen gross domestic product (GDP) growth and improve its distribution.

2. Additional dimensions of poverty: education, health and housing (target 1.2)

Currently, 11 countries of the region are able to measure poverty from a multidimensional perspective to capture the range of deprivations that poverty comprises, such as those related to health, work, social security, education, housing and access to basic services. An analysis of trends in these national measurements—excluding Honduras and Panama, which only have one year of data available for this indicator—shows that multidimensional poverty (excluding monetary poverty) is decreasing at a sufficient pace to meet target 1.2. However, in seven countries with sufficient available data, poverty intensity (the number of deprivations among people who remain poor) has decreased only slightly or not at all, which highlights the need for greater efforts to reduce multidimensional poverty. Taking into account the full slate of monetary poverty and multidimensional poverty indicators, limited progress on both counts indicates insufficient progress to meet target 1.2.

Given the lack of comparability of national multidimensional poverty measurements, global efforts have been made to enable the use of common criteria for monitoring this target. One such effort is the global Multidimensional Poverty Index, developed jointly by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative. According to the 2023 report containing the most recent version of the Index, an estimated 33 million people in the region (nearly 6% of the regional population) are experiencing acute multidimensional poverty, and the extreme monetary poverty figure is not far off (4.9% based on an international poverty line of less than US$ 2.15 per day in 2017 purchasing power parity (PPP)). The report also shows that living conditions are the dimension of poverty that most contributes to acute poverty in the region, with main elements including housing and basic services (38.9%), followed by health (33.5%) and education (27.6%).

A comparative analysis of the global Multidimensional Poverty Index for the countries that had data on at least two periods showed progress on all indicators that measure the living conditions dimension of poverty between 2016 and 2019 (the most recent year for which data are available). According to the simple average of the countries, the greatest strides were made in sanitation (where the incidence of deprivations decreased by half), followed by housing materials, cooking fuel, sources of drinking water, household equipment and electricity. Progress was significant across all indicators (the initial incidence of each deprivation decreased by 40% or more). This suggests that, for this dimension of poverty, it is possible to achieve the 2030 target of reducing poverty by half. However, according to ECLAC forecasts of indicator trends (see chapter II), although the trend is headed in the right direction, the pace is not fast enough to meet target 1.2.

With regard to health and education, the same comparative analysis shows significant progress on education, in particular school attendance, with school dropout rates down by more than 50%. Less progress was made in terms of household members’ average years of schooling. As for health, modest progress was made on the two main indicators, nutrition and infant mortality, owing largely to major strides made in previous decades: according to the most recent estimates available, slightly more

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5 The countries are: Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama and Paraguay.
6 See UNDP/OPHI (2023).
7 The countries are: Belize, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Honduras, Mexico, Nicaragua, Peru, Plurinational State of Bolivia and Suriname.
than 4% of people in multidimensional poverty live in households with at least one member experiencing nutritional deprivation, and only 1.1% live in households that have experienced the death of a member under the age of 18 in the five years prior to the survey. These results reaffirm the progress that has been made on target 1.2, but they also highlight remaining challenges for meeting the target across all dimensions of poverty.

Comprehensive public policies that address the structural and cyclical causes of inequality and social exclusion are needed in order to continue to reduce multidimensional poverty in the region. Relevant aspects of such policies include fostering inclusive growth and the creation of decent jobs, in particular for women, young people, older persons and migrants. It is also important to increase the contribution of micro-, small and medium-sized enterprises to this target through policies that support increased formality in the labour market, productive job training and participation in value chains.

In addition, to prevent the intergenerational transmission of poverty in the long term, improving the quality and coverage of public health services, and of public education at all levels to increase opportunities for learning and human development, is key. Social protection systems must also be strengthened so that the contributory and non-contributory components can ensure universal, more inclusive and gender-sensitive access and that the most vulnerable groups have access to basic services and a minimum income.

These efforts can be bolstered by intersectoral measures that coordinate public policies in order to link the education offering to health, work and social protection, and that facilitate the establishment of mechanisms to guarantee a minimum level of well-being and income. There is an increasingly evident need to integrate disaster risk management with social protection and green recovery instruments in order to build resilience to environmental and climate impacts and to ensure that such impacts do not drive up multidimensional poverty.

3. **Social protection (target 1.3)**

As defined in the Regional Agenda for Inclusive Social Development, social protection consists of policies aimed at guaranteeing access to social services and adequate incomes for the universal achievement of a sufficient level of well-being and the promotion of labour inclusion and decent work (ECLAC, 2020a). In recent decades, the countries of the region have implemented a range of initiatives to strengthen social protection systems, involving a series of policies that expand the coverage and sufficiency of entitlements. However, wide gaps in both coverage and sufficiency preceding the COVID-19 pandemic highlighted the segmentation and poor coordination of the region’s systems. Social protection systems were segmented according to income level and left out broad swathes of the population, deepening inequalities in the region. Progress in this area has varied according to the conditions present in each country.

In 2019, just 46% of the economically active population contributed to a pension system (Arenas, Robles and Vila, 2024). Meanwhile, some non-contributory policies have expanded. With conditional transfer programmes, coverage reached 25.9% of the population in 2021, although in many cases the programmes were nowhere near sufficient (Figueroa and Holz, 2024). Non-contributory pension systems have come to account for a larger share of the social protection architecture, covering 26.7% of the population aged 65 and over in the region in 2021. As shown in figure III.2, these non-contributory
Economic Commission for Latin America and the Caribbean (ECLAC)

components helped to increase pension coverage and reduce poverty among older persons (Arenas de Mesa and Robles, 2024). Even with these advances, however, the coverage of conditional transfer policies and non-contributory pension systems is insufficient.

**Figure III.2**
Latin America and the Caribbean (42 countries and territories): estimated effective social protection coverage, by population group, around 2016 and 2020

(Percentages)

<table>
<thead>
<tr>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least one social protection measure (excluding health)</td>
<td>61.4</td>
</tr>
<tr>
<td>Persons with disabilities in receipt of disability allowances</td>
<td>59.4</td>
</tr>
<tr>
<td>Employed persons with accident coverage</td>
<td>40.8</td>
</tr>
<tr>
<td>Older persons in receipt of a pension</td>
<td>75.4</td>
</tr>
<tr>
<td>Vulnerable population in receipt of social assistance</td>
<td>39.2</td>
</tr>
<tr>
<td>Children covered by family or child benefits</td>
<td>56.0</td>
</tr>
<tr>
<td>Unemployed persons in receipt of unemployment benefits</td>
<td>12.2</td>
</tr>
<tr>
<td>Mothers with newborns</td>
<td>30.5</td>
</tr>
</tbody>
</table>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Global SDG Indicators Database [online] https://unstats.un.org/sdgs/dataportal, and estimates by the International Labour Organization (ILO) based on the Social Security Inquiry (SSI).

While the region mobilized an unprecedented set of emergency social protection measures during the COVID-19 pandemic (ECLAC, 2021a), these measures were not enough to fully contain the pandemic’s impact on poverty and inequality (Atuesta and Van Hemelryck, 2024). This was due in part to the pre-existing gaps in social protection systems, which in some cases had already been growing. For example, according to data provided by the International Labour Organization (ILO), on the basis of available regional averages, social protection coverage, as measured by the majority of indicators used to monitor progress on target 1.3, decreased between 2016 and 2020 in Latin America and the Caribbean (see figure III.2). In 2021, slightly less than one fourth (22.8%) of the population of 14 Latin American countries lived in households without access to social protection systems, whether contributory (i.e. through affiliation or contribution to pension systems) or non-contributory (Figueroa and Holz, 2024).

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10 Between March 2020 and August 2022, 506 emergency social protection measures were announced in Latin America and the Caribbean (see ECLAC, n.d.).

11 According to the model proposed by ECLAC (2012a, 2012b and 2021a), in which households with access to contributory social protection are those with at least one member aged 15 or over who is affiliated with or contributes to a contributory pension scheme or receives a contributory pension, and households with access to non-contributory social protection are those with at least one member in receipt of public transfers.
The data suggest that target 1.3 may not be met, reaffirming the urgent need for stronger social protection systems that are universal, comprehensive, sustainable and resilient (ECLAC, 2022). Such systems and the range of policies that they comprise must simultaneously address the challenges of coverage and sufficiency of entitlements, as well as financial sustainability. The challenges that must be addressed include strengthening mechanisms that effectively guarantee income protection for households and individuals, especially for those at either extreme of the life cycle, by strengthening money transfers, increasing access to social services and reinforcing the link between these policies and labour inclusion (Robles and others, 2024; Santos Garcia, Farias and Robles, 2023).

It is also crucial that legal and effective unemployment insurance coverage be expanded, as these policies (which exist in just 10 countries in the region) act as automatic stabilizers during times of crisis. The comprehensive sustainability of pension systems should be pursued, for example by encouraging a symbiotic link between contributory and non-contributory components (Arenas de Mesa and Robles, 2024). Likewise, the region’s health systems must be strengthened through increased public expenditure, reduced segmentation and progress towards mechanisms for sustainable and solidarity-based financing, with a view to ensuring financial protections for households and effective universal access to health care.

4. Access to basic services (target 1.4)\textsuperscript{12}

Target 1.4 underscores the crucial importance of equal rights for all men and women, especially the poor and most vulnerable, to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, new technology and economic services, including microfinance, for the eradication of poverty. The measurement of these elements at the global and regional levels is complex, but data are available for official indicators such as access to basic services, in particular drinking water and sanitation. These indicators offer an understanding of basic standards of well-being. On average, the region has achieved high levels of access to basic services. Between 2000 and 2022, the percentage of the population with access to drinking water increased from 90.7% to 97.6% (see figure III.3), while the percentage with access to sanitation also increased, from 74.7% to 89.5%. Despite this progress in regional averages, considerable gaps remain between urban and rural areas and across countries and subregions.

For rural areas, universal access to drinking water and sanitation is still a fair way off: between 2000 and 2020, access to drinking water increased from 70.0% to 91.6%, while access to sanitation increased from 49.2% to 74.6%. In the Caribbean, progress on access to drinking water has been slower: the indicator increased from 84.6% of the population to 88.4% during the same period. At this rate, it will be difficult to meet target 1.4.

There is considerable variation between countries. Haiti and Nicaragua have made the least progress on access to drinking water: the indicator increased from 56.2% to 67.4% in Haiti between 2000 and 2022 and from 80.6% to 81.7% in Nicaragua between 2000 and 2020. Haiti also made slow progress on access to sanitation between 2000 and 2022, with an increase from 16.7% to 37.5%. The Plurinational State of Bolivia, meanwhile, made significant progress during the same period (from 34.9% to 69.2%), but that figure is still low relative to the regional average. Thus, additional efforts are required throughout the region to close rural access gaps within countries and, in some cases, to ensure universal access to both basic services, which will be difficult to achieve by 2030.

\textsuperscript{12} Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
One of the outcomes of the Regional Water Dialogues was the Regional Water Action Agenda 2023 for Latin America and the Caribbean, containing a range of recommendations and policy guidelines aimed at ensuring access to water and its sustainable management, as well as sanitation for all, which is based on the need to guarantee the human right to safe drinking water and sanitation through a significant boost in investment in the sector, leaving no one behind, and to promote regulatory and normative changes to ensure equitable and affordable access and thus eradicate water poverty, with innovative instruments that include social rates.\(^{13}\)

5. **Exposure and vulnerability of the poor to extreme events (target 1.5)**\(^{14}\)

Latin America and the Caribbean is very vulnerable to extreme weather events. In the Caribbean, in particular, the damage and losses due to such events often affect the entire economy and population. To make matters worse, these events are becoming increasingly frequent, as discussed in section C of this chapter.

Some progress has been made on target 1.5, such as the creation of new financing mechanisms and improved coordination between social policy and climate action. However, progress on social protection and disaster management is insufficient to ensure the dual resilience —institutional and social— that social protection systems need in order to fulfill their functions at every stage of disasters. Social protection must play a preventive, preparatory, mitigating, resilience-building and recovery-facilitating role to counter declines in the population’s well-being due to disasters. To that end, it is essential to

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\(^{13}\) See the full Regional Water Action Agenda 2023 [online] https://www.cepal.org/sites/default/files/events/files/regional_water_action_agenda_lac.pdf.

\(^{14}\) Target 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.
focus on institutional coordination to provide social protection equipped with that dual resilience. Investments must be made in prevention and universal access to basic services, and both social and labour inclusion must be ensured.

Climate change and disasters do not affect everyone equally. Communities or individuals living in more intense states of vulnerability and poverty, in particular extreme poverty, are more exposed to damage and losses, less resilient to impacts and less able to rebuild their livelihoods. Indeed, vulnerabilities and exposure to disasters reflect the structural inequalities that characterize the countries of the region. To adequately respond to disasters, social protection systems should be both transformative, to be able to tackle the structural challenges of poverty, inequality and vulnerability, and responsive, to be able to take action during and after disasters. Social protection must be capable of adapting and responding to crises, such that they can rapidly expand coverage and support to cope with disasters and contribute to recovery and rehabilitation efforts to mitigate the socioeconomic impact of disasters.

Systemic understanding of disaster risks, in particular emerging and future risks, remains limited. Policies continue to be largely reactive and fail to take into account the increasing frequency of climate disasters. To build the resilience of the poor and reduce vulnerability to extreme weather events, the coordination of social protection and disaster risk management, which is often limited by institutions that are largely siloed by sector, must be more effective. This would support the centring of social protection within systemic risk analysis. At the same time, the development of disaster risk information systems that integrate social dimensions must continue. The interoperability of information systems must be increased, and disaster information must be adequate, accessible and able to be processed quickly, in particular with regard to the social registries in social protection systems.

The objectives of eradicating poverty, reducing inequality and disaster risk and adapting to climate change are interlinked. Their shared purpose is to reduce vulnerability and build the capacity and resilience of the poor and vulnerable. A comprehensive approach to social protection, encompassing climate and disaster risk management, is needed. Such an approach will be key in moving towards integrated plans and policies, underpinned by a shared understanding of risk and supported by a solid social institutional framework that facilitates intersectoral action, with sufficient, effectively managed resources.

6. Resource mobilization and social spending to eradicate poverty (targets 1.a and 1.b)\textsuperscript{15}

Strengthened domestic resource mobilization (also highlighted in this chapter under target 17.1) includes public social spending, which is a central means of achieving the SDGs. The measurement of social spending is therefore key, and trends in social spending illustrate countries’ efforts to achieve inclusive social development. The functional classification of public spending makes it possible to determine the availability of financing for social policy within the central government.\textsuperscript{16}

Figure III.4 shows a significant departure from 2020 to 2022 in the overall trend in central government social spending, which increased at the beginning of the pandemic before returning to just above pre-pandemic levels in 2022 (11.2% of GDP). This far exceeds the spending adjustment that followed the subprime mortgage crisis.

\textsuperscript{15} Target 1.a: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions. Target 1.b: Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.

Social protection, education and health, defined as essential services under indicator 1.a.2, account for the largest proportion of social spending. Global and regional spending targets have been established with a view to achieving the education and health objectives. In 2016, the global minimum spending target for education was fixed between 4% and 6% of GDP, or between 15% and 20% of total public expenditure (UNESCO and others, 2016). In 2022, only eight countries in the region met that target.

In 2014, the Pan American Health Organization (PAHO) established the health spending target of 6% of GDP as a necessary condition for reducing inequities and increasing financial protection through universal access to health and universal health coverage (PAHO, 2014). In 2022, however, only two countries in Latin America and the Caribbean met that target as measured by general government spending and none met the target as measured by central government spending (ECLAC, 2023c).17

On average, the three above-mentioned functions (social protection, education and health) account for the highest proportion of social spending in the region: social protection accounts for 34.9% and 23.1% of such spending in Latin America and the Caribbean, respectively; education accounts for 34.3% and 31.3%, respectively; and health accounts for 23.3% and 29.9%, respectively.

17 The two countries were Argentina and Colombia (public sector coverage and general government, respectively).
The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean...

Figure III.4 shows that a downturn in the trend of social spending as a share of total public spending occurred in 2020 for Latin America and in 2021 in the Caribbean. In Latin America, social spending is the largest component of total public spending, accounting for 53.4%, compared to 42.2% in the five Caribbean countries for which official information is available. These figures highlight the challenge of resuming the path of growth in public social spending, which is necessary to ensure the financial sustainability of inclusive social development policies (ECLAC, 2023b).

Aside from the efforts and challenges linked to the necessity of social spending to ensure sustainable development and poverty reduction, target 1.b also recognizes sound regulatory frameworks as indispensable. In the Regional Agenda for Inclusive Social Development—adopted at the third session of the Regional Conference on Social Development in Latin America and the Caribbean, held in 2019—strengthening social institutions is identified as a cornerstone of quality public policies, helping to make them effective, efficient, transparent and sustainable. Institutional frameworks for social policy are a central element in advancing towards inclusive and sustainable development. For social development to be inclusive, it must actively seek to end poverty and reduce inequality, contribute to the exercise of rights and the closing of gaps that affect the poor and vulnerable, and be resilient, in order to sustainably address the structural and emerging factors that perpetuate unequal social structures (ECLAC, 2023c, p. 135), in particular with regard to poverty eradication measures.

The region has made progress regarding the four dimensions of institutional frameworks for social policy—(i) legal and regulatory, (ii) organizational, (iii) technical and operational and (iv) financial—but social development ministries (or equivalent entities) affirm the persistence of numerous challenges (ECLAC, 2023d). Challenges include the need to consolidate legal and regulatory foundations to advance towards a rights-based approach, a universalist perspective that is sensitive to differences, and objectives and legal mandates that are more aligned with the capacities of social institutions. In organizational terms, investment is needed in human and technological resources to secure results and improve efficiency through coordination, decentralization and participation. The technical and operational dimension must also be strengthened through greater investment in information systems, data scope expansion, and the dissemination of social information at the intersectoral and population levels, to reaffirm and recentre inclusive social development; and systems for monitoring and evaluating social policies and programmes need to be consolidated. Lastly, progress on financial sustainability must be prioritized in order to strengthen social institutions and thus support poverty eradication and reduce inequality through legislation, organizational systems and their management capacities and instruments. An important course of action in this area is to create public spending standards for non-contributory social protection that include shared financing commitments among countries, such as the standards and commitments that already exist in the areas of health and education, in order to close income gaps and make progress on poverty eradication (ECLAC, 2022 and 2023b).

7. Mainstreaming the gender perspective in poverty analysis

Progress towards gender equality in the context of Goal 1 is monitored through a set of five indicators, which take into account the persistence of gender gaps in the incidence of poverty and highlight critical gaps in globally and regionally comparable data, such as data on land tenure.18 Women experience poverty

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18 Gender-related indicators are those that explicitly require a breakdown by sex or refer to gender equality as an underlying objective. The following indicators are used to monitor Goal 1: indicator 1.1.1, proportion of the population living below the international poverty line by sex, age, employment status and geographical location (urban/rural); indicator 1.2.1, proportion of population living below the national poverty line, by sex and age; indicator 1.2.2, proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions; indicator 1.3.1, proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable; and indicator 1.4.2, proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure (UN-Women/DESA, 2023).
at higher rates than men, and in rural areas, both poverty rates and gender gaps are greater. In 2022, 42.2% of women living in rural areas were poor, 2.3 percentage points higher than the 39.9% of men in the same situation. Although the gender gap was smaller in urban areas (1.3 percentage points), poverty rates were still higher among women (26.8%) than men (25.5%) (ECLAC, 2023i). There are also gender gaps in extreme poverty: in 2021, 20% of women in rural areas were living in extreme poverty, compared to 19% of men in that area; while 9.4% of women in urban areas were living in extreme poverty, compared to 9.1% of men (ECLAC, 2023i).

In addition to the official SDG indicators, Latin America and the Caribbean has a set of strategic indicators defined in the Regional Gender Agenda. The Gender Equality Observatory for Latin America and the Caribbean compiles and disseminates these indicators, including the femininity index of poverty, which indicates that, in 2022, there were 117.7 women living in poverty for every 100 men in the same situation (ECLAC, 2023i). The index increased over the past five years, from 114.2 in 2018 (see figure III.5). The gender gap affects urban and rural areas, where the index is 119.3 and 109.9, respectively.

Figure III.5
Latin America (10 countries): femininity index of poverty, 2018 and 2022

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

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19 The Regional Gender Agenda for Latin America and the Caribbean is a roadmap for implementing public policies that contribute to overcoming the structural challenges of gender inequality, in synergy with the 2030 Agenda for Sustainable Development. It has been adopted by member States at sessions of the Regional Conference on Women in Latin America and the Caribbean, held since 1977.

20 The femininity index of poverty represents the disparities in poverty or extreme poverty between men and women. A value above 100 indicates that poverty or extreme poverty affects women more than men, and a value of less than 100 indicates the opposite.
Another relevant Gender Equality Observatory indicator for understanding inequality is own income: in 2022, according to the most recent national survey data, 25.3% of women aged 15 and over did not have their own monetary income and were not exclusively studying (according to their activity status), compared to 9.7% for men (ECLAC, n.d.-b). Women having their own income is one of the main tools for the exercise of their economic autonomy.

The unequal distribution of unpaid work is one possible reason why labour participation gaps persist (ECLAC, 2017). The total workload, expressed in average weekly hours of paid and unpaid work, is greater among women than among men. Although obtaining a regional average is not possible owing to differences in the countries’ data collection processes, there is a clear pattern in the proportion of time that men and women devote to each type of work. While men allocate more than half of their working time to the labour market, women devote approximately one third. In the case of unpaid work, the proportion is reversed: women allocate more than half of their working time to unpaid work, while in some countries men devote less than one third (ECLAC, 2023i).

Poverty exacerbates the gender inequalities that restrict the empowerment of women and girls in their diversity: early and forced marriages and child unions are more prevalent in households in the lowest income quintile (ECLAC, 2023i).21

Closing these gaps requires public policies that address the structural nature of gender inequality. To that end, affirmative action should aim to stop the perpetuation of patriarchal cultural patterns, socioeconomic inequalities and the unfair sexual division of labour, and to prevent the stigmatization and marginalization of girls and adolescents (ECLAC, 2023i). To empower girls and adolescents, it is crucial to implement public policies that guarantee quality education (including comprehensive sexuality education, without gender stereotypes), the exercise of sexual and reproductive rights, and access to sexual violence prevention and care services, among other actions and programmes (ECLAC, 2023i).

21 In Latin America and the Caribbean, indicator 5.3.1 (proportion of women aged 20–24 who were married or in a stable union before age 18) was 21.2% in 2022 (ECLAC, 2023m).
B. Sustainable Development Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Sustainable Development Goal 2
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Progress in Latin America and the Caribbean

**Target 2.1 Universal access to safe, nutritious and sufficient food**
Indicator 2.1.1 Prevalence of undernourishment, 2015–2021 (Percentages)

**Target 2.2 End all forms of malnutrition**
Indicator 2.2.1 Proportion of children under 5 years of age moderately or severely stunted, 2015–2022 (Percentages)

**Target 2.4 Sustainable food production and resilient agricultural practices**
Indicator C-2.4.a Intensity of fertilizer use, 2015–2021 (Kg per ha of agricultural land)

**Target 2.5 Maintain genetic diversity in food production**
Indicator 2.5.1 Plant varieties with sufficient genetic resources stored, 2016–2021 (Thousands)

**Target 2.a Increase investment in rural infrastructure and agricultural research**
Indicator 2.a.1 Share of agriculture in public spending, 2015–2021 (Percentages)

**Target 2.c Ensure the proper functioning of food commodity markets**
Indicator 2.c.1 Countries with abnormally or moderately high food prices, 2015–2021 (Percentages)

The trend is moving away from the target
The trend is in the right direction, but progress is too slow for the target to be met
Target already reached or likely to be reached on the current trend

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Note: Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.

a As measured by the indicator of food price anomalies.
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Diagram III.2
Latin America and the Caribbean: Goal 6 targets, by likelihood of achieving the defined threshold by 2030

<table>
<thead>
<tr>
<th>Goal 2</th>
<th>2.1</th>
<th>2.4</th>
<th>2.a</th>
<th>2.2</th>
<th>2.5</th>
<th>2.c</th>
<th>2.b</th>
<th>2.3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Red</td>
<td></td>
<td></td>
<td>Orange</td>
<td></td>
<td></td>
<td>Orange</td>
<td></td>
</tr>
</tbody>
</table>

- Red: The trend is moving away from the target
- Orange: The trend is in the right direction, but progress is too slow for the target to be met
- White: Target already reached or likely to be reached on the current trend
- Yellow: Insufficient data

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

1. Food security: access to safe, nutritious and sufficient food (target 2.1)²²

Technological change and investments in infrastructure in recent decades have enabled significant progress on food production in Latin America and the Caribbean. Between 2000 and 2022, the prevalence of undernourishment in the region declined from 10.8% to 6.5% (FAO and others, 2023). However, low economic growth since 2014 and the confluence of crises affecting the global economy more recently have interrupted progress in the fight against hunger. According to the indicator for moderate or severe food insecurity, the measurement of which began in 2015, the prevalence of such insecurity in the region increased from 21.7% in 2015 to 29.6% in 2022, affecting women and rural populations the most (FAO and others, 2023). These data indicate a regional setback on target 2.1 (see diagram III.2).

In 2022, hunger, defined as the prevalence of undernourishment, affected 5.1% of the population of Central America and Mexico (9.1 million people), 6.1% of the population of South America (26.8 million people) and 16.3% of the population of the Caribbean (7.2 million people). In addition, moderate or severe food insecurity affected 34.5% of the population in Central America and Mexico, 36.4% in South America and 60.6% in the Caribbean.

Although the most recent estimates indicate no increase in the prevalence of hunger and food insecurity in the region between 2021 to 2022, these indicators remain above pre-pandemic levels. Indeed, the increase in hunger has accelerated since 2019, both regionally and worldwide, owing to the pandemic, the climate crisis, the war in Ukraine and its impact on supply chains, the economic slowdown, and rising food inflation amid income inequality (see figure III.6).

Rising food insecurity has multiple causes. In Latin America and the Caribbean, 15 countries are net exporters of food and 18 countries are net importers of food, but nearly 80% of the population lives in the 15 exporting countries. Paradoxically, part of the population of those net exporting countries also suffers from hunger and food insecurity. Given that, for now, the world food supply is sufficient to meet global demand, the increase in hunger and food insecurity is attributable mainly to access problems (ECLAC/FAO/WFP, 2022). Rising food prices, together with the fact that the post-pandemic economic recovery has been incomplete and based on low-productivity, low-paying jobs, constitute a barrier to accessing a healthy diet in Latin America and the Caribbean.

The cost of a healthy diet in the region is highest in the Caribbean, at US$ 4.41 per person per day in PPP, followed by South America, at US$ 3.82, and Central America and Mexico, at US$ 3.63. In the Caribbean, 57% of the population cannot afford a healthy diet, compared to 22.2% in Central America and Mexico and 20.6% in South America (FAO and others, 2023).

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²² Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
Social, demographic and economic changes are modifying lifestyles and eating habits worldwide, in many cases reproducing unhealthy or excessively homogeneous patterns of food consumption. Globally, more than 40% of the calories consumed daily come from three staple crops: rice, wheat and maize. In addition, the consumption of grains, sugars and fats is increasing more rapidly than the consumption of fruits and vegetables, and there are significant gaps between income quintiles, with greater increases in the consumption of unhealthy foods in poorer households. An unhealthy diet is one of the major causes of malnutrition in all its forms and is among the top 10 risk factors contributing to the global burden of disease (FAO/WHO, 2019).

2. Combating malnutrition, undernutrition and obesity (target 2.2)

Achieving Goal 2 requires a 40% reduction in the number of chronically undernourished children under 5 years of age by 2025 and a prevalence of less than 2.5% by 2030. According to official data, the regional average has met the first part of this target: by 2022, the number of chronically undernourished children —as measured by its most common manifestation, stunting— had fallen by 43.6% since 2000 (see figure III.7). The most significant achievements were in Paraguay (where the reduction had reached 81% by 2022), Uruguay (74%), Peru (69%), the Plurinational State of Bolivia (63%) and Guyana (58%). However, a 54% increase in the number of chronically undernourished children in Trinidad and Tobago between 2000 and 2022 led to a reduction of only 35% in the Caribbean subregion. Costa Rica, meanwhile, is the only Latin American country that regressed on this indicator, which increased by 13%.

Target 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.

<table>
<thead>
<tr>
<th>Region</th>
<th>Prevalence of undernourishment</th>
<th>Severe food insecurity</th>
<th>Moderate or severe food insecurity</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>7.9</td>
<td>9.2</td>
<td>14.2</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>6.5</td>
<td>14.2</td>
<td>16.3</td>
</tr>
<tr>
<td>Central America and Mexico</td>
<td>5.1</td>
<td>11.3</td>
<td>12.6</td>
</tr>
<tr>
<td>South America</td>
<td>6.1</td>
<td>9.7</td>
<td>8.9</td>
</tr>
<tr>
<td>World</td>
<td>28.2</td>
<td>25.3</td>
<td>60.6</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>31.5</td>
<td>29.6</td>
<td>37.5</td>
</tr>
<tr>
<td>Central America and Mexico</td>
<td>28.2</td>
<td>26.7</td>
<td>36.3</td>
</tr>
<tr>
<td>South America</td>
<td>8.6</td>
<td>8.5</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO) and others, Latin America and the Caribbean – Regional Overview of Food Security and Nutrition 2023: Statistics and Trends, Santiago, 2023.
The prevalence of stunting in children decreased from 17.8% to 11.5% between 2000 and 2022. The 35.4% progress made to date is well below the 73.3% that the region should have achieved by 2022 in order to stay on track to meet the target. In other words, progress is being made, but not fast enough. The region will not meet the target without additional efforts, in particular in the countries that are the furthest behind, given the considerable variation among countries: seven countries have already met or are close to meeting the 2030 target, eight countries are far from meeting the target, and the remaining countries fall somewhere in between.

Although a complete series of data is not available for all countries and years, the estimated regional prevalence of wasting or low weight for height in children under 5 years of age is lower than 2.5%. The regional average is 1.4%, with subregional prevalence ranging from 1.0% in South America to 2.9% in the Caribbean. Notwithstanding these low levels, pre-2020 data show that the prevalence was over 5.5% in four countries.

With regard to another manifestation of malnutrition, namely the prevalence of overweight in children under 5 years of age, available data show a distinct upward trend over the past two decades, rising from 6.8% in 2000 to 8.6% in 2022, for a relative increase of 26.5%. The trend was even more pronounced in South American countries, where the relative increase averaged 40.6%. In the Caribbean, the increase was 8.2%, while prevalence in Central America decreased by 2.9%. Countries vary significantly in terms of both indicator values and trends: in 2022, prevalence was less than 5% in 4 countries but exceeded double digits in 10. Likewise, since 2000, prevalence had doubled or tripled in 19 countries but decreased by up to 50% in 7.

The prevalence of anaemia in women aged 15 to 49 years decreased in all the countries of the region, with the Caribbean countries averaging the smallest decrease and the highest prevalence. Between 2000 and 2019, prevalence at the regional level fell from 25.6% to 17.2% which, while significant, is still insufficient to meet the target.
The prevalence values and trends among non-pregnant women aged 15 to 49 years are similar to those for women overall. Among pregnant women, however, the prevalence of anaemia in 2019 was 4.8 percentage points higher than among non-pregnant women, and the rate of decline between 2000 and 2019 was slower.

Overall, trends in the various forms of malnutrition show that, despite progress in the past two decades, the region will not meet target 2.2 if action is not taken to accelerate the reduction of child undernutrition and anaemia among women. This is truer still for overweight prevalence among children under 5 years of age, which has increased significantly instead of decreasing. Public policy efforts should therefore be redoubled, taking into account the entire life cycle. For example, such efforts should focus on monitoring maternal or foetal health during pregnancy and prevention of low birth weight, breastfeeding advocacy, micronutrient fortification, nutritional supplements and food labelling. ECLAC, the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme have made public policy proposals to address access problems caused by rising food prices (ECLAC/FAO/WFP, 2022). These include recommendations to facilitate trade in goods, to strengthen social protection systems and to promote an active role for school meal programmes and linkages with productive development, within the framework of a regional food security plan.

3. Agricultural productivity (target 2.3)

Target 2.3 calls for doubling the agricultural productivity and incomes of small-scale food producers. The availability of information on producer income is limited in most countries of the region. About 81% of the approximately 18 million farms that make up the agricultural sector in Latin America and the Caribbean are family farms, but these account for just 23% of agricultural land (Salcedo and Guzmán, 2014). The average size of a family farm in the region is 13 hectares, but this drops to 2.5 hectares if the Southern Cone countries are excluded. An estimated 60 million workers are involved in family farming.

This makes household surveys a viable tool for estimating the incomes of small-scale producers. Bearing in mind that the definition of family farming varies from country to country, but assuming that the majority of own-account workers and their unpaid family members in the agricultural sector belong to the family farming category, it is possible to calculate the average income of family farmers (see figure III.8). Their income is the lowest of all employment categories in rural areas of Latin America and, although the income level has increased, in particular between 2000 and 2010, that increase has stalled in recent years.

The availability of information on the productivity of small-scale food producers is even more limited than income information. The traditional source of information in this regard is agricultural censuses, which are conducted, at best, every 10 years. The information available from the Corporate Database for Substantive Statistical Data, while not disaggregated by producer type, is the only data series on agricultural productivity that covers most of the countries of Latin America and the Caribbean.

According to that data set, the value added per worker in the region’s agricultural sector was approximately US$ 7,400 in 2020, which was less than one tenth of the figure in the United States (US$ 76,700). Regional agricultural productivity increased, in real terms, by 2.0% annually between 2000 and 2020, but there were significant differences between subregions. Agricultural productivity in South America grew by 2.3% annually, compared to 1.5% in Central America and Mexico and 0.8% in the Caribbean. From 2015 to 2020, regional agricultural productivity flagged, increasing only in Central America and Mexico.

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24 Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, Indigenous Peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
In view of the level of agricultural productivity that must be achieved in order to meet target 2.3, investment in the sector must increase. According to ECLAC estimates, South America would need an additional investment of US$ 35.295 billion per year (1.08% of subregional GDP) to match the intensity of agricultural investment in the United States, compared to US$ 12.536 billion (0.73% of subregional GDP) in Central America and Mexico and US$ 2.594 billion (3.34% of subregional GDP) in the Caribbean (ECLAC, 2023n).

4. **Sustainability and resilient practices (target 2.4)**

By 2050, food production will have to increase by almost 50% compared to 2015 levels to meet the demand of the world's growing population. Increased food production, in turn, will place greater pressure on natural resources, such as soil, water and biodiversity, causing GHG emissions to rise.

Target 2.4 recognizes the need to ensure the sustainability of food production systems and to implement resilient agricultural practices. However, available information on the intensity of fertilizer use and apparent pesticide consumption shows that the region is trending away from the target.

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**Figure III.8**

*Latin America (15 countries): a average income of the employed population in rural areas, by employment category, 2000–2022 (Multiples of the poverty line)*

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Target 2.4 recognizes the need to ensure the sustainability of food production systems and to implement resilient agricultural practices. However, available information on the intensity of fertilizer use and apparent pesticide consumption shows that the region is trending away from the target.

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25 Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
Roughly 78% of the fertilizers used in Latin America and the Caribbean are imported. The region is more dependent on fertilizer imports than any other region, which is especially significant given how much food it produces and exports. Although nitrogen fertilizer use in the region —especially in the Caribbean— is less intensive than it is globally, it is increasing more rapidly, in particular in South America. Meanwhile, between 2000 and 2020, the use of agricultural pesticides in Latin America and the Caribbean increased by more than 180%, a rate well above the global average of 56%.

The rise in energy prices since 2020 steepened with the start of the war in Ukraine, driving fertilizer prices to double and even triple in some cases. This has meant that fertilizers are more affordable for large-scale food producers and harder to access for small-scale producers. The segmentation of access to fertilizers could exacerbate the structural heterogeneity of agriculture in Latin America and the Caribbean.

However, the increase in the price of agrochemicals also presents the food system with an opportunity to transition to more sustainable forms of production. The region has extensive experience in the use of traditional natural fertilization practices, ranging from crop rotation with legumes and the use of guano to the latest generation of biofertilizers, such as enhancing the absorption of nutrients from the soil through the use of microorganisms. Governments should invest in expanding these practices. Support for the most vulnerable producers will be essential to ensure that the sustainable agriculture transition does not have a negative impact on productivity and food production. These linkages are discussed in greater detail in chapter IV.

5. Genetic diversity of plants and animals (target 2.5)26

Latin America has 40% of the planet’s ecosystem capacity and dozens of cultivated and domesticated species that constitute global food staples. The region, which is home to 10 of the 36 areas identified as the planet’s biodiversity hotspots owing to their high biodiversity, high endemism and a decrease of 70% or more of their original natural vegetation, is experiencing considerable biodiversity loss at a much greater rate than the global average. The major cause of biodiversity loss in the region is habitat loss and degradation, due mainly to land-use change.

One mechanism for reversing biodiversity loss is the safeguarding of plant and animal genetic resources in medium- and long-term conservation facilities. In the case of plant genetic resources, the trend for this mechanism is positive, with distinct accessions27 of plant genetic resources doubling in the region between 1995 and 2021. In 2021, of the 5,830,175 accessions worldwide, 465,618 (8%) came from the region. However, since 2017, the regional figure has remained virtually stagnant (CEPAL, 2023a).

In the case of local animal genetic resources, there is very little material in storage for conservation and very little information. Data are non-existent for 54.5% of local breeds, and the data that are available indicate that 39.1% of local breeds have no genetic material stored, and 5.7% have insufficient material stored. Only 0.7% of local animal genetic resources are stored in sufficient quantities (FAO, 2023a).

The trend in the proportion of local livestock breeds believed to be at risk (as a percentage of those known to be at risk of extinction) is also unfavourable. The proportion rose in Central America between 2000 and 2009, from 29% to 58%. It fell in South America during the same period, from 42% to 31%, but has increased in recent years, reaching 38% in 2022 (ECLAC, 2023a). In the past five years, the

26 Target 2.5: By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.

27 The term “distinct accession” refers to the storage of a sufficient amount of genetic resources for a given plant variety secured in medium- or long-term conservation facilities.
proportion has decreased in only 3 of the 20 countries for which information is available, namely Mexico, the Plurinational State of Bolivia and Uruguay, and has only been reduced to zero in the first two. It should be noted that 83% of the local animal breeds in Latin America and the Caribbean (474 in total) have an unknown risk status (FAO, 2023a; United Nations, 2023).

The path to achieving Goal 2 relies on maintaining and protecting the habitats of the wild relatives of domestic plant and animal species. Systems for recording biodiversity and cultural richness should be implemented in order to preserve as many varieties as possible for sustainable use, with a view to improving food security and contributing at the systemic level to climate change adaptation, the development of medicine and its potential health benefits, and ecological and cultural resilience, among other factors (ECLAC, 2024; Senate of the Republic, 2014).

Biodiversity conservation has a synergistic relationship with employment and economic growth. Nearly one fifth of employment in Latin America and the Caribbean is highly dependent on biodiversity, and regional economic growth has historically been linked to trade in natural assets. However, much of that growth has been environmentally unsustainable; costs have not been internalized; and boom periods have failed to translate into innovation, productive diversification and long-term economic growth processes (ECLAC, 2018b).

To achieve target 2.5 and Goal 2 more broadly, it is critical to recognize the heavy dependence of agriculture on nature and the importance of an agrobiodiversity-centred approach. To that end, the basic food basket must incorporate a variety of foods produced in resilient agroecosystems, preferably through traditional and local agriculture, that preserve farmers’ livelihoods and strengthen their capacities for adaptation. This would help to reduce the negative impacts and enhance the positive effects of agriculture.

6. Agricultural investment and infrastructure (target 2.a)\(^{28}\)

Between 2001 and 2021, public spending in Latin America and the Caribbean on environmental protection, agriculture, forestry and fishing, including related research and development, averaged approximately US$ 23.4 billion annually (at 2015 prices). This figure represented approximately 0.67% of regional GDP, just below the global average of 0.75%. Public spending on agriculture rose sharply following the 2007–2008 financial crisis and remained high until 2015, then gradually declined to approximately US$ 15 billion (at 2015 prices) in 2021. This limited progress towards target 2.a and led to setbacks in areas such as investment in rural infrastructure, research and technological development in the sector.

The agricultural orientation index measures public spending on agriculture as a share of total public spending, divided by the agricultural share of GDP. The index shows that the agricultural sector’s share of public spending is lower than its share of GDP. Moreover, the index is trending down in the region, from approximately 0.5 in 2007 to 0.2 in 2021, well below the global average of 0.4–0.5.

Between 2015 and 2021, the Caribbean performed better than the other subregions and the global average, with an agricultural orientation index value of approximately 0.77 for the subregion and above 1 for several countries. South America, meanwhile, averaged an index value of 0.2, and Central America and Mexico averaged 0.4. It is estimated that, in order to raise the region’s index value to the global average of 0.5, agricultural spending would have to increase by a multiple of 2.5 relative to 2021 (the latest year for which data are available). This increase would amount to 1.0% of the region’s total GDP (ECLAC and others, 2024).

\(^{28}\) Target 2.a: Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.
Given the low levels of public spending on agriculture, internal flows between consumers and producers are the main source of financing for agrifood systems: consumer spending on food constitutes sales or income figures for farmers, agribusiness operators and other economic actors that participate in food systems. There are also external sources that complement public spending, namely international development flows, banks and capital markets (ECLAC and others, 2024).

Final consumption flows are several times greater than external flows: in Latin America and the Caribbean, the value of food bought by consumers represents about 20% of GDP, compared to 0.67% for public spending on agriculture, 0.07% for international development flows and 1.53% for lending to the agricultural sector. Given the importance of domestic flows, improvements in food security and nutrition will rely heavily on macroeconomic, trade, regulatory and other policies that form an incentive framework to guide the behaviour and dietary patterns of consumers and the behaviour of producers.

7. Agricultural trade (target 2.b)\(^{29}\)

Agricultural export subsidies distort prices by encouraging surplus production in exporting countries and reducing production in importing countries. Eliminating export subsidies is important for correcting distortions in international markets and addressing global inequality. Recognizing this, in 2015, members of the World Trade Organization (WTO) agreed to eliminate all forms of agricultural export subsidies.\(^{30}\)

This decision led to a significant reduction in export subsidies, but other support measures continue to affect international markets, including price floors, direct payments to producers, tariffs and export restrictions. Target 2.b aims to correct and prevent trade restrictions and distortions in world agricultural markets. Although progress has been made on this target, it should be noted that measuring progress through agricultural export subsidies alone may not reflect the full scope of trade restrictions and distortions affecting agrifood products (FAO, 2023b).

Latin America and the Caribbean is the world’s leading net food exporter and one of the regions that least subsidizes agricultural exports, according to data from the Department of Economic and Social Affairs of the United Nations (United Nations, n.d.). Because of their links to global markets, regional food exports and imports are exposed to price variations caused by external shocks and to market distortions caused by subsidies and other third-country trade measures, such as export restrictions. Several countries implemented such measures in recent years, in response to both the COVID-19 pandemic and other supply shocks, including at the onset of the war in Ukraine (ECLAC/FAO/WFP, 2022).

In the first four weeks of the pandemic, 21 countries imposed export restrictions on a wide range of products, affecting about 8% of total traded calories at the peak of the crisis (in May and June 2020). In the months following the outbreak of the war in Ukraine, several countries imposed bans and other restrictions on exports of certain foods, affecting about 17% of calories traded globally. Estimates suggest that export restrictions contributed to 40% of the increase in agricultural prices during the food price crisis of 2007 and 2008 (Glauber, Laborde and Mamun, 2022, cited in ECLAC/FAO/WFP, 2022).

These data underscore the importance of continuing to monitor the various trade restrictions and distortions that can affect agrifood products in the region and to implement corrective and preventive measures in that regard.

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\(^{29}\) Target 2.b: Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round.

\(^{30}\) See the ministerial decision of 19 December 2015 [online] https://www.wto.org/english/thewto_e/minist_e/mc10_e/l980_e.htm.
8. Food commodity markets (target 2.c)\textsuperscript{31}

The proportion of countries in the region experiencing unusually high food prices has declined in recent years as inflationary trends have cooled. However, international prices remain high relative to the 2015–2019 period, and food price inflation also remains high. Prices began to rise in mid-2020 amid rebounding demand and the imposition of supply restrictions during the COVID-19 pandemic. Inflation continued to rise in 2021 and peaked in 2022, a few months after the outbreak of the conflict in Ukraine. It was not until mid-2023 that the FAO Food Price Index values dropped below the 2021 average.

Food price inflation in the countries of Latin America and the Caribbean has followed a similar trajectory. It peaked at an annual rate of 12.4% in July 2022, then declined, in particular from 2023 onwards. Food inflation stood at 4.1% in September 2023, which is still higher than pre-pandemic levels. From the beginning of 2019 to the end of 2023, food inflation exceeded headline inflation in terms of regional averages. This indicates that measures to limit food price volatility, such as those proposed in target 2.c, have not yet made sufficient progress, highlighting the need for greater efforts to implement policies that favour the proper functioning of commodity markets in the region.

C. Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts

### Indicator C-13.1 Deaths attributed to disasters due to climate change, 1993–2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>5 000</td>
</tr>
<tr>
<td>1995</td>
<td>10 000</td>
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<tr>
<td>1997</td>
<td>15 000</td>
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<td>1999</td>
<td>20 000</td>
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<tr>
<td>2001</td>
<td>25 000</td>
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<td>2003</td>
<td>30 000</td>
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<td>2005</td>
<td>35 000</td>
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<td>2007</td>
<td>40 000</td>
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<tr>
<td>2009</td>
<td>45 000</td>
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<tr>
<td>2011</td>
<td>50 000</td>
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<td>2013</td>
<td>55 000</td>
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<td>2015</td>
<td>60 000</td>
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<td>2017</td>
<td>65 000</td>
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<tr>
<td>2019</td>
<td>70 000</td>
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<tr>
<td>2021</td>
<td>75 000</td>
</tr>
<tr>
<td>2023</td>
<td>80 000</td>
</tr>
</tbody>
</table>

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

Note: Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.

\textsuperscript{31} Target 2.c: Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.
Diagram III.3
Latin America and the Caribbean: Goal 13 targets, by likelihood of achieving the defined threshold by 2030

<table>
<thead>
<tr>
<th>Goal 13</th>
<th>13.2</th>
<th>13.3</th>
<th>13.1</th>
<th>13.a</th>
<th>13.b</th>
</tr>
</thead>
<tbody>
<tr>
<td>The trend is moving away from the target</td>
<td>The trend is in the right direction, but progress is too slow for the target to be met</td>
<td>Target already reached or likely to be reached on the current trend</td>
<td>Insufficient data</td>
<td></td>
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</table>

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

1. Regional contribution to climate change

Latin America and the Caribbean emitted six gigatons of carbon dioxide equivalent (GtCO₂eq) in 2019, which represented 10% of global emissions (ECLAC, 2023a). The composition of GHG emissions in the region differs from the world average: its energy mix is relatively cleaner and renewable energies have been gaining ground. However, land-use change, forestry and agriculture —low-tech activities which reflect the weight of the primary sector in the region— account for a significant share of regional emissions, far exceeding their share at the global level. Indeed, these activities account for 58% of GHG emissions in Latin America and the Caribbean: land-use change accounts for 38%, and agriculture, forestry and other land uses account for 20%. These are followed by the energy sector (25%) and the transport sector (11%), with the remainder contributed by electricity generation and use, and buildings, among other energy uses (ECLAC, 2023a).

Over the past three decades (1990–2020), GHG emissions from energy use in Latin America and the Caribbean increased at an average annual rate of 1.2%, while emissions from the non-energy sectors decreased at a rate of 0.4% (see figure III.9). The most significant annual variations in the region during that period occurred in emissions from land-use change and forestry, which decreased by 2.2%, while emissions from waste grew by 2.5%. These two trends contrast with global average variation. In the case of emissions due to energy use, the electricity and heating subsector and the transportation subsector grew the most. Rising emissions in Latin America and the Caribbean are linked to the weakened regional economy, as noted in chapter I.

Figure III.9
Latin America and the Caribbean and the world: average annual variation in greenhouse gas emissions, 1990–2020
(Percentages)


Note: Fugitive emissions occur when greenhouse gases are intentionally or unintentionally released owing to leakage during the extraction and processing of fossil fuels and their delivery to the point of final use.
The SDG targets call for action in the areas of adaptation and mitigation, including capacity-building, planning and implementation of strategies and policies, awareness-raising and fulfilment of international commitments. The following sections contain a review of regional progress and challenges in each of these areas with regard to achievement by 2030 (see diagram III.3).

2. Adaptation and reduction of climate-related risks and impacts: education, awareness-raising and early warning (targets 13.1 and 13.3)³²

Climate change is the challenge of the century for humankind. Its causes and consequences demand urgent action if the Paris Agreement targets, namely holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, are to be met. The Paris Agreement also calls upon countries to increase the ability to adapt to the adverse impacts of climate change and to foster climate resilience and low GHG emissions development. The 2030 Agenda and the SDGs are in jeopardy, and curbing global warming, given its feedback loops and scope, is critical.

The region’s relationship to climate change is asymmetrical: although Latin America and the Caribbean contributes only 10% of global GHG emissions, it is one of the regions most vulnerable to the effects of climate change, owing in particular to its geographical location and socioeconomic characteristics. In addition, within countries, the higher-income population groups emit more but the lowest-income groups, which lack the means to adapt to new climate conditions, suffer greater consequences from climate change and are more vulnerable to its effects.

The Paris Agreement calls upon countries to submit and periodically update their national adaptation plans or national communications, including priorities and implementation plans and actions. To date, 15 countries in Latin America and the Caribbean have submitted national adaptation plans to the United Nations Framework Convention on Climate Change. Brazil, Chile, Grenada, Saint Lucia and Uruguay have also submitted sectoral adaptation plans.

In addition, adaptation figures more prominently in the countries’ updated nationally determined contributions. The region is concentrating its efforts to adapt and to reduce vulnerability to the effects of climate change in sectors that are highly sensitive to climate variation, such as water, agriculture, health, biodiversity and coastal areas (see table III.1).

The region is particularly vulnerable to extreme weather events, especially the Caribbean, where such events can cause major setbacks. In Dominica, for example, in 2017, Hurricane Maria caused devastating damage and losses amounting to 226% of GDP.

According to the classification of the EM-DAT International Disaster Database, disasters in the climatic, hydrological and meteorological subgroups account for most of the trend in disasters in the period 1970–2022.³³ The number of disasters in these subgroups as a whole has increased (see figure III.10). Storms and floods have caused the most damage. In light of the above, disaster risk management should be an integral part of climate change management strategies.

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³² Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

³³ The climatic subgroup comprises droughts and forest fires; the hydrological subgroup comprises floods and landslides; and the meteorological subgroup comprises extreme temperatures and storms.
### Table III.1
Latin America and the Caribbean: priority sectors for adaptation to climate change

<table>
<thead>
<tr>
<th>Country/sector</th>
<th>Water</th>
<th>Agriculture</th>
<th>Health</th>
<th>Biodiversity</th>
<th>Coastal and marine areas</th>
<th>Land use, land-use change and forestry</th>
<th>Risk management</th>
<th>Forests</th>
<th>Infrastructure</th>
<th>Cities, human settlements and territorial organization</th>
<th>Energy</th>
<th>Tourism</th>
<th>Transport</th>
<th>Housing</th>
<th>Industry</th>
<th>Education</th>
<th>Social development</th>
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<td>Antigua and Barbuda</td>
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<td>Bolivia (Plurinational State of)</td>
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**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *The economics of climate change in Latin America and the Caribbean, 2023: financing needs and policy tools for the transition to low-carbon and climate-resilient economies* (LC/Ts.2023/154), Santiago, 2023.
The第二个五年期审查确认，完成了目标13和是因此认为对监测这个SDG是相关。根据第二个五年期审查，虽然一些进展在减少灾害的影响，但是国家报告显示这并未满足框架的目标。最重要区域发现与这个框架的四个行动计划的优先级是呈现在箱子III.1。
Box III.1  
Sendai Framework for Disaster Risk Reduction 2015–2030: priorities and findings for Latin America and the Caribbean

The Sendai Framework for Disaster Risk Reduction 2015–2030 establishes four priorities for action. With respect to priority 1 on understanding disaster risk, the countries of Latin America and the Caribbean have improved their use of tools, such as georeferenced information and disaster risk assessment systems, which are used extensively in assessments and technical cooperation alike. However, challenges remain, including data collection, interoperability and disaggregation by sex, age and disability status.

Regarding priority 2 on strengthening disaster risk governance to manage disaster risk, 21 countries in the region reported having a national disaster risk reduction strategy that is aligned with the Sendai Framework. However, local governments and other stakeholders, such as civil society, continue to face some challenges in implementing these strategies in specific areas of the territory, which could be addressed by forming public-private partnerships. The Network of Caribbean Chambers of Commerce is noteworthy in this regard. Established in 2019, the Network focuses on fostering greater collaboration among stakeholders on disaster risk reduction and increasing the inclusion of traditionally marginalized groups in related dialogues.

With regard to priority 3 on investing in disaster risk reduction for resilience, the region has made significant progress in terms of resilience, emergency financing, and budget allocation and funding for disaster risk reduction. One example of progress in this area is the expansion of the parametric insurance instrument for tropical cyclones, excess rainfall and earthquakes of the Caribbean Catastrophe Risk Insurance Facility, serving Caribbean and Central American governments as well as electric utilities, to include more countries. However, the economic downturn has squeezed domestic budget allocations for disaster risk reduction, and this trend is even more acute for the region's small island developing States. In addition, owing to a lack of coordination between the climate change, sustainable development and disaster risk reduction agendas, funding for the three is not consolidated.

With respect to priority 4 on enhancing disaster preparedness for effective response and to build back better in recovery, rehabilitation and reconstruction, Latin American and Caribbean countries have improved, in particular with regard to early warning systems. One example is the Climate Risk and Early Warning Systems initiative in the Caribbean which, in 2022 and 2023, extended its support to Ecuador and Peru, in addition to Trinidad and Tobago, for their multi-hazard early warning systems. Meanwhile, no significant progress has been documented in the area of building back better, although there are some initiatives under way in this regard, including an initiative of the United Nations Development Programme (UNDP), Antigua and Barbuda, and Dominica to improve construction standards. In addition, the Heads of Government of the Caribbean Community adopted a recovery-focused approach in 2018, emphasizing the need to protect those most at risk, safeguard infrastructure and improve operational preparedness, among other issues.

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

In the absence of national plans on disaster risk reduction financing, strategies are inadequate to build long-term resilience and lack sufficient funding. This is of particular concern for the economies of many small island developing States that rely on tourism or other single industries and can be significantly affected by each external shock as a result. There is a need to raise awareness of the costs and benefits of investing in resilience and prevention and to overcome critical challenges in order to protect human rights during response efforts, with an emphasis on meeting the differentiated needs of people with disabilities and chronic diseases and on addressing gender issues.
3. National and regional climate change policies, strategies and plans: national commitments and the Paris Agreement (targets 13.2, 13.a and 13.b)\textsuperscript{34}

Latin America and the Caribbean is committed to climate action. Of the 33 countries of the region, 29 have submitted either updated or second nationally determined contributions to the United Nations Framework Convention on Climate Change. In addition, 8 countries have submitted long-term strategies, which define national guidelines and priorities for low emissions development by 2050.

The region has also made institutional progress, with the establishment of designated climate change areas of work within sectoral ministries, such as ministries of finance, planning, energy and agriculture, as well as in some central banks. It has also made legislative progress, including the passage of laws that delineate institutional obligations and commitments to address climate change. In the region, 11 countries have national climate change laws and another 4 countries have climate change laws in some phase of the legislative process.

The level of climate ambition in the region has increased in the latest nationally determined contributions relative to the first round submitted by countries in 2015. The region’s climate targets for 2030 include reducing emissions by 24%–29% compared to the business-as-usual scenario, depending on whether the targets are unconditional or contingent upon obtaining climate finance and international cooperation.

To fulfill emissions reduction commitments, countries have focused the bulk of their efforts on sectors such as energy; land use, land-use change and forestry; transportation; agriculture; and waste (see table III.2).

Despite countries’ efforts to reduce emissions in accordance with their nationally determined contributions, they are still insufficient to meet the Paris Agreement targets at the global level. According to the first global stocktake of the implementation of the Paris Agreement, the gap between current nationally determined contributions and the level of emissions mitigation needed to limit global warming to 1.5°C in 2030 is between 20 and 24 GtCO\textsubscript{2}eq. Thus, global GHG emissions must be reduced by 43% by 2030 and 60% by 2035, compared to 2019 levels, and global net zero emissions must be achieved by 2050 (UNFCCC, 2023).

Notwithstanding institutional advances and the increased ambition of the region’s climate objectives, achieving the emissions reduction targets set out in the nationally determined contributions will require the countries of the region to achieve significantly higher rates of decarbonization in their economies. This will require a more-than-fourfold increase relative to the historical annual average of -0.9% recorded between 2010 and 2019, to -3.9%. In order to limit global warming to the 1.5°C target, the region’s historical decarbonization rate must be increased eightfold (ECLAC, 2023e).

\textsuperscript{34} Target 13.2: Integrate climate change measures into national policies, strategies and planning. Target 13.a: Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly $100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible. Target 13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities.
Table III.2
Latin America and the Caribbean: priority sectors for emissions reduction

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<td>Venezuela (Bolivarian Republic of)</td>
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Source: Economic Commission for Latin America and the Caribbean (ECLAC), The economics of climate change in Latin America and the Caribbean, 2023: financing needs and policy tools for the transition to low-carbon and climate-resilient economies (LC/TS.2023/154), Santiago, 2023.
Moreover, the magnitude of the climate challenge requires greater coordination and coherence between national and sectoral economic policy and environmental and social policy. Fossil fuel subsidies are not only a heavy fiscal burden on countries but are also detrimental to climate and environmental objectives. Despite the trend of reducing fossil fuel subsidies in the region in the past decade, allocations for fuel subsidies in 2021 still amounted to US$ 75.6 billion. This figure decreased to US$ 56.6 billion in 2022, against a backdrop of poor economic performance (see figure III.11).

Figure III.11
Latin America and the Caribbean: amount and distribution of fossil fuel subsidies, 2010–2022

<table>
<thead>
<tr>
<th>Year</th>
<th>Final electricity use</th>
<th>Natural gas</th>
<th>Oil</th>
<th>Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>22.2</td>
<td>22.2</td>
<td>55.1</td>
<td>0.5</td>
</tr>
</tbody>
</table>
| Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD)/International Energy Agency (IEA)/International Monetary Fund (IMF), Fossil Fuel Subsidy Tracker, 2022 [online] https://fossilfuelsubsidytracker.org/. Note: Data refer to fossil fuel subsidies benefiting consumers, producers and general services.

Note: Data refer to fossil fuel subsidies benefiting consumers, producers and general services.
More than half of fossil fuel subsidies in the region go to oil, and approximately 20% go to natural gas and end-use electricity. At its twenty-eighth session, the Conference of the Parties to the United Nations Framework Convention on Climate Change adopted a decision on the outcome of the first global stocktake, which called for accelerating efforts towards the phase-down of carbon-based energy use and phasing out inefficient fossil fuel subsidies. This poses the challenge of changing incentives, internalizing the social costs of emissions, and pricing carbon in a manner that will guide investment decisions towards low-carbon options. Only five countries in the region have imposed a national carbon tax, although progress is being made in the implementation of carbon market mechanisms.

Another challenge in accelerating climate action is to convert climate action plans into investment plans and projects, which means increasing both public and private financing for climate-related investments and sending clear signals to private investors. Investors, central banks and financial regulators are also critical, as they can incorporate more climate-related measures into their operations and investment decisions.

The current challenge for climate change management in Latin America and the Caribbean is to bring existing instruments into alignment and coordinate them with other policies (see diagram III.4).

Diagram III.4
Climate change management instruments and sectoral policies

A transition that effectively addresses climate change requires not only more ambitious targets in future nationally determined contributions but also major transformations in the productive structure of Latin American and Caribbean economies. This would strengthen sectors that, in addition to boosting economic growth, have a low carbon footprint. The areas and sectors that offer opportunities to advance towards climate objectives include: (i) the energy transition (addressed in detail in chapter IV), including renewable energies, galvanization of the lithium industry and green hydrogen; (ii) sustainable mobility, based mainly on electromobility; (iii) the circular economy and the benefits of reducing the use of virgin materials; (iv) the bioeconomy, based on more sustainable agriculture; (v) sustainable water management; and (vi) sustainable tourism (ECLAC, 2023e). These sectors also have the advantage of being inclusive and contributing to the achievement of other SDGs.
D. Sustainable Development 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

Sustainable Development 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

**Target 16.1** Reduce all forms of violence

**Indicator 16.1.1** Number of victims of intentional homicide, 2015–2021 (Per 100,000 population)

**Target 16.2** End exploitation, trafficking and violence against children

**Indicator 16.2.2** Latin America: detected victims of trafficking in persons, 2015–2020 (Number)

**Target 16.7** Ensure inclusive and participatory decision-making

**Indicator 16.7.1** Young people (45 years or younger) in unicameral parliaments or lower chambers, 2021–2023

**Target 16.10** Ensure access to information and protect freedoms

**Indicator 16.10.1** Verified cases of killing of journalists, trade unionists and human rights advocates, 2015–2021 (Number)

**Target 16.a** Strengthen relevant institutions to prevent violence and combat terrorism

**Indicator 16.a.1** Existence of independent national human rights institutions, 2015–2021 (Percentages of total countries)

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

**Note:** Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.

- Includes 14 countries.
- Age of eligibility for election is lower limit of range.
Diagram III.5
Latin America and the Caribbean: Goal 16 targets, by likelihood of achieving the defined threshold by 2030

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

1. Prevent and reduce all forms of violence: homicide, trafficking in persons, torture and ill-treatment (targets 16.1 and 16.2)\textsuperscript{35}

Although violence occurs in many forms, Latin America and the Caribbean is considered the most violent region in the world owing to high rates of homicide since the 1990s.\textsuperscript{36} Nearly one third of global homicides occur in the region, which is home to 9% of the global population. In 2021, the homicide rate was 19.9 per 100,000 inhabitants, the highest in the world, according to official sources (UNODC, n.d-b). Figures vary considerably from one region to the next: the averages for Asia, Europe, Oceania, North America and Africa are 2.3, 2.2, 2.9, 6.3 and 12.7, respectively (UNODC, 2023) (see figure III.12).

Figure III.12
Latin America and the Caribbean: average number of victims of intentional homicide, 2000–2021
(Number of victims per 100,000 population)


\textsuperscript{35} Target 16.1: Significantly reduce all forms of violence and related death rates everywhere. Target 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children.

\textsuperscript{36} The homicide rate is used because it is an indicator that is generally available for all countries and tends to be more reliable than others for assessing crime. Homicide is generally difficult to conceal. In criminology, the murder rate is associated with the general security situation of a country or territory. It is defined as a proxy for lack of security. Where murder rates are high, the security situation, as measured using other indicators like crimes against people or property, will also be bad. Homicide is also an indicator of high levels of social, physical, moral and symbolic violence because it ends in a death caused by another person, and is associated with a generalized fear of becoming a victim of violence or crime. Fear that is continuous changes personal and social life. It affects interpersonal and institutional trust, social behaviour and relationships and the ways in which people inhabit places, among others. It strengthens segregation, reduces public space and restricts the time available for community living.
Significant efforts have been made in the region to counter this serious problem, with uneven results. The homicide rate in South America has been trending downward since 2017. This decline is mainly attributable to a decline in the annual number of homicides in Brazil, the most populous country in the subregion, which fell from more than 63,000 in 2017 to fewer than 46,000 in 2021. The number of murders has also fallen in the Bolivarian Republic of Venezuela and Peru in recent years. However, countries such as Colombia and Ecuador recorded a considerable year-on-year increase in this indicator between 2020 and 2021.37

In Central America and Mexico, homicide rates declined sharply in some countries where they have been high historically, but rose in others. Homicide victims in Mexico accounted for roughly 77% of all homicide victims in the subregion in 2021 and, over the past decade, their relative weight has set the subregional trend. In several smaller countries in the subregion, such as Belize, El Salvador, Honduras and Panama, homicides decreased as a result of aggressive anti-gang interventions, while they increased slightly in Costa Rica between 2019 and 2022 (UNODC, 2023, p. 30). These mixed trends underscore the fact that although the region is making progress with regard to target 16.1, the pace is too slow (see diagram III.5).

Persistently high homicide levels in the region are normally attributed to violent acts stemming from conflicts between organized criminal groups competing for control of illegal markets. They are also due to structural problems, such as a weak rule of law, social inequality and youth unemployment (Hernández Bringas, 2021; UNODC, 2023), and to factors such as drug production and firearm possession and use (UNODC, 2023).

According to the United Nations Office on Drugs and Crime (UNODC, 2023, p. 33), there is an indisputable link between increased firearm use and higher homicide rates. Latin American and Caribbean countries account for the highest proportion of firearm-related homicides in the world. The region recorded at least 89,100 victims of such homicides in 2021, and more specifically, 9.3, 16.9 and 12.7 per 100,000 population in the Caribbean, Mexico and Central America, and South America, respectively. In the same year, the use of firearms in homicides ranged from 67% in the Caribbean to 70% in South America.

Regarding other forms of violence, the number of robberies has been falling in several countries in the region, with the largest declines recorded in Chile, Colombia, Mexico and Peru. The prevalence of physical violence reflects a similar trend. Unfortunately, this is not the case for the prevalence of sexual violence, which remains constant, or for the perception of danger of persons walking alone in their neighbourhood, in the countries for which information is available. The foregoing underscores the fact that progress on target 16.1 remains insufficient.

In the light of these realities, countries such as Chile, Colombia, Jamaica and the Plurinational State of Bolivia have implemented measures to reduce violence and crime and improve public safety by encouraging reporting and addressing domestic violence. Other efforts aimed at dismantling organized criminal groups are also noteworthy, as in the case of Guatemala. Results have been mixed; outcomes have been favourable in some countries where the population feels safer, and variable in others. In summary, although countries are taking steps to address violence and homicides, the patterns, strategies and trends linked to the reduction of these levels vary, reflecting the complexity of the situation in each country.

37 Colombia recorded a slight drop from 25.7 homicides per 100,000 population in 2021 to 25.4 homicides per 100,000 population in 2022, following a sharp increase the previous year. Rates were highest in areas with armed groups, such as former members of Fuerzas Armadas Revolucionarias de Colombia-Ejército del Pueblo (FARC-EC) and Ejército de Liberación Nacional (ELN) (UNODC, 2023, p. 32). However, longer-term data trends in the country indicate a remarkable decline in the homicide rate, from 67.7 homicides per 100,000 population in the 2000s to 24.2 in 2020 (see UNODC, n.d.-b).
Meanwhile, several countries have implemented initiatives to statistically measure indicators aimed at evaluating trafficking in persons and other types of ill-treatment and torture. These data provide crucial information about the situation of boys, girls, women and men in the region who are victims of these acts. For example, several Latin American and Caribbean countries statistically measure psychological aggression and physical punishment, and the results show still-high levels of violence, with more than half of children aged 1–14 years suffering acts of violence, and prevalence levels above 40% in all the countries for which data are available. Gender and territorial biases have also been documented in some countries. For example, trafficking in girls is more widespread, as is trafficking in urban areas.

Available information on trafficking victims shows a downward trend in some countries, but only among persons over 18 years of age. Meanwhile, among persons under the age of 18, the number of victims has remained stable and, in some cases, has even risen slightly. These trends are observed in trafficking for both sexual exploitation and forced labour, and indicate that progress remains insufficient to achieve target 16.2 in the region.

These data underscore the importance of implementing policies aimed at protecting children’s rights and preventing trafficking and sexual violence. To this end, collaboration among governments, institutions and society to guarantee citizens a safe environment that is free from violence is essential. This can be achieved, for example, through awareness-raising campaigns and training of public officials, which would strengthen their relevant capacities to prevent trafficking.

2. Access to justice (target 16.3)\textsuperscript{38}

In Latin America and the Caribbean, there is still a large percentage of people who have been victims of a crime or violent act, including robbery and physical or sexual assault, but who have not reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms. They are therefore unable to obtain redress or, in other words, to access justice. This may be due to a lack of trust in institutions or to the inherent difficulties in reporting victimization, as well as to judicial backlogs and delays. Unfortunately, in the countries of the region for which data are available, the proportion of reports filed is actually declining, which indicates the importance of improving the relevant systems. Meanwhile, a high percentage of the cases for which reports are filed with authorities remain unresolved, or are resolved after a long time, which makes citizens, especially the most vulnerable, less inclined to report crimes or seek justice, resulting in less access to justice for victims.

Between 2000 and 2021, the number of people incarcerated across the Americas (excluding the United States) jumped by 138%, due to the rise in the number of prisoners in South America, which has surpassed the figures for Central America. This is the largest increase in the world,\textsuperscript{39} and includes a particularly sharp rise in the number of women and girls in prison.\textsuperscript{40}

\textsuperscript{38} Target 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.
\textsuperscript{39} For more information, see Fair and Walmsley (2022).
\textsuperscript{40} According to Fair and Walmsley (2022), in the region this is clear in Central America (the female prison population has increased more than sevenfold in El Salvador and sixfold in Guatemala) and South America (the figure has quadrupled in Brazil).
Against this backdrop, a large number of people in the region who have been prosecuted and incarcerated are still awaiting trial. In other words, they are in pretrial detention without a final conviction. These persons may account for up to three quarters of the prison population (see figure III.13). Although this population has been declining in some countries, for example in the Dominican Republic and Paraguay, the pace has been slow. In practically all the countries for which information is available, the prison occupancy rate exceeds the officially declared maximum capacity, which indicates excessive overcrowding, a phenomenon that has maintained a stable trend over the last 20 years, with no signs of improvement. This shows that on the road to achieving target 16.3 of the 2030 Agenda there has not been sufficient progress, and there have even been setbacks.

![Figure III.13](https://statistics.cepal.org/portal/cepalstat/index.html?lang=en)

In the Caribbean, progress has been made in the adoption of measures to promote access to justice by improving the quality and efficiency of the justice system. Examples include the implementation in Jamaica of an automated document management system for the courts, along with improvements in infrastructure and technology in the judicial system, or the introduction in Trinidad and Tobago of rules of procedure and legal amendments to ensure efficiency and fairness in the criminal justice system. Significant measures have also been taken in Latin America, such as the enactment in the Plurinational State of Bolivia of a law to speed up criminal proceedings and combat violence, which resulted in a reduction in the number of pending cases resolved through the judicial system.

Overall, the data indicate a need to improve the resolution of legal cases in several countries. The importance of bolstering the efficiency and effectiveness of the judicial system is evident, especially in view of the high percentage of persons deprived of their liberty who have not been sentenced.
3. **Fight against organized crime: illicit financial and arms flows** (*target 16.4*)

Citizen insecurity, street crime and white-collar crime weaken the public’s trust in democratic institutions and make it harder to attract investment and resources. Organized crime is now at the top of the security agenda for most Latin American and Caribbean countries (Kessler, 2014) and is linked to various illegal activities, such as trafficking in persons, the arms trade and drug trafficking. Drug trafficking is the most significant, both because of its weight in international trade and because of its political and social outcomes (Hernández Bringas, 2021).

According to UNODC (2023, p. 31), about 40% of homicides worldwide are linked to crime, mainly organized crime and gang-related violence. From 2015 to 2021, organized crime caused around 700,000 deaths, a figure comparable to casualties resulting from armed conflict. Although these homicides are prevalent throughout the world, most occurred in the Americas.

In the region, the rise in cocaine production since 2020 and the expansion of transnational criminal organizations have led to higher homicide rates (UNODC, 2023, p. 31). One example cited by UNODC is Ecuador, which, after years of recording relatively low homicide rates, saw a 407% increase between 2016 and 2022, which can be attributed to the intensification of violent competition between rival drug trafficking gangs. UNODC also highlights the resurgence in large-scale drug trafficking through the Caribbean as a result of growing demand in Europe. In relation to this phenomenon, gang violence has increased in the subregion. This is reflected, for example, in a rise of more than 50% in homicides in the Turks and Caicos Islands between 2021 and 2022; in the fact that about 70% of homicides in Jamaica in 2022 were linked to organized criminal groups or gangs; or in the increase in homicides in Trinidad and Tobago, which rose to 39.5 per 100,000 population in 2022 as larger gangs splintered into small violent factions.

Moreover, Haiti’s homicide rate in 2022 increased to 18 per 100,000 population, reflecting 35% growth over 2021, owing mainly to worsening gang violence. In Central America, homicides in Costa Rica rose to 12.8 per 100,000 population in 2022, as organized criminal groups fought for control of the port of Limón, which is key for trafficking to Europe (UNODC, 2023, p.32). In South America, while homicides have declined in countries such as Argentina, Brazil and Colombia, the persistence of violence in specific areas such as the north-east and north of Brazil because of tensions between drug trafficking factions, as well as in the province of Santa Fe and the city of Rosario in Argentina, also because of rivalries between local drug trafficking factions, is particularly worrying.

Meanwhile, there is little statistical information on the illicit financial inflows and outflows of the countries of the region. Even for the few countries for which such information is available, there are no clear upward or downward trends. The same is true for the seizure, surrender or legalization of illicit arms. Nevertheless, significant efforts have been made to address these problems, which are difficult to quantify.

Some countries have implemented measures to reverse the increase in the number of officially registered arms. For example, Uruguay, under Act No. 19.247— which establishes penalties for crimes related to the unlawful possession and trafficking of arms and ammunition— has increased the proportion of illicit arms that are seized, found or surrendered for destruction by court order or to be legally registered. There has also been an increase in voluntary surrenders (mostly of small arms and light weapons) in Chile under the Arms Control Act (Act No. 17.798). In Colombia, a steady increase in arms seizures (mostly small arms and light weapons) has also been observed in recent years.

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41 Target 16.4: By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.
years, thanks to the actions of the national police force. Other countries, such as Argentina and Cuba, have also taken measures that reflect their commitment to addressing the illicit flow of money, arms and drugs.

4. Reduction of corruption and bribery and cost of crime (target 16.5)

While some countries of the region are trying to provide statistical details of corruption and bribery cases, such information is lacking in others. In the countries for which information is available, the incidence of bribery has generally remained stable: about 9% of businesses have had at least one contact with a public official to whom they have paid a bribe or who has asked them for a bribe (see figure III.14). Meanwhile, in most of the countries, the number of persons who paid a bribe to a public official or were asked for a bribe by a public official trended downward slightly.

Some more specific estimates show the extent of corruption and bribery in specific areas, for example Guatemala, where corruption affects about 10% of total business, or Argentina, where the direct impact of passive bribery (officials requesting payments) on individuals is measured. Monitoring in the Dominican Republic through Transparency International’s corruption perception index, together with the AmericasBarometer, shows that almost half of the population is concerned about the levels of corruption in their country. Although together these reports present a variety of perspectives and trends in relation to corruption in the region, they do not provide a complete picture of this problem and its evolution, which, according to the information available, reflects a favourable trend but not enough to achieve target 16.5 in the region.

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42 Target 16.5: Substantially reduce corruption and bribery in all their forms.
Meanwhile, according to Jaitman (2017, p. 3), the total cost of crime for Latin American and Caribbean countries is estimated at between 2.41% and 3.55% of GDP, on average. This is equivalent to between US$ 115.3 billion and US$ 171.8 billion (at 2014 exchange rates). According to the author, the size of crime-related costs in the region is similar to what those countries spend on infrastructure and roughly equal to the proportion of the region's income that goes to the poorest 30% of the population.43

Disaggregating the above data, Jaitman (2017, p. 3) estimated that the social cost of crime, which includes the costs of victimization in terms of the quality of life lost owing to homicides and other violent crimes and the foregone income of the prison population, accounted for 0.64% of GDP. It was estimated that private spending on security by businesses and households, which includes spending on crime prevention, i.e. security services, amounted to 1.37% of GDP, while public spending, which includes spending on the judicial system, police services and prison administration, was 1.51% of GDP.

5. Effective and transparent institutions (target 16.6)44

The effectiveness of public policies enacted by governments, together with institutional transparency and accountability, determine the level of trust between the State and the citizenry. Budget credibility is key to this process, as it underpins the overall credibility of governments (De Renzio and Cho, 2020). This explains countries’ efforts to ensure that budget processes are more reliable. However, as shown in the 2022 Global Report on Public Financial Management, they tend to adhere better to the level of planned spending than to the composition of planned spending (PEFA, 2022).

In recent years, some countries in the region have strengthened their budget processes to improve the allocation of spending in line with priorities and the use of information on performance in the budget cycle. They have also begun to conduct spending reviews and forecast-based evaluations to improve resource allocation criteria. There is still room for improvement in establishing public spending priorities and conveying them in budget programmes, which requires better budget management and coordination between ministries of finance and planning, to bolster coherence between programme objectives and financing (ECLAC, 2024b).

Effective management by solid institutions includes the capacity for accountability, for which multiple mechanisms exist (Martínez, 2019). On the one hand, as part of the institutional framework, intra-State accountability mechanisms operate on the basis of a horizontal structure, in which various institutions have the mandate and autonomy to oversee public action; these constitute a network of relatively autonomous powers embodied in institutions that can examine and question and, if necessary, sanction irregular acts carried out during the exercise of public functions (Vera and Martínez, 2022, p. 8). This includes, first, checks and balances between the branches of government, along with the action of other stakeholders (comptrollers, evaluation systems and various institutions with specific mandates for oversight of public spending and the implementation of public policies in specific sectors).

On the other hand, accountability requires a second vertical structure through which citizens and specific civil society stakeholders can directly monitor public action (O’Donnell, 2003). A high level of transparency is indispensable to success in this regard. In other words, there is a need for effective systems of access to public information and open government, and for relevant statistics and data on public action.

43 The costs estimated by Jaitman (2017) are conservative, as they only include the direct costs of crime, i.e. public and private spending, and social costs. Indirect costs, such as changes in people’s behaviour owing to fear of crime or the impact of violence on people’s health, are not considered. According to the study, public spending on crime prevention and control in Latin America and the Caribbean is similar to that of developed countries such as the United Kingdom and the United States. However, it represents a much larger proportion of public budgets, just as private spending on crime prevention is much higher than in developed countries.

44 Target 16.6: Develop effective, accountable and transparent institutions at all levels.
In this context, some countries in the region have developed such systems. Those based on a regulation or law that covers public administration as a whole and allows citizens and social stakeholders to request public information virtually, openly and directly, are notable. In this regard, the region is far from guaranteeing a high level of transparency and accountability, which is manifested in citizens’ high level of distrust and perception of corruption. For example, according to AmericasBarometer data, between 2004 and 2021, the percentage of people who believed corruption was somewhat or very widespread increased from 73.0% to 76.2%. In addition, according to the Latinobarómetro database, the percentage of those who believe there has been little or no progress in the fight against corruption grew from 65.1% in 2015 to 66.0% in 2023. For these reasons, the trend for target 16.6 is considered unfavourable.

Fostering open budgets not only increases trust in institutions, ensures the quality of spending and prevents corruption; it also encourages innovation and the development of new applications and services. For example, several citizen organizations in the region are using open budget data to better understand public procurement, both national and municipal, which favours citizen oversight. This information can also be used to determine whether sustainability criteria are being incorporated into public procurement.

With a view to limiting arbitrary decision-making and ensuring the proper distribution of resources to the most vulnerable and often less empowered sectors of the population, social programmes must be underpinned by sound management and sectoral accountability. In this regard, evaluation systems are essential and, even more so, their results must be accessible not only to the managers of these programmes, but also to the public at large. In the region, the National Council for the Evaluation of Social Development Policy (CONEVAL) of Mexico is mandated to evaluate all federal social programmes each year. This task involves different types of assessment, with relevant recommendations to improve programme performance and design. CONEVAL seeks policy consistency by preventing duplication of efforts and resources and maximizing results (ECLAC, 2023c, p. 56). Evaluations are only possible if programmes have clear operating rules, as well as effective information systems and social registers that not only ensure timely operation and adequate coverage, but also provide the necessary information to evaluate the performance of policies and programmes.

6. Inclusive, participatory and representative decision-making (target 16.7)\textsuperscript{45, 46}

The right to participate in public life is enshrined in the constitution of several countries in the region. At least eight countries have enacted laws or decrees on participation that recognize and guarantee the right of citizens to participate in public affairs and provide the relevant mechanisms. However, data from the Latinobarómetro survey (2021) indicate that 73% of respondents believed the region’s leaders governed in the interests of a few in 2020. The survey also indicates that citizens’ perception of civil and political guarantees, including the freedom to participate in politics, is weakening.

As a result, there is a growing recognition that traditional approaches to citizen participation are insufficient and that, while legal frameworks are necessary to ensure public participation, their existence is not enough to guarantee adequate response mechanisms to address tensions in power relations. Governments in countries with legal frameworks for citizen participation have the duty and responsibility

\textsuperscript{45} Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.

\textsuperscript{46} This section is largely based on the reference document “Gobierno abierto y ciudadanía en el centro de la gestión pública: selección de artículos de investigación” (Naser, 2021) which served to stimulate dialogue and reflection in the panel discussion on this theme at the seventeenth Conference of Ministers and Heads of Planning of Latin America and the Caribbean, held in Santiago on 17 and 18 January 2023, within the framework of the twenty-ninth meeting of the Presiding Officers of the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES).
to ensure their implementation. This sets a standard and therefore guarantees consistency, predictability and accountability in how rights are granted and exercised. However, even countries with robust regulatory frameworks face challenges in ensuring inclusive, participatory and representative decision-making.

Sometimes the mechanisms are more formal requirements than genuine co-creation processes and come into effect when most decisions have already been made. Consultation hearings and information disseminated on proposed development initiatives are also sometimes overseen by project backers and may be biased. Mechanisms are often not adapted to communities’ social, economic, geographical or gender characteristics and do not provide an adequate response to the contributions of the different individuals and organizations (ECLAC, 2018c; Denhardt and Denhardt, 2015; OHCHR, 2022).

Limitations linked to access to information for adequate participation, together with the region’s structural inequalities and asymmetries of power and information, also affect people’s ability to actively participate in public affairs. People living in poverty, Indigenous Peoples and Afrodescendant communities, among others, face significant obstacles to exercising their right to participate in an informed and effective manner in public life and in public policymaking, as well as to hold accountable those who have the obligation to act (ECLAC, 2018c; OHCHR, 2022). Various international agreements and instruments provide guidance on guaranteeing the rights of vulnerable groups. In this regard, it is crucial that States meet the obligations established in international declarations and conventions.47

Latin America and the Caribbean has considerable scope for improving the institutionalization of suitable response mechanisms to address the tensions arising from power relations and persistent inequalities in the region. Against this backdrop, countries have begun to innovate with a view to implementing new forms of inclusive decision-making that respond to the needs of citizens, including those who have traditionally been excluded from the process. Several countries are trying to ensure that local stakeholders are included in discussions on visions and strategies for national development. One example is the preparation of the Vision for Peru to 2050 plan, which was based on a broad participatory process involving more than 4,500 representatives from government, civil society and academia, along with companies, children, adolescents, young people and vulnerable populations, among others.48

Countries are also expanding spaces for participation through the implementation of the open State, a public management model that fosters the idea of sharing power and collaborating to develop solutions to public problems among all branches of government within a framework of transparency. In this regard, the region has advanced thanks to the voluntary global initiative Open Government Partnership, which currently includes 15 countries in the region, and which has, overall, facilitated the joint development by the State and citizens of 70 action plans over the past decade, with a total of 1,389 commitments.

7. Public access to information (target 16.10)49

Currently, 30 countries in the region are party to the International Covenant on Civil and Political Rights, which, in article 19, paragraph 2, stipulates that “everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice”. At present, the right of access to public information is enshrined in the constitution of most countries in the region, and 24 have specific laws on the subject;50 the most recent of these was enacted in 2021.

47 Notable examples are: the United Nations Declaration on the Rights of Indigenous Peoples; the Indigenous and Tribal Peoples Convention, 1989 (No. 169); the Inter-American Convention on Protecting the Human Rights of Older Persons; the Convention on the Rights of Persons with Disabilities; and the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement).
48 See [online] https://www.ceplan.gob.pe/visionperu2050/.
49 Target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.
50 Antigua and Barbuda, Argentina, the Bahamas, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Trinidad and Tobago, and Uruguay.
In the Plurinational State of Bolivia\textsuperscript{51} and Costa Rica,\textsuperscript{52} this access is regulated by decrees issued by the executive branch. In the Caribbean, access to information and participation are often incorporated into the rights to freedom of expression, peaceful assembly and association.\textsuperscript{53}

The regulatory frameworks of the region develop the four essential pillars for safeguarding the right of access to public information: (i) legal recognition of the right to public information; (ii) a clear and broad definition of the duty bearers; (iii) the obligation to make certain information available to the public (active transparency); and (iv) the existence of an independent and autonomous guarantor. One example, the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement), guarantees the right of access to information on environmental matters.

Although the existence of laws guaranteeing the right of access to public information has facilitated necessary checks on power, the availability of timely, accessible and understandable official information remains a challenge for the effective exercise of this right and, therefore, the exercise of other rights, such as the right to participation.

Likewise, at present, the enormous amount of available data and the lack of interoperability and integration of government data (which is generally incomplete), also hinder the effective exercise of the right of access to public information. The situation is complicated further by the use of social networks, disinformation and artificial intelligence, which implies the need to develop strategies for data to be used properly and with a focus on human rights and inclusion. Countries are beginning to discuss the development of new regulations on the ethical use of algorithms and strategies to combat disinformation. As the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression argues, “there is growing evidence that disinformation tends to thrive where human rights are constrained, where the public information regime is not robust and where media quality, diversity and independence is weak” (United Nations, 2021).

With regard to stakeholders and the guarantee of access to public information specifically, Latin America and the Caribbean remains the most dangerous region for journalists, trade unionists and human rights defenders. On the basis of United Nations (n.d.), compared to 2015, the data indicate an upward trend which is confirmed by the projections for the period between now and 2030, reflecting regression in this element of the 16.10 target. In 2021, of the 320 attacks against human rights defenders, journalists and trade unionists worldwide, 216 occurred in the region (67.5%). Examining the trend in recent years on the basis of available data, between 2015 and 2021, 61% of murders worldwide occurred in Latin America and the Caribbean (1,629 of 2,653). Among the groups in a participatory society, environmental defenders are among the most affected; hence, the countries of the region encouraged their protection by adopting the Escazú Agreement, which is described in box III.2.

Another area of particular interest in terms of access to public information is the link between accountability and budget execution. Over the past decade, efforts have made worldwide to ensure the transparency of budget execution data by creating open budget platforms, which facilitate the publication of transactional data on fiscal spending. The results of the Open Budget Survey, which the International Budget Partnership has been conducting since 2006, show that in Latin America and the Caribbean, budget systems that generate and publish sufficient information for citizens to understand how their governments spend, as well as budget oversight systems, have been consolidating. This is a major step forward in this area, although the desired threshold for each pillar (defined as 61 on a scale of 0 to 100) has not yet been reached. As seen in figure III.15, the region’s greatest challenges relate to the public participation pillar, the results of which reflect large gaps that must be closed to ensure that budgetary decision-making and the use of public resources are effectively open and inclusive.

\textsuperscript{51} Supreme Decree No. 28168, on access to information.

\textsuperscript{52} Decree No. 40200-MP-MEIC-MC, on transparency and access to public information and Decree No. 40199-MP, on openness of public data.

\textsuperscript{53} See the Observatory on Principle 10 in Latin America and the Caribbean [online] https://observatoriop10.cepal.org/en.
Box III.2
Escazú Agreement: objective and progress

The Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement) is a significant regional initiative to guarantee the right to access to information on environmental matters as it is the first treaty to contain specific provisions to protect human rights defenders in environmental matters. The Agreement was adopted on 4 March 2018 and entered into force on 22 April 2021. By guaranteeing access to information, participation and justice, the Escazú Agreement strengthens the rule of law and access rights in environmental matters, through capacity-building and cooperation and a focus on leaving no one behind. To date, there are 24 signatory countries and 12 States parties to the Agreement.

The Agreement guarantees a safe and enabling environment for individuals, groups and organizations that defend the environment and requires appropriate and effective measures to be taken to recognize, protect and promote their rights and to prevent, investigate and punish attacks, threats or intimidation. In 2021, at the first meeting of the Conference of the Parties to the Escazú Agreement, participants adopted decision I/6, establishing an open-ended ad hoc working group on human rights defenders in environmental matters to prepare an action plan on the subject, to be presented for consideration by the States at the third meeting of the Conference of the Parties in 2024, and at an annual forum on human rights defenders in environmental matters, to facilitate discussion with specialists on the subject. The Escazú Agreement includes a clearing house that records the region’s progress on environmental democracy and environmental defenders.


Figure III.15
Latin America and the Caribbean (18 countries): a open budget trends, 2017–2021
(On a scale from 0 to 100)


Note: The figures represent the global average score on a scale from 0 to 100, in which the desired threshold is 61.

a Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, the Plurinational State of Bolivia, and Trinidad and Tobago.
E. Sustainable Development Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Sustainable Development Goal 17
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
Progress in Latin America and the Caribbean

**Target 17.1 Improve tax and other revenue collection**
Indicator 17.1.1 Total government (budgetary central government) revenue as a proportion of GDP, 2015–2021 (Percentages)

**Target 17.3 Mobilize additional financial resources for developing countries**
Indicator 17.3.1 Foreign direct investment (FDI) inflows, 2015–2022 (Billions of current dollars)

**Target 17.4 Assist developing countries in attaining long-term debt sustainability**
Indicator 17.4.1 Debt service as a proportion of exports of goods and services, 2015–2021 (Percentages)

**Target 17.9 Enhance international support for developing countries**
Indicator 17.9.1 Total official development assistance (gross disbursement) for technical cooperation, 2015–2021 (Millions of constant dollars)

**Target 17.13 Enhance global macroeconomic stability**
Indicator 17.13.1 Total reserves in months of imports, 2015–2021 (Number of months)

**Target 17.19 Support statistical capacity-building in developing countries**
Indicator 17.19.1 Dollar value of all resources made available to strengthen statistical capacity in developing countries, 2015–2020 (Millions of current dollars)

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

Note: Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.
Diagram III.6
Latin America and the Caribbean: Goal 17 targets, by likelihood of achieving the defined threshold by 2030

The trend is moving away from the target  
The trend is in the right direction, but progress is too slow for the target to be met  
Target already reached or likely to be reached on the current trend  
Insufficient data

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

1. Public finance, resource mobilization and debt sustainability (targets 17.1, 17.2, 17.3 and 17.4)\textsuperscript{54}

The prospects for achieving the goals associated with financing for sustainable development in the countries of Latin America and the Caribbean are bleak. Tightening fiscal and monetary policy space, along with growing public indebtedness, are testing countries’ ability to mobilize, both domestically and externally, the financial resources needed to achieve the SDGs by 2030. Meanwhile, the international financial architecture has proven incapable of supporting stable, long-term sources of financing on the scale and terms needed.

As a result, the development financing gap has widened, particularly in terms of ensuring that suitable climate adaptation and mitigation measures are taken. According to an analysis by ECLAC (2023f) of a group of selected countries in the region, an additional investment of between 5.2% and 10.9% of annual GDP would be needed just to maintain trend growth, owing to the potential economic losses attributable to climate change. This is even more worrisome considering that Latin America and the Caribbean has one of the lowest levels of gross fixed capital formation compared to other developing regions, averaging just 20% of GDP over the past 30 years.

With regard to strengthening domestic resource mobilization as set out in target 17.1 of the SDGs, general government revenue as a proportion of GDP indicates a positive regional trend, up from 15% of GDP in the early 1990s to more than 18% in 2021 (see figure III.16). However, this increase has not been enough to meet public spending demands, resulting in a bias towards deficits in public finances (ECLAC, 2020b). Moreover, the proportion of the national budget financed by domestic taxes fell to 54.6% in 2020 in the region, compared to 75.5% in 2007. This setback on the path to target 17.1 (see diagram III.6) reflects weakening tax collection capacity which materialized after the 2008 financial crisis and was exacerbated by the onset of the pandemic.

The trend in the mobilization of additional financial resources from multiple sources, referred to in target 17.3, indicates good progress. In the region, the volume of remittances as a percentage of GDP reflects a positive trend, up from 0.9% of GDP in 2000 to 2.4% of GDP in 2020. The mobilization of other additional financial resources for developing countries, particularly foreign direct investment in the region, is also growing.

\textsuperscript{54} Target 17.1: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection. Target 17.2: Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries. Target 17.3: Mobilize additional financial resources for developing countries from multiple sources. Target 17.4: Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress.
Meanwhile, according to the most recent figures from the Organisation for Economic Co-operation and Development (OECD), total official development assistance (ODA) disbursed in 2022 by Development Assistance Committee (DAC) member States accounted for 0.36% of aggregate gross national income (GNI). This proportion was slightly higher than the 0.32% recorded in 2018–2021, but both values are lower than the commitment of 0.7% of GDP set out in SDG target 17.2. In relative terms, net ODA received by the region accounted for 6.1% of total ODA to developing countries, a relatively low share compared to that of Africa (28.9%) and Asia (25.1%). This reflects, in particular, the fact that most of the region’s countries are considered upper-middle income,\(^5\) which entails stagnation in grants received and an increase in loans with some degree of concessionality as a mode of financing (see figure III.17). Specifically, bilateral aid (net ODA) received by Latin American and Caribbean countries has amounted to an annual average (from 2015 to 2021) of US$ 6.053 billion since the adoption of the SDGs and has risen gradually since 2020, with a 4.8% year-on-year increase in 2021.

Nevertheless, ODA continues to be an important source of financing. Between 2017 and 2021, net ODA to countries in the region was equivalent to 2% of regional GNI on average. ODA linked to gross capital formation, meanwhile, equalled approximately 6% of regional GNI. This highlights the importance of increasing the resources provided by donor countries, in particular to fully meet their ODA commitments in line with target 17.2.

\(^{55}\) According to the updated list of countries eligible for ODA in 2024 and 2025, 22 countries in the region, among the 26 included, are classified in the upper-middle income category.
Lastly, with respect to target 17.4, the deficit bias of public finances in the region, coupled with countries’ efforts to cope with the development impact of cascading crises—including the COVID-19 pandemic, the cost-of-living crisis and climate change—have resulted in a significant rebound in debt levels and the debt service burden.

In 2020, gross public debt at the central government level in Latin America peaked at 56% of GDP, compared to 87.2% in the Caribbean. Despite having declined since then, debt remains high relative to historic levels. This trend suggests that the achievement of target 17.4 by 2030 will not be possible. Another challenge is the cost of debt financing, which constitutes a major obstacle to adopting an active fiscal policy stance.

Rising interest payments have diminished the fiscal space of the region’s governments to implement active policies that foster sustainable and inclusive development (ECLAC, 2023f). As illustrated in figure III.18, these interest payments are equivalent to more than half of central government social spending on education, health and social protection. The relative weight of interest payments has been particularly detrimental to public investment, rising from 76% in 2012 to 185% in 2021.

Central government capital expenditure decreased significantly over the past decade and became the main fiscal adjustment variable for countries as they implemented fiscal consolidation measures to curb the growth of public debt. The low level of public investment in the region has resulted in an insufficient stock of public capital to provide the economic services needed to drive robust and competitive economies.
2. Technology access, agreements and funds (targets 17.6, 17.7 and 17.8)\textsuperscript{56}

In recent years, the number of fixed broadband subscriptions per 100 inhabitants in the region has increased, from an average of 12.0 in 2017 to 17.2 in 2022, which indicates progress towards meeting the 17.6 target (see figure III.19). Fixed broadband connections, in particular fibre-optic connections in the home, allow high-speed connectivity, enabling the use of advanced applications and services and the simultaneous connection of several devices and users. The mass deployment of fixed broadband service would accelerate the digital transition and the adoption of advanced digital technologies, such as artificial intelligence.

\textsuperscript{56} Target 17.6: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism. Target 17.7: Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed. Target 17.8: Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology.
However, despite the region’s progress on broadband access, it is still far behind more advanced economies, such as those of OECD (with an average penetration rate of 37.6%), the European Union (38.8%) or North America (38.1%).

Furthermore, the Latin America and the Caribbean average of 17% belies significant variation among countries, with penetration rates ranging from just over 3% to 32%. This is also true of Internet speed, which is one of the main determinants of possible Internet uses, as more sophisticated applications and services require higher speeds (see figure III.20). Significant progress has been made in this area in recent years. In 2017, most Internet connections had a download speed of less than 10 megabits per second (Mbps), whereas by 2021, the majority of connections had surpassed this benchmark.
According to the United Nations Environment Programme (UNEP, n.d.), the development of environmentally sound technologies, in line with target 17.7, has the potential to significantly improve environmental performance compared to other technologies, for example decreased pollution, more sustainable use of resources and increased recyclability of waste. Goods, services, knowledge and practices constitute an important technological component of the just digital transition needed to achieve the SDGs and fulfil the Paris Agreement. However, analysing patterns of trade in environmental goods—which can have a positive impact on environmental performance—provides an imperfect understanding of the dynamics that shape transboundary movements and the adoption of environmentally sound technologies.

Currently, Latin America and the Caribbean does not account for a significant share of trade flows of environmental goods. While its annual exports averaged US$ 53 billion in 2018–2020, imports totalled US$ 87 billion (see figure III.21). The economies of Canada, the United States and Europe, which tend to be more industrialized than those of Latin America and the Caribbean, accounted for US$ 742 billion in exports and US$ 769 billion in imports.
A comparison of the value of international trade in environmental goods to international trade as a whole reveals two distinct patterns (see figures III.22 and III.23). The share of Latin America and the Caribbean in global environmental goods exports is lower than that in global total goods exports, owing to the influence of primary commodities exports. Meanwhile, the regional share in global environmental goods imports is higher than that in global total goods imports.⁵⁸

Lastly, with regard to the proportion of individuals using the Internet, in 2022, close to 30% of the population of Latin America and the Caribbean was still without Internet access. It is important to note that in the preceding five years (2018 to 2022), the percentage of Internet users increased by 10 percentage points, compared to an 18-percentage-point increase in the prior five-year period (2012 to 2017). Connecting the remaining segments of the population will be increasingly challenging. However, even with the declining growth trend, the region is on track to meet target 17.8 by 2030.

There is significant variation in the region: the proportion of the population using the Internet ranges from just under 40% to over 90% depending on the country (see figure III.24). In other words, access gaps between the countries of Latin America and the Caribbean exceed 50 percentage points.

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⁵⁸ In the absence of an internationally agreed definition, the classification used for the purposes of this report is the one proposed by Sauvage (2014), which combines the Asia-Pacific Economic Cooperation forum (APEC) list of environmental goods and the goods proposed by various parties under plurilateral and OECD negotiations. The list comprises 248 goods categories using the six-digit codes of the Harmonized Commodity Description and Coding System of the World Customs Organization. This analytical approach has several drawbacks. For example, the “soundness” of technologies, or in this case of goods, depends on the context in which they are used (UNEP, n.d.), which cannot be adequately understood through an exclusive reading of commercial data. In addition, the Harmonized System categories were designed according to the description of the underlying goods; however, environmental goods are defined by their potential effects (OECD, 2019). As a result, goods often do not fit neatly into the categories. Furthermore, nomenclature continues to evolve, and the original categories are being replaced by others that are not always perfectly aligned; for example, some categories have been merged into one, while other categories have been split into multiple categories (OECD, 2019).
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Figure III.22
Average share of environmental goods exports and total exports worldwide in total international trade in goods, by geographical area, 2018–2020
(Percentages)


Figure III.23
Average share of environmental goods imports and total imports worldwide in total international trade in goods, by geographical area, 2018–2020
(Percentages)

Figure III.24
Latin America and the Caribbean (32 countries): proportion of individuals using the Internet, 2021 (Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Digital Development Observatory, on the basis of International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database, July 2023.

Note: Although the most recent year for country-level data is 2021, the average for Latin America and the Caribbean includes 2022.

Improvement in this area will require investing in an adequate digital infrastructure and adopting technologies, such as fibre optics in the case of fixed broadband and 4G and 5G networks in the case of mobile broadband. This type of investment in rural or sparsely populated areas is seldom economically profitable for the private sector and thus requires more active and direct intervention by the State and public-private partnerships.
3. **Trade and multilateralism (targets 17.10, 17.11 and 17.12)**\(^{59}\)

The multilateral trading system faces greater challenges today than ever before in its seven decades of existence. A critical assessment is under way, especially in developed countries, of the "hyperglobalization" of the economy after the cold war (Rodrik, 2011). Indeed, the creation of WTO in 1995 marked one of the milestones of that process. Globalization has had major distributional effects within and among countries. For the United States in particular, the offshoring of industrial activities to certain developing countries and competition from the manufactured goods exports of those countries, together with technological changes like the increasing automation of productive processes, have contributed to an increase in inequality and a drop in manufacturing jobs as a share of total employment (United Nations, 2020; Antràs, 2020; Rodrik, 2019).

Global value chains reflect significant concentration of strategic sector production in certain geographical areas, in particular China and other Asian economies. In recent years, globalization and economic interdependence in general have been increasingly criticized in favour of concepts such as strategic autonomy, derisking, nearshoring and friendshoring.\(^{60}\) This phenomenon has been fuelled by economic and geopolitical tensions between the United States and China and by disruptions to global supply chains due to the COVID-19 pandemic and the war in Ukraine (ECLAC, 2021b, 2023f and 2023g).

The centrality of WTO in the governance of global trade has been greatly eroded, setting back efforts to meet target 17.10. Owing to the paralysis affecting its Appellate Body since December 2019, WTO has scarcely been able to contribute to the settlement of disputes between its members on the basis of commonly accepted rules. In addition, several industrialized countries argue that current WTO rules have been ineffective in addressing what they view as the various unfair practices employed by China. WTO members have only concluded two new multilateral agreements since the Organization was established: the Agreement on Trade Facilitation, which entered into force in 2017, and the Agreement on Fisheries Subsidies, agreed by the Ministerial Conference of the World Trade Organization at its twelfth session, held in Geneva in June 2022. Despite having been met with resistance from some WTO members, various plurilateral initiatives have emerged in the absence of multilateral agreements, which require a level of consensus that has proven difficult to achieve.

Trade and geopolitical tensions have highlighted the need to reform WTO to better respond to the significant changes that the global economy has undergone since its creation (in particular digitalization and the rise of China as a trading power) and to align its rules with the challenge of climate change. In the outcome document adopted at its twelfth session, the WTO Ministerial Conference committed to work towards necessary reform to improve all the Organization’s functions. It also acknowledged challenges and concerns related to its Appellate Body, recognized the importance of addressing them and committed to conducting discussions with a view to having a fully and well-functioning dispute settlement system accessible to all members by 2024. The thirteenth session of the WTO Ministerial Conference, held in Abu Dhabi from 26 February to 2 March 2024, was a significant milestone in both processes. However, progress to date has been limited.

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\(^{59}\) Target 17.10: Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda. Target 17.11: Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020. Target 17.12: Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access.

\(^{60}\) Strategic autonomy and derisking are aimed at reducing the vulnerability of importing countries to disruptions in the supply of strategic products or inputs, in particular those produced by geographically or politically distant countries. Measures in this area include the geographical shortening of supply chains, also known as nearshoring, and the relocation of production to ally countries, or friendshoring.
It is crucial to preserve the relevance of WTO in its dispute settlement and rulemaking functions in order to avoid the proliferation of unilateral measures and the fracturing of world trade into fragments consisting of major world powers and their spheres of influence. This is particularly important for developing and least developed countries. In addition, the multilateral trading system can play an important role in the implementation of the 2030 Agenda, given the links between trade and several social and environmental objectives (e.g. full employment, poverty reduction, the fight against climate change and the preservation of the oceans).

WTO reform must ensure that global trade rules are aligned with the objectives of other multilateral forums, in particular with regard to climate change adaptation and mitigation. It should also allow room for the coexistence of different development models, without unduly restricting the capacity of developing countries to explore alternatives in accordance with their own circumstances and priorities. Given its magnitude, this process calls for active participation by the countries of the region and efforts to define common positions whenever possible to ensure due consideration of their interests and concerns.61

Between 2015 and 2022, developing economies’ share of global goods exports increased by 3 percentage points, from 42% to 45%. Developing economies in Asia account for almost all of this increase. By contrast, the share of Latin America and the Caribbean in global goods exports remained practically unchanged during the same period, increasing from 5.5% to 5.7% (see figure III.25). This highlights the region’s inability to overcome its export specialization, in particular its dependence on commodities, which still dominate South American exports.

Figure III.25
World, Latin America and the Caribbean, and Asia: goods and services exports of developing countries as a share of global total, 2005–2022
(Percentages)

61 One positive milestone in this regard was the meeting of high-level trade authorities from 15 countries of the region, held in Santiago on 26 January 2024, to coordinate positions in preparation for the thirteenth session of the WTO Ministerial Conference (see SUBREI, 2024).
Developing countries also increased their share of global services exports since 2015, though to a lesser extent: their share grew from 28% in 2015 to 29.5% in 2022. Asian economies are mainly responsible for this increase as well (see figure III.25). Meanwhile, the share of Latin America and the Caribbean in global services exports fell from 3.5% in 2015 to below 3.0% in 2020 and 2021 (owing to the collapse of international tourism during the pandemic), before returning to 3.0% in 2022 (see figure III.25). It should be noted that, between 2016 and 2019, tourism accounted for 47% of regional services exports. Thus, the region’s stagnant exports, which indicate setbacks in terms of target 17.11, reflect its high dependence on tourism and its competitive shortcomings in several key export aspects in the modern services segment, such as the availability of qualified human capital, investment in science and technology, and the quality of digital infrastructure.

Lastly, with respect to target 17.12 (elimination of weighted average tariffs on exports from the least developed countries), exports from Haiti —the only least developed country in Latin America and the Caribbean— enter all main markets worldwide duty free.

4. North-South, South-South triangular and other partnerships and cooperation (targets 17.9, 17.16 and 17.17)⁶²

Despite the importance of Goal 17, there is insufficient regional data to evaluate progress on all of its targets. This is true for target 17.16 on enhancing the Global Partnership for Sustainable Development, with a particular focus on multi-stakeholder partnerships that share various types of knowledge and

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⁶² Target 17.9: Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation. Target 17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries. Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
resources. In Latin America and the Caribbean, the mobilization of resources committed to public-private and civil society partnerships has fallen short of expectations, and the region is not on track to achieve target 17.17 by 2030. Nor does the region have any data to indicate the existence of contractual agreements between public and private entities to provide a public good or service, in which the private party assumes significant risk and responsibility for its management, with a view to achieving the SDGs.

However, there is a regional awareness of the importance of creating broad and inclusive partnerships and establishing areas of cooperation to support the SDGs, as evidenced by the constant progress in strengthening the institutional framework for the implementation and monitoring of the 2030 Agenda. Civil society participation in the regional follow-up and review of the 2030 Agenda, facilitated and coordinated by the Mechanism for Civil Society Participation in the Sustainable Development Agenda and the Forum of the Countries of Latin America and the Caribbean on Sustainable Development (2018), has a clear structure and procedures. Relevant declarations adopted at annual meetings are presented to the Forum.63

Another example of regional progress is the Community of Practice on voluntary national reviews in Latin America and the Caribbean. For years, this informal forum has provided an opportunity to share good practices and lessons learned among government officials, professionals, researchers and technical experts, as well as representatives of ECLAC and the rest of the United Nations system, including resident coordinators’ offices. Representatives of civil society, the private sector and academia, as well as young people, local authorities and other stakeholders, are also invited to attend.64

There is significant willingness to cooperate among private sector organizations, from small and medium-sized enterprises and chambers of commerce to large corporations and multinational companies. The United Nations Global Compact, the world’s largest corporate sustainability initiative, calls upon companies to align their strategies and operations with universal principles in the areas of human rights, labour, the environment and the fight against corruption, and to take measures to advance social objectives.65 Businesses involved in the Global Compact Local Networks in Latin America and the Caribbean are developing new strategies to align their work with the SDGs. They promote corporate sustainability at the grass-roots level and help companies to understand what corporate responsibility entails in their national or regional context.66

In addition, the Regional Conference on South-South Cooperation in Latin America and the Caribbean is notable among the subsidiary bodies and intergovernmental meetings of ECLAC; since 2023, it has been pursuing objectives aligned with the Goal 17 targets, namely strengthening national South-South and triangular cooperation mechanisms and possible linkages with North-South and multilateral cooperation. The Regional Conference fosters such cooperation among regional and extraregional stakeholders, including donor countries and international organizations, to facilitate the transfer of technology and knowledge, and joint activities in the field of cooperation. It also examines and evaluates South-South and triangular cooperation experiences in the countries of the region, in conjunction with the relevant subsidiary bodies of ECLAC that conduct studies in this field.

Recently, in resolution 1(1), adopted at its first session, the Regional Conference requested its Presiding Officers and member countries to promote the strengthening of synergies and partnerships with other stakeholders such as development banks, the private sector and regional and subregional integration mechanisms, as well as multi-stakeholder partnerships with civil society, local governments and academia in matters related to international development cooperation.

63 See [online] https://agenda2030lac.org/en/civil-society.
The region also has both a formal institutional framework and informal bodies that regulate public and private entities. This should help to advance resource mobilization based on contractual public-private and civil society partnership agreements that would get targets 17.16 and 17.17 back on track.

Lastly, according to the available regional statistical monitoring data, target 17.9 has been achieved or is likely to be achieved with the current trend.\(^67\) The mobilization of cooperation resources, including South-South and triangular cooperation, favours planning and contributes to country-level capacity-building in the region to implement the 2030 Agenda and achieve the SDGs.

Despite the declining provision of international cooperation resources to middle-income countries, international cooperation has been an irreplaceable factor in the development of the countries of the region. They now have a solid institutional framework for cooperation and are committed to sharing best practices and public policy experiences that have helped them to grow, improve the quality of public administration and make progress towards the eradication of poverty and inequality, among other achievements. The challenges facing the countries of Latin America and the Caribbean are similar, which means that solutions in one country can be relevant to many other countries. This, together with a commitment to strengthen institutional ties, has led to well-developed South-South cooperation in the region. Triangular cooperation is moving towards an effective and efficient results-oriented model, based on shared knowledge management and with a focus on partnerships.

The mobilization of financing through international, South-South and triangular cooperation has proven essential to the achievement of the SDGs. These types of cooperation must be sustained and enhanced in order to formulate transformative alternatives and initiatives that enable sustainable and inclusive development and raise the standard of living among the region’s population. Cooperation should provide opportunities for countries to continue to share experiences and learn from success stories, and should continue to facilitate policy dialogues, provide technical assistance, strengthen partnerships and knowledge exchange, and facilitate multilateral and multilevel action.

In order to contribute to countries’ development, South-South and triangular cooperation activities should focus on the most significant regional gaps while taking into account the triple transition — digital, environmental and socioeconomic — that is under way in Latin America and the Caribbean.

As discussed by the countries of the region at the first session of the Regional Conference (ECLAC, 2023l), the global economic slowdown and uncertainties generated by cascading crises, along with the fragmentation of supply chains and the breakdown of technological partnerships, have the potential to significantly transform international development cooperation. In that regard, work is needed in various areas, such as establishing an action agenda and regional methodologies for evaluating South-South and triangular cooperation, strengthening a holistic vision, coordinating multi-stakeholder work, managing disaster risk and conducting future-oriented studies and governance, grounded in the foresight capabilities of institutions.

\(^67\) The indicator for target 17.9 is indicator 17.9.1, dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries.
5. **Data availability, monitoring and accountability (targets 17.18 and 17.19)**

The countries of Latin America and the Caribbean have shown a strong commitment to increasing statistical production to meet the demand for quality information for the monitoring of the 2030 Agenda. They have been improving institutional conditions and the implementation of statistical operations in a sustained and regular manner. This is reflected in the favourable progress of the indicators, which suggest that target 17.19 will be met by 2030.

Although, in 2022, only 18 countries had national statistical regulations that complied with the Fundamental Principles of Official Statistics (United Nations, 2014), all countries in the region have subscribed to the Code of Good Practices in Statistics for Latin America and the Caribbean of the Statistical Conference of the Americas of ECLAC (ECLAC, 2023h). Moreover, they have promoted the adoption of the Code as a framework for professional conduct in the production and dissemination of official statistics through replicable actions, based on experiences proven to produce the best results, that contribute to improving national statistical activity. In 2022, 21 countries had a national statistical plan under implementation.

The above-mentioned institutional progress is reflected in the increase in statistical data collection operations for the production of SDG indicators. According to available data, there is a rising trend in the percentages of countries with at least 90% of births registered (74.5% in 2020), countries with at least 75% of deaths registered (82.3% in 2020) and countries that have conducted at least one population and housing census in the past 10 years (94%), as well as in the number of countries with a formal geospatial data infrastructure (22 countries in 2021). These data collection mechanisms are essential in laying the institutional foundations for solid national statistical systems. So, too, is the consideration of data from new non-traditional information sources that increase national capacities to produce SDG monitoring indicators. There is also a growing trend both in the provision of foreign-exchange resources to strengthen the statistical capacity of developing countries and in public spending on national statistical offices.

However, while investment in statistical capacity-building increased from around US$ 32 million in 2015 to US$ 50 million in 2020, it is still well below the level reached in the early 2010s, which surpassed US$ 80 million. Public spending on statistical offices follows a similar pattern. Although spending as a percentage of total general government spending increased in relative terms, from 0.16% in 2015 to 0.18% in 2022, it is not enough to cover the needs of data-producing institutions in order to ensure the statistical monitoring of the 2030 Agenda. In addition, the percentage of countries with a fully funded national statistical plan is very low.

Lastly, despite persistent difficulties in the production of SDG indicators, 32 countries of Latin America and the Caribbean presented their voluntary national reviews at the high-level political forum on sustainable development in the 2016–2023 period. Of the 32 countries, 18 have presented more than one review.

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68 Target 17.18: By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts. Target 17.19: By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.
F. Conclusions

This chapter has presented a detailed analysis of the current situation regarding the achievement of five SDGs in Latin America and the Caribbean. Supported by the traffic light exercise conducted by ECLAC, this overview helps to illustrate strengths and weaknesses in order to encourage the adoption of adequate measures to get the region back on track and accelerate progress towards the full achievement of the SDGs by 2030.

With regard to Goal 1, the reduction of poverty and extreme poverty levels as measured by income is still insufficient, and multiple crises exacerbate this challenge. The COVID-19 pandemic further increased these levels, particularly affecting the groups that were already the most deprived. Progress has been made in addressing some of the other dimensions of poverty but is still insufficient to meet multidimensional poverty reduction targets. Economic growth needs to be combined with the reduction of inequalities, the creation of productive jobs and the implementation of sectoral policies for education, health, housing and access to basic services, with a focus on closing gaps between territories and population groups, in particular the gender gap. Strengthening social protection systems and increasing coverage, especially of pensions and transfers to groups with insufficient income, is particularly important. Doing so reinforces the protection that such systems afford and their resilience to crises and emergency situations, making them more comprehensive through improved coordination among their internal components as well as with other social policies. At the same time, it is important to guarantee the sustainability of these systems through mechanisms to maintain social spending. Balance should be sought in this regard, optimizing expenditure in other areas in order to implement the social policies necessary to the achievement of Goal 1.

With regard to Goal 2, the confluence of global crises and conflicts in recent years and their impact on economic growth and the price of energy and food have set back the fight against hunger and food insecurity. Progress in reducing malnutrition and undernutrition has been inadequate amid insufficient reductions in poverty that limits families’ access to a healthy diet. Efforts to increase the productivity of the food industry are hampered by the worsening climate crisis, which can cause production losses and food supply problems and further exacerbate food insecurity. This is compounded by the fact that the market price paid by final consumers represents the bulk of investment in the sector, with little additional investment from the private sector and international cooperation, hindering the implementation of resilient and sustainable agricultural practices and the protection of biodiversity. To respond to these challenges, Latin America and the Caribbean requires innovation to enable increased food production and resilience to climate shocks with fewer resources and lower GHG emissions. Significant investments must be made in agriculture and food systems to increase their productivity and sustainability and to improve producer incomes and the population’s access to a varied and healthy diet.

With respect to Goal 13, Latin America and the Caribbean is not a major contributor to global GHG emissions; its energy and electricity mix are relatively clean and its potential for renewable energy production is high; it has the strategic minerals necessary for the energy and carbon transition; and it is rich in biological diversity. However, the region’s high level of vulnerability to the effects of climate change places a heavy burden on its economic development, intensifies fiscal constraints and further reduces the availability of resources to implement the needed social and environmental protection policies. Even with its relatively low emissions, the region needs a four- to five-fold increase in its speed of decarbonization in order to meet the emissions reduction targets set out in the nationally determined contributions, with a focus on investment and productive development in essential sectors for the global carbon transition (e.g. renewable energies, sustainable transport, the bioeconomy and the circular economy) and in sectors that enhance mitigation, adaptation and risk management efforts. There is

69 In 2023 and 2024, the El Niño phenomenon is expected to increase regional and global average temperatures and the potential for extreme weather events.
also a need for regulatory, economic and financial instruments that align incentives and for institutional development that increases transparency and facilitates transformations and social compacts to effect lasting change. With respect to disasters, progress has been made in the legal framework for emergency response financing, with 21 countries having developed national disaster risk reduction strategies, and in early warning systems, which are present in some form in all countries. However, gaps remain in the areas of disaster risk reduction investment, post-disaster reconstruction, territorial coverage and the incorporation of all possible hazards; into disaster risk reduction strategies. Therefore, countries and the international community are urged to coordinate their climate change, sustainable development and disaster risk reduction agendas.

In the case of Goal 16, the region continues to experience high levels of violence and restricted access to justice. Progress varies widely, and the global public goods of peace and security have not been achieved, despite being necessary to prevent negative consequences for countries’ economic and social development. In the fight against violence in all its forms, there is a need to strengthen not only institutions themselves, to consolidate the rule of law and the promotion of human rights, but also to strengthen collaboration between institutions and communities. In order to promote the rule of law and guarantee access to justice for all, governments must support open justice policies and expand the use of digital tools to strengthen both internal and external oversight systems and to increase transparency and accountability with respect to the cases heard by judicial bodies. Moreover, for public policies to be effective in the areas of peace, security and justice, as well as other areas of sustainable development, growing distrust of public institutions and officials in the region must be addressed. Doing so will require strong institutions, investment in public measures, and legal frameworks that are aligned with the rights-based approach and gender perspective and with the main international instruments and treaties on human rights and sustainable development. The legal frameworks must be complemented by horizontal and vertical coordination mechanisms with a high capacity for intersectoral coordination to allow public entities to address sustainable development challenges. To further contribute to the objective of strong institutions, citizens should be provided with more and better access to public information, which enables them to collaborate, make decisions and anticipate disruptive events, such as acts of violence, as well as to organize themselves into participatory structures to identify solutions that leverage collective knowledge.

Lastly, with regard to Goal 17, domestic resource mobilization in the region is constrained by a number of factors, such as low growth, high debt levels and a low tax burden. In addition, the flow of international resources to the region is limited by the designation of most of its countries as middle-income countries. This limitation also applies to technology transfer, resulting in insufficient progress in Internet access, with gaps within and among countries. The situation is compounded by the complexity and evolution of international trade. Greater resource mobilization, prioritizing technological advances in a context of more numerous trade opportunities, would enable countries to improve their efficiency, gain economies of scale and increase knowledge acquisition. This, in turn, will enable countries to increase their productivity and, by extension, their economic growth potential, generating more and better jobs and increasing tax revenues. Fiscal space would be expanded to allow for the implementation of sustainable development policies, thereby establishing a virtuous cycle of domestic resource mobilization. In this context, the importance of establishing partnerships between governments, the private sector, civil society and international institutions is clear. These partnerships should be inclusive and based on a shared vision and common principles and values to encourage collaborative and collective work.

With a view to accelerating progress towards the achievement of the SDGs, chapter IV presents an analysis of six central transitions, with a focus on Latin America and the Caribbean. The transitions are in the following areas: (i) food systems; (ii) energy; (iii) digitalization; (iv) education; (v) jobs and social protection; and (vi) climate change, biodiversity loss and pollution.
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PART II

Acceleration towards the realization of the 2030 Agenda for Sustainable Development
CHAPTER IV

Transitions to accelerate progress towards the Sustainable Development Goals

Introduction
A. Food systems transition
B. Energy transition
C. Digital transition
D. Education transition
E. Jobs and social protection transition
F. Climate change, biodiversity loss and pollution transition
G. Conclusions
Bibliography
Introduction

In his book entitled *The Age of Sustainability: Just Transitions in a Complex World*, Mark Swilling (2020) notes that transdisciplinary research, such as that involved in studying the Sustainable Development Goals (SDGs), makes a distinction between three types of relevant knowledge for effective action in an uncertain, complex and changing world: (i) systems knowledge, in particular regarding socioeconomic, ecological and technological systems; (ii) target knowledge, which is knowledge about desired “endstates” or futures; and (iii) transformation knowledge, which is knowledge about “how to get from where we are now to where we want to be”. The last of the three is the most complex but has been the subject of relatively little analysis. Often, goals and ambitions are stated without a clear idea of how to achieve them or realize the desired future scenario. Thus, analysis and understanding of structural change or transition processes are of the utmost importance. In that regard, this chapter presents an analysis of six transitions with a demonstrated ability to generate traction and accelerate progress towards the SDGs.

As discussed in chapter III, the countries of Latin America and the Caribbean have had a mixed track record in their pursuit of the SDGs. If current trends continue, many targets will not be achieved by 2030. The region’s slow and uneven progress has been the subject of analysis and discussion which, alongside the literature on structural changes and transitions, offer a variety of explanations: isolated or compartmentalized institutions, financing and incentives, rather than a more comprehensive and collaborative approach to governance and policy coordination; planning, policy and legislative frameworks that are not aligned with goals; inadequate budgets; weak capacities for implementation; and the cascade of crises and adverse shocks since 2020.

One way to address some of these weaknesses and to realize fundamental and transformative change is through more comprehensive, systemic policy approaches to generate traction on multiple SDGs at once. Such approaches enable stronger coordination through multi-stakeholder governance that is more inclusive and participatory in implementing solutions, developing shared visions, building consensus and strengthening institutional capacities. This increases the likelihood that transitions and structural transformation processes will be substantial, just and sustainable, lending greater legitimacy and support to the proposed transformations and transitions (TWI2050, 2018).

For years, these structural change processes, involving a sociotechnological shift to a new sustainable reality for those sectors or spheres in which the current reality is unsustainable, have been the subject of international analysis in the context of the transition to sustainability. The transitions are characterized by long-term change; they are based on disruption and innovation and entail the simultaneous transformation of multiple systems (e.g. energy, agriculture and transportation) and dimensions (e.g. technological, organizational, cultural and political) (Geels, 2002; Swilling, 2020).

Because transitions often create winners and losers in the short term, they must be just, offer alternatives to any potential “losers” and be implemented or guided with support from political partnerships and sources of financing (Markard, 2020).

Realizing a just transition towards a desired sustainable development scenario requires a strategic vision for the future and explicit political agreements among development stakeholders. These agreements must be coordinated by States and incorporate a long-term approach to ensure that they persist beyond terms of government. This calls for genuine, meaningful and purpose-driven participation by society and the private sector in open, participatory and democratic forums to collectively agree upon forward-looking public policies. The role of institutions and their technical, operational, political and foresight capacities are critical to the success of this process.

The 2030 Agenda and the principles it represents, as well as its SDGs and targets, constitute a model for just transitions towards sustainability. The 2030 Agenda proposes a shift from a situation in which problems and challenges affect all dimensions of development (as synthesized in the 17 SDGs),
to a scenario of achieving the SDGs and targets through disruptions and structural change that reverse regression or accelerate progress on the SDGs as the case may be. This is reflected in three principles of the 2030 Agenda: (i) sustainability, as an objective or end point; (ii) a comprehensive approach, including a systemic focus to guide alternative pathways; and (iii) leaving no one behind, in particular those who do not benefit, or are even disadvantaged, at any phase of the transition. Many elements of sustainable transitions are reflected in the SDGs, including those related to innovation, partnerships and agreements, changing patterns of consumption and production, and closing equality gaps.

On the basis of analysis supported by multiple studies, the United Nations Sustainable Development Group (UNSDG, 2023) issued a call to foster and accelerate six central transitions. These transitions have been identified as key from a holistic perspective, owing to their potential catalytic, multiplier and accelerator effects on progress towards the SDGs. The six transitions pertain to the following areas: (i) food systems; (ii) energy; (iii) digitalization; (iv) education; (v) jobs and social protection; and (vi) climate change, biodiversity loss and pollution.¹

In response to this call, the six transitions are analysed below from the perspective of Latin America and the Caribbean, with a view to understanding progress and emerging challenges in the region. In this chapter, the discussion of each transition is structured in the following manner: a first section providing a brief description of the transition; a second section on how that transition supports the SDGs; a third section on the desired scenario; and a fourth section on the current scenario. These are followed by sections on the three fundamental action areas to accelerate progress towards the SDGs: (i) strategies, plans, policies and programmes, defining what needs to be done for each desired pathway; (ii) institutional arrangements; and (iii) investment needs. Together, these three points outline how to implement the public policy, multi-stakeholder collaboration and financing measures required for progress. The final section under each transition contains the main conclusions.

A. Food systems transition

1. Description

The transition to sustainable food systems rests on the centrality of the pillars of food security, environmental sustainability and social inclusion. It will require a return to ancestral agricultural production practices, as well as efforts to ensure the nutritional quality of food, comply with labour regulations and protect the social rights of agricultural workers.

To achieve this transition, it is imperative to improve land and ocean management, reduce the environmental impact of agriculture and fishing and strengthen ecosystem resilience to climate and environmental change. It is also necessary to ensure that food production is sufficient and equitable for all to guarantee global food security (TWI2050, 2018).

The transition calls for the exploration of a variety of actions, including the protection of natural spaces that have not yet been degraded and the restoration of those that have. In addition, it requires a shift towards regenerative agriculture that restores the soil and encourages biodiversity and the adoption of sustainable fisheries models that safeguard ocean health and productivity.

It further requires the adoption of healthy, sustainable diets based on diverse sources of protein and other nutrients and the reduction of waste and spoilage all along the food production and supply chain (FOLU, 2019). This comprehensive approach is not only beneficial to human and environmental health, but it also strengthens the resilience of food systems to future challenges.

¹ The Secretary-General of the United Nations further explained that these transitions do not constitute a new agenda but rather a useful organizational framework to highlight the pathways to accelerating progress on the SDGs within and among countries.
2. Contribution to the Sustainable Development Goals

Sustainable food systems contribute to economic growth and are powerful tools for addressing urgent global challenges in other areas of sustainable development. They play a vital role in the eradication of hunger and poverty, by guaranteeing equitable access to nutritious food for all; they increase resilience to climate uncertainty; and they foster social inclusion by supporting local communities and smallholder farmers.

The United Nations Food Systems Summit provided a crucial platform for the promotion of sustainable food systems. It underscored the many benefits of transitioning towards more sustainable and resilient food practices. It also highlighted the perfect alignment between the commitment to sustainable food systems and the broader aspirations enshrined in the 2030 Agenda, as the way in which food is produced, traded and consumed is closely linked to the achievement of the SDGs. From the Goals on zero hunger and on health and well-being to the Goals on responsible consumption and climate action, sustainable food systems are integral to the achievement of several of the interconnected SDGs (Rodríguez, 2017) (see image IV.1).

Image IV.1
Sustainable Development Goals supported by the food systems transition

3. Desired scenario

In the desired scenario for food systems, food would be recognized as one of the most basic human needs, essential for survival and necessary in adequate quantities for human development throughout the life cycle. Among other things, proper nutrition creates the conditions for ensuring sufficient early childhood stimulation, maximizing the benefits of childhood education, optimizing the performance of daily activities in youth and adulthood and improving the likelihood of better health in old age. In this scenario, food systems would be just and sustainable and would guarantee that, for present and future generations, every person at every stage of life could access nutritious food in sufficient quantities. This would drastically improve food security, create more inclusive rural economies and help to bring climate change under control and to safeguard biological diversity (FOLU, 2019).
4. Current scenario

As discussed in chapter III, the convergence of the various global crises and conflicts and the intensification of climate shocks have had major repercussions for food prices, posing a critical challenge in the fight against hunger and global food insecurity (ECLAC/FAO/PMA, 2022). Limited economic growth in the region over the past decade has contributed to rising poverty, making it harder for families to access a healthy, nutritious diet (FAO and others, 2023). These cyclical challenges are compounded by structural challenges, including the need to increase food production and productivity and to mitigate greenhouse gas (GHG) emissions in line with the Paris Agreement targets.

By 2050, global food production is projected to increase by a substantial 49% to meet growing demand due to global population growth. At the same time, owing to restrictions on expanding the agricultural frontier, a major portion of that increase in food production will have to come from improved productivity. Achieving zero hunger globally would require an estimated 28% average increase in agricultural productivity over the coming decade, which is three times the increase recorded for the past decade (OECD/FAO, 2022).

The expansion of food production will increase pressure on natural resources, such as land, water and biodiversity, and drive up GHG emissions. Without major changes in investment patterns, GHG emissions from agriculture are projected to increase by 7.5% over the next decade, with 90% of that increase attributable to livestock (OECD/FAO, 2022). However, without changing current food production models, continuing to scale up production to meet growing demand will be unsustainable.

Agriculture, livestock, aquaculture and fisheries are large contributors to climate change owing to their unsustainable use of water; eutrophication caused by the excessive accumulation of nutrients; air and water pollution; deforestation; and biodiversity loss. Current food systems are highly vulnerable to floods, droughts and pest infestations, as well as soil degradation and ocean acidification. In addition, they lack the required efficiency to provide the healthy food necessary to ensure that no one experiences hunger or malnutrition (TWI2050, 2018). For example, one third of global food production ends up spoiled or wasted (United Nations, 2023d).

One of the main concerns in Latin America and the Caribbean is that growing global demand for food will put pressure on the region’s natural resources. The use of fertilizers and pesticides, nearly all of which are imported, has intensified, with negative consequences for regional economies, the environment and public health. In addition, biodiversity loss, in particular loss due to changes in land use, represents a significant threat to food security and the natural equilibrium. Another area in urgent need of attention is food price volatility, especially in the context of higher international prices and the increasingly frequent climate-change-induced extreme weather events (ECLAC/FAO/WFP, 2022).

Despite these challenges, there is an opportunity for the region to champion sustainable agricultural practices, such as the use of natural fertilizers and agroecological techniques, which not only help to address volatility in the prices of imported inputs but also increase the sustainability of food systems and their adaptation to climate change. Leveraging this opportunity will require greater investment in technology, infrastructure and capacity-building to increase productivity and promote more sustainable production practices, including for smallholder farmers. In addition, efforts must be intensified to ensure that the agricultural sector contributes effectively to the reduction of global GHG emissions, in accordance with the Paris Agreement. Investment must be substantial enough to adapt agricultural production to new climate risks and environmental conditions, which would entail the generalized adoption of climate-smart production processes and technologies for raising crops and, especially, livestock.
The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean...

5. Strategies, plans, policies and programmes

The following are examples of strategies, plans, policies and programmes to achieve the sustainable transition of food systems:

- Fostering sustainable agricultural practices by adopting agroecological methods, precision agriculture, organic methods and efficient water management to improve biodiversity, soil health and resilience to infestation and disease.
- Returning to ancestral crop production and food systems, with an emphasis on nutritional quality.
- Encouraging regenerative agriculture through seed banks, greater crop rotation and mechanization to reduce the need for herbicides.
- Stimulating local food systems through short supply chains and urban and community farming to reduce the environmental footprint of food production, support local economies and increase access to fresh, seasonal produce.
- Promoting circular economy principles to minimize food waste, recycle organic waste for compost or biofuel and use the by-products and co-products of food processing to create new value added goods and services.
- Redirecting agricultural subsidies to support the creation of public goods, offering financial incentives and establishing regulations that encourage sustainable land use and water management, as well as biodiversity conservation and respect for labour rights in food systems.
- Encouraging consumer participation in and education on the environmental, social and health impacts of their food choices, and awareness on healthy diets and sustainable food businesses.
- Supporting the establishment of market mechanisms that reward sustainability and social inclusion, such as mechanisms for certification, green and social impact labels, and market incentives for sustainable production and consumption.

The countries of Latin America and the Caribbean have already taken a variety of measures in the same vein as those listed above, including the drafting of the National Roadmap for the Transformation of Food Systems in support of the 2030 Agenda of Uruguay, which includes plans for responsible land use and soil management, the reduction of food spoilage and waste and the conservation of biodiversity; the National Irrigation and Drainage Plan for Farmer, Family and Community Economies of Colombia; and the Adaptation and Low-carbon Agriculture plan (Plan ABC+) in Brazil.

With regard to replacing synthetic fertilizers with more sustainable alternatives, Uruguay made a notable proposal to reintroduce microorganisms in the drafting of its bioeconomy strategy. Similarly, Costa Rica structured its National Bioeconomy Strategy around the principles of decarbonization and value added, while Brazil has implemented the National Bio-inputs Programme, which encourages innovation.

More specific measures have also been taken, such as the adoption of precision agriculture\(^2\) in Trinidad and Tobago and supporting efficient water use through the IRRIGA + Brasil programme in Brazil. In addition, the majority of countries have mapped out paths for their national food systems to achieve the SDGs, focusing on elements such as food security, healthy diets and waste reduction, as well as the adoption of technology for sustainable agricultural production.

\(^2\) A type of agriculture that takes various measurements of crops and soil, together with climate factors, using satellite monitoring and robust data analysis, with a view to implementing the optimal processes in a given place at a given time.
The transition to sustainable and resilient food systems is essential in addressing the interrelated challenges of food insecurity, environmental degradation and climate change. In the national road maps drafted within the framework of the United Nations Food Systems Summit, countries have incorporated multifaceted approaches that broadly cover sustainable agricultural practices, more responsible food distribution systems and consumption patterns, and a policy framework that takes into account the complexity of these issues and their interlinkages.

6. Institutional arrangements

To drive the sustainable transition of food systems, rules and guidelines are needed to collaboratively foster sustainable practices and the resilience of food systems; strengthen research institutions; facilitate access to extension services and market mechanisms; and support local governance, international agreements and financing mechanisms. Institutional arrangements in that regard include:

- Fostering multi-stakeholder and multilevel coordination (government, private sector, civil society, research institutions and local communities) with a view to improving collaboration, knowledge-sharing and collective action to achieve sustainability and food security.
- Designing and implementing regulations on land use, sustainable water governance and management, agrochemical use, and food security and environmental protection standards, among other areas.
- Investing in research centres dedicated to sustainable agriculture, food systems and environmental conservation to develop empirical knowledge and empirically based technologies, innovative practices and guidance for policymakers.
- Strengthening extension services that provide farmers with technical assistance, capacity-building and information on sustainable agricultural practices.
- Reinforcing global governance mechanisms to promote food security, biodiversity conservation and sustainable development and combat climate change.
- Actively participating in negotiations and signing and ratifying international agreements to address global challenges, such as climate change, biodiversity loss and food insecurity.

7. Investment needs

A just and sustainable transition of food systems will require an increase in gross fixed capital formation in agriculture (an indicator of the level of investment) to boost productivity. Benchmark estimates indicate that the region needs approximately US$ 60 billion in investment to reach the level of agricultural investment in the United States, for example (ECLAC, 2023c). At the country level, investment needs are estimated at an additional US$ 1.4 billion annually (0.5% of GDP) in Chile, 1.27% in Colombia and 1.5% in Guatemala.

The transition to sustainable food systems requires these additional resources to be deployed in the form of targeted investment in key areas to ensure simultaneous progress towards food security, environmental sustainability and social inclusion. In addition, an investment strategy to support that transition should focus not only on immediate concerns but also on future trends, which portend greater pressure on agriculture and food production owing to population growth, as well as on the urgent need to address climate change. In that regard, a comprehensive strategy could be centred on three critical priority areas: increasing productivity, decarbonizing food production and improving vulnerable populations’ access to a healthy diet.

Strategies and institutional arrangements to address these priorities have been described in detail (ECLAC, 2023c). In addition, they can be addressed by establishing financing mechanisms, such as green and social impact funds, subsidies for sustainable and inclusive agriculture, and incentives to invest in green technologies to mobilize resources and support the transition towards sustainable food systems.

These investment areas are interlinked and should be approached comprehensively to maximize benefits and mitigate negative externalities. The success of this strategy requires a combination of governmental policies, private innovation initiatives and multi-stakeholder collaboration all along the food production chain to mobilize a level of financial, human and technological resources commensurate with investment needs.

8. Conclusions

The transition to sustainable and resilient food systems requires a comprehensive approach that integrates the environmental, social and economic dimensions of sustainable development. Governments, firms, farmers, consumers and civil society must take collective action to transform the production, distribution and consumption of food. Simultaneous support for innovation, international cooperation and a commitment to natural resource management would help the countries of the region to build food systems that feed people, generate fair pay for producers, protect the planet and promote prosperity for generations to come.

B. Energy transition

1. Description

The energy transition is a transformative process that requires a new ecosystem of regulations, institutions and instruments to facilitate targeted investments in modifying the energy mix by progressively incorporating renewable energies and electrifying sectors that are currently hydrocarbon dependent. The transition will revolutionize models of consumption and production with a view to increasing energy efficiency. It will have cross-cutting implications for all productive activities, creating new industries and decent, sustainable jobs, and will drive the transformation of the development model in the region.

The energy transition is recognized both regionally and globally as central to the decarbonization of the economy and progress on the SDG indicators and the climate targets contained in the Paris Agreement. Expanding clean, renewable sources in the energy system and increasing energy efficiency in all economic activities are two key accelerators for this transition. Regional energy integration processes are also paramount, as they contribute to the energy system's security and resilience to external shocks while facilitating its efficiency and the market penetration of renewable energies. Ensuring that the transition is just will also require universal access to electricity, with greater equity and reduced energy poverty.

2. Contribution to the Sustainable Development Goals

The accelerating shift towards the generalized use of modern, renewable and clean energy sources has positive implications for a variety of the SDGs (see image IV.2). Beyond directly contributing to the achievement of Goal 7, it contributes to innovation, with the development of new technologies and value chains in associated industries; it increases productivity, with gains in energy efficiency; and it opens up new labour market opportunities, contributing to decent work. In addition, it reduces the use of fossil
fuels in productive activities and generates fewer polluting emissions in the residential and construction sectors. It also contributes to the decarbonization of water withdrawal, purification and distribution, energy generation processes, women’s empowerment and the reduction of urban pollution, resulting in more sustainable cities and communities. Likewise, it contributes to climate action, by decarbonizing the energy sources of all productive sectors and reducing GHG emissions, and to the conservation of land and marine ecosystems.

Image IV.2
Sustainable Development Goals supported by the energy transition

3. Desired scenario

The desired scenario is one that is carbon neutral (net zero emissions), with energy systems that use a broad range of renewable and clean sources, provide universal and affordable electricity coverage (for homes, health centres, schools, community centres, firms, stores, government offices and other premises), and that do not significantly degrade ecosystems. Achieving this scenario, in which more efficient energy use should also lower demand, is fundamental to improving the quality of life and keeping carbon emissions under control, driving the creation of green jobs, increasing productivity and helping to secure better health and education as desirable social development outcomes in the context of the energy transition (United Nations, 2023f).

4. Current scenario

In Latin America and the Caribbean, a significant portion of the population and of production processes (transport and industries) use energy derived from fossil fuels, which emit GHGs and local pollutants that are harmful to health, contributing to climate change and hindering sustainable development. The primary energy supply in the region continues to be derived mainly from fossil fuels (69%); only one third of the supply is derived from renewable sources. Meanwhile, 65% of electricity generation is renewable, thanks to rapid growth in solar and wind power and the development of green hydrogen and its derivatives, as well as new markets and uses.4

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4 Although the share of oil in the region’s primary energy supply has diminished, the use of natural gas for electricity generation has increased, as a less-polluting alternative to oil and carbon that, unlike renewable energy sources, does not have the disadvantage of being intermittent.
With regard to demand, the transport sector accounts for 39% of total energy consumption in the region, powered almost entirely by fossil fuels. The manufacturing sector, which also derives most of its energy from fossil fuels, consumes 27%, while the residential sector consumes 16%.

The countries that are net importers of fossil fuels face significant problems owing to rising (or variable) prices linked to external shocks, such as the COVID-19 pandemic and the eruption of armed conflicts. In addition, with the exception of a slight improvement in the transport sector, energy efficiency is not increasing in any sector in the region.

The costs of electricity generation and storage from renewable sources continue to fall, in particular for solar and onshore wind energy, which both cost less than electricity generated from fossil fuels. This explains the rapid expansion of investment in renewable power plants in Latin America and the Caribbean. However, in all the countries of the region, progress is impeded by deficient or obsolete energy transmission and distribution infrastructure and the insufficient deployment of cost-effective storage solutions for renewable energies.

Although 98% of the population of Latin America and the Caribbean has access to electricity (nearly 85% for the Caribbean alone), there are access gaps between population groups. In some countries, up to 15% of the rural population lacks access to electricity, and there is a high level of inequity in access and affordability for the lowest-income quintiles throughout the region. In addition, an estimated 83 million people in the region still lack access to clean cooking fuels and technologies.

Lastly, with regard to institutional and regulatory frameworks in the energy sector, long-term planning systems and instruments in most of the countries of Latin America and the Caribbean are inadequate and in some cases obsolete, and reforms in that regard have not been enough to accelerate the transition. For example, regulatory and planning deficiencies have led to a glut in investment in the generation of renewable energy that exceeds the capacity of transmission infrastructure.

5. Strategies, plans, policies and programmes

The main strategy of ECLAC is to drive the implementation of simultaneous measures, divided into five mutually reinforcing pillars:

(i) Achieving universal, affordable electricity coverage for all, including in rural, remote and isolated areas.

(ii) Substantially increasing the share of renewable energy in the energy mix and progressively converting carbon-intensive productive sectors, such as the transport and industrial sectors, to electric.

(iii) Increasing the energy efficiency of all productive sectors and in the residential and construction sectors.

(iv) Expanding energy interconnection and integration among the countries of the region.

(v) Increasing energy security and resilience to external shocks.

It is recommended that States, in their medium- and long-term public policies, adopt the following guidelines to contribute to progress on the five action pillars:

• Take advantage of the combined use of renewable technologies to generate electricity in situ in a decentralized manner (distributed generation) in rural, remote and isolated communities that lack access to interconnected systems, with a view to creating jobs and local development opportunities.
• Implement public policy measures, incentives and public-private partnerships to finance transmission and distribution infrastructure that is adapted to the new energy mix (with a special focus on the transport and industrial sectors).5

• Use concession models that include technology transfer and encourage the progressive manufacture of equipment, parts and components, and retrofitting, as well as engineering, maintenance and operations for power plants and transmission grids.

• Modernize policies and instruments to implement solutions aimed at increasing energy efficiency in all the productive sectors and in the residential and construction sectors.

• Reform the insufficient regulation of electricity markets all along the value chain, from generation and storage to transmission and distribution.

• Advance towards the digitalization of monitoring and the combination of sources to balance electricity supply and demand (coordinated delivery), which creates high-value-added opportunities.

• Improve measures to reduce technical and non-technical losses in electrical grids to increase efficiency from generation to end use.

• Gradually integrate all links along the new renewable and clean energy value chains and retain surplus production within national and regional economies.6

• Increase the participation of national or regional producers through regulations and standards that ensure the expansion of energy transition markets.

• Finance research and development activities to increase competitiveness or adapt products to specific requirements.

• Gradually eliminate implicit and explicit subsidies for fossil fuels, considering instead direct transfers to the most vulnerable segments of the population.

• Boost both supply and demand for leading renewable technologies and their parts and components (wiring, electrolyzers and batteries).

• Create or strengthen demand for green hydrogen and its derivatives (futures and wholesale), which stimulates the supply of renewable and clean energy by reducing uncertainty among potential investors.

• Increase research and development activities associated with the extraction and use of essential substances for renewable energy (lithium and copper).7

• Open and strengthen dialogues between policymakers, the private sector and communities from neighbouring countries to increase subregional and regional interconnectivity and integration, with a view to increasing economies of scale, project viability, efficiency and sustainability, by allowing the complementarity of supply and demand in interconnected countries to determine the distribution of the energy available for delivery.8

5 The magnitude of the investment effort in each country depends on the renewability of the primary energy and electricity supply, the level of coverage of energy services in all territories and the opportunities for energy interconnection and integration with other countries.

6 The region has the skilled human capital and the essential commodities (strategic minerals) to drive a big push for renewable energies and for energy efficiency and reconversion solutions, and to develop the required generation and storage capacities.

7 These efforts should take into account the possible ways in which activities could harm ecosystems and biodiversity, such as the quality of life and livelihoods of Indigenous Peoples and local communities and should include consultative and participatory processes.

8 It is important to take into account cross-border electrical grids and gas pipelines, which can be converted to the transmission and distribution of renewable and clean energies through integration to better address uncertainty, volatility and external shocks and to establish effective energy resilience and security systems at the national, subregional and regional levels.
The countries of the region are making progress on various fronts in the energy transition. Several countries have national energy policies, such as the 2005–2030 Energy Policy of Uruguay, the 2020–2024 National Programme for Sustainable Energy Use of Mexico, the Energy 2050 policy of Chile and the 2015–2030 National Energy Plan of Costa Rica.

Programmes to improve energy efficiency include the Programa Localidades Eficientes in Uruguay, the Plan of Implementation of the Rational Energy Use Programme in Colombia, the National Electricity Conservation Programme of Brazil, the Public Sector Smart Energy Programme of Barbados and the National Programme on Rational and Efficient Energy Use of Argentina.

Various countries are implementing other targeted measures, such as tax incentives for the electrification of public transport, initiatives to replace traditional cookstoves (wood-burning and charcoal) the electrification of light vehicles, the use of biofuels and, in some countries, the production of green hydrogen. Efforts in the latter area include the H2U programme in Uruguay, the Roadmap for a Green Hydrogen Economy in Trinidad and Tobago, the National Green Hydrogen Strategy of Costa Rica, the H2 project in Brazil and a variety of specific projects in Argentina and Chile.

6. Institutional arrangements

In view of the challenges of inadequate governance and regulatory frameworks for the energy transition, it is necessary, from an institutional perspective, for each country to build new ecosystems of governance, regulation and multi-stakeholder partnerships that are modern and conducive to the acceleration of the energy transition.

The most relevant institutional measures to consider include:

- Designing, building and strengthening new institutional and regulatory systems that are aligned with the energy transition, with more effective, modern and flexible legislative and operational capacities.
- Reviewing and modifying institutional arrangements that establish not only functions and roles in energy markets (regulator, coordinator, provider and auditors) but also way that these institutions communicate among themselves (by means of an inter-institutional energy transition council) in each country.
- Holding inter-agency dialogues among the authorities in the energy, industrial and transport sectors, as well as other key sectors, to coordinate institutional and legislative reforms affecting energy in the most carbon-intensive sectors, such as transportation and industry.
- Establishing and strengthening institutions and partnerships, as well as bilateral, subregional and regional cooperation, to encourage regional energy interconnection and integration based on renewable sources with a view to increasing economies of scale and resilience, minimizing intermittence and the disruption of supply chains and reducing the risk of extreme events.
- Developing and strengthening national long-term energy planning to enable decision makers to rely on foresight and to manage energy supply and demand more efficiently in different contexts and time frames, as well as to determine the magnitude of and target areas for investments in generation, storage, transmission and distribution and the interconnection of grids, for electricity and other types of energy.
- Strengthening participation and public-private cooperation in communities.9

9 Commercial and pilot experiences in the countries of Latin America and the Caribbean demonstrate the potential that early and informed local participation by citizens and communities can have in decentralizing and reducing conflicts, and they demonstrate the importance of community capacities and needs in accessing decentralized energy derived from self-generation and microgrids.
7. Investment needs

According to ECLAC calculations, a major investment push is needed to accelerate the energy transition, with annual investments totalling 1.3% of regional GDP for a decade, in order to achieve universal electricity coverage, substantially increase the renewable share of the energy mix and reduce GHG emissions by 32% in Latin America and the Caribbean.

For all the countries of the region, it is crucial to unblock financing for renewable energy and associated industries; reduce the perception of risk and increase the bankability of projects; and implement innovative initiatives to fund renewable and clean energy projects and the required infrastructure for storage, transmission and distribution networks.

Given the fiscal constraints due to the region’s new “lost decade”, more robust private sector investment is needed, together with a favourable regulatory framework. In addition, misperceptions of risk must be overcome and appropriate incentives must be provided to close existing financing gaps and leverage private sector resources. This means adjusting risk frameworks and increasing flexibility to scale up financing for renewable energy (Guterres, 2022).

Some countries have made progress in that regard. In Brazil and Chile, where an optimal outcome of the energy transition would include more renewable energy in electricity generation, more interconnection and integration, and universal access to electricity, the combined investment needs (in terms of capital and operating expenditures) over a 10-year period are estimated at US$ 130 billion for Brazil, equalling 0.7% of annual GDP, and US$ 27 billion for Chile, equalling 1% of annual GDP.

Similar estimates have been made for Colombia, where investment needs amount to $US 1.2 billion to provide electricity to all households requiring access, and for Costa Rica, where needs amount to US$ 2.5 billion for the implementation of the National Green Hydrogen Strategy by 2030. The investment needs of countries differ according to their current conditions. For example, the current primary energy supply in Trinidad and Tobago is composed entirely of non-renewable sources, with natural gas accounting for 99.8% and oil accounting for the remainder. In light of these conditions, more efforts are needed for the country to complete the energy transition.

8. Conclusions

National sustainable energy transitions must ramp up, with an emphasis on the electrification of energy-intensive sectors, such as transport and industry; increasing energy efficiency in all areas, thereby transforming the development model; and harnessing opportunities for international integration and trade in clean energy.

At the same time, last-mile efforts must continue in order to achieve universal access to renewable and clean electricity, including the availability of clean technologies for cooking, temperature regulation and refrigeration for current and future generations, and the effects of transition-related investments on communities, the environment and ecosystems must be considered.

The transition involves different pathways and challenges for each country. Therefore, it is important to ensure not only an accelerated roll-out but also a just transition that helps to increase community participation and, ideally, to reduce socioeconomic inequality and energy access gaps, as well as to foster regional cooperation.

Latin America and the Caribbean has enormous renewable potential (in particular solar and wind energy) and opportunities to increase the efficiency and security of the electrical system through regional integration, which should be leveraged. The energy transition is already under way in the
countries of the region. The challenge is to accelerate that transition, given its multiplier role in driving the activities and services that will transform the development model into one that is more sustainable. The speed of this transition will be a decisive factor in achieving the climate target to limit temperature rise.

C. Digital transition

1. Description

The digital transition is the process by which economic stakeholders integrate digital technologies into all aspects of their activity, transforming models of consumption, production and social interaction. It has the potential to increase productivity, open up new markets, create new industries and new jobs, improve the well-being of the population with new and better services and enable more environmentally sustainable models of production.

The digital revolution is already under way, propelled by continuous advances in digitalization, artificial intelligence, connectivity, 3D printing, virtual reality, the Internet of things, robotics, quantum computing and synthetic biology, among other areas. This revolution was made possible by a series of discoveries and inventions, including interconnected circuits, semiconductors and microprocessors, the Internet, mobile telephony and the Global Positioning System (GPS) (TWI2050, 2018).

2. Contribution to the Sustainable Development Goals

The digital transition has vast synergistic potential to contribute to the achievement of various SDGs on multiple fronts (see image IV.3). It can expand access to quality education (online learning tools), health (telemedicine), transportation (autonomous vehicles), agriculture (automation of sowing and harvesting) and open and digital government (online public services) and facilitate innovation in general.

Image IV.3
Sustainable Development Goals supported by the digital transition

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

The desired sustainable development scenario with regard to the digital transition is one in which digital infrastructure and connectivity are available and affordable to the entire population. The appropriate, open and secure use of technology could enable key development achievements, such as a high-tech economy, and could effect structural changes in productivity, employment, trade, digital literacy and access to health care, education and justice, as well as help to create a conducive environment for innovation and entrepreneurship (United Nations, 2023e).

4. Current scenario

As discussed in chapter III, one third of the population of Latin America and the Caribbean does not use the Internet, and fixed broadband penetration in the region is low (less than 20% of the population). Access is also uneven: for example, in 8 of 12 countries in the region, 60% of poor children and adolescents lack a home Internet connection. This percentage is much higher than among other socioeconomic groups, and access gaps in rural areas are worse still.

In addition, the digitalization process is extremely unequal. In the long term, the current trend will be neither sustainable nor fair; it is producing both winners and losers, owing mainly to the precipitous changes affecting part of the population. The current path of digital transformation could lead to job losses and reinforce the unequal distribution of income, which would tend to accrue to capital rather than to labour. There are also more complex risks to consider, such as online identity theft, the misuse of digital information and cyberattacks (TWI2050, 2018).

5. Strategies, plans, policies and programmes

The fundamental measures that are needed to achieve a sustainable and just digital transition include:

- Establishing a digital transformation policy that fosters governance, accessibility and security.
- Developing broadband infrastructure and connectivity.
- Developing digital skills and competencies.
- Designing employability plans that address automation.
- Implementing programmes that ensure access to the benefits and uses of digital tools.
- Encouraging regional digital cooperation and integration.

In 2023, the Secretary-General of the United Nations called for the establishment of a global digital compact to ensure access to digital services for all, with the following aims: closing the digital divide, enhancing digital skills and competencies, investing in digital infrastructure and public services, achieving interoperability and access to data, eliminating the digital gender divide, protecting workers against digital surveillance, strengthening Internet governance and making it a global public good, ensuring the responsible and transparent use of digital technologies and platforms, increasing cybersecurity, guaranteeing the right of individuals to manage and control their personal data, and ensuring full respect for intellectual property (United Nations, 2023a). These proposals can complement the regional public policy agenda for the coming years to facilitate a sustainable digital transition in Latin America and the Caribbean.
Progress in the countries of the region is reflected in certain initiatives aimed at encouraging, among other things, the development of telecommunications and fibre-optic infrastructure, the strengthening of electronic and digital government, the design of strategies for artificial intelligence use in the delivery of public services, and the establishment of public-private partnerships. Examples of progress at the institutional level include the creation of the Ministry of Digital Transformation of Trinidad and Tobago, the Telephony Development Fund (FONDETEL) in Guatemala and the Comprehensive Online Services Platform in Chile. Other examples of progress include the National Telecommunications Development Plan of Costa Rica, the Conecta TIC 360 initiative in Colombia and the National Digital Transformation Strategy (E-Digital) of Brazil.

In addition, there are more specialized relevant programmes in the region, including the Internet for All programme in Mexico, which seeks to provide free access to rural areas; the Digital Talent programme in Chile, to support digital skills training; the National Internet of Things Plan of Brazil, aimed at improving quality of life, productivity and competitiveness among businesses; the Public Sector Modernization Programme of Barbados, which represents the country’s national digital strategy; and the Connected Learning initiative in Argentina, focused on expanding online classrooms.

6. Institutional arrangements

The implementation of public policies to effectively guide the digital transition calls for long-term institutional arrangements and agreements, with the broad participation of development stakeholders convened by the State. The most important such arrangements include:

- Enacting legislative and regulatory frameworks that prevent market concentration and strengthen cybersecurity, privacy, personal data protection and digital taxation.
- Boosting public investment in digital infrastructure to close fixed broadband access gaps.
- Increasing investment to roll out 5G networks.
- Increasing capital expenditures by telecommunications service operators.
- Using open government as a vehicle for access to information, transparency and accountability.

Cooperation among countries is one of the keys to achieving the digital transition. In this regard, it is important to continue efforts to adopt the Digital Agenda for Latin America and the Caribbean (eLAC2024), which sets out policy priorities and strategic actions at the regional level, with 31 objectives divided into four pillars that all incorporate the gender perspective (see ECLAC, 2023e). The four pillars of eLAC2024 are:

(i) The push for universal and inclusive digitalization, linked mainly to infrastructure, connectivity, the development of skills and competencies, and essential elements to advance towards better governance, security and an enabling environment;

(ii) The productive and sustainable digital transformation, incorporating aspects related to the digital economy, entrepreneurship, innovation and sustainability, in a context where climate change and the reduction of the environmental impact are increasingly important;

(iii) Digital transformation for social welfare, incorporating themes related to inclusion, innovation and digital transformation of the State;

(iv) New partnerships, incorporating actions related to trade integration, the regional digital market and cooperation.
7. Investment needs

A sustainable digital transition requires enough resources to roll out 5G networks. According to studies conducted by ECLAC, in some countries these needs could exceed US$ 120 billion to achieve maximum national coverage and impact, which would require telecommunications service operators to increase their annual capital expenditures by approximately 40%. Investment needs can be estimated more precisely at the national level. For example, in Barbados, investment amounting to 12.1% of GDP would be needed to close digital infrastructure gaps. In Chile, current investment would need to be increased by an estimated 17% to close fixed broadband access gaps, which would amount to cumulative investment of nearly US$ 14 billion by 2029.

8. Conclusions

To ensure that all people and all productive sectors can enjoy its benefits, the digital transition must be reoriented through strategies that facilitate the re-employment of workers whose jobs are transformed by the transition and the reskilling of adult workers in a changing labour market to enable them to adapt to new demands and ensure that profits are equitably distributed between labour and capital.

D. Education transition

1. Description

The education transition is the process or set of processes that comprise the transformation of education systems with a view to protecting the rights of individuals throughout the life cycle (in particular the right to education), improving their prospects for social and economic well-being, reducing inequality, strengthening social mobility and cohesion and preparing societies for the green and digital economies of the future.

2. Contribution to the Sustainable Development Goals

In addition to constituting a Goal unto itself (Goal 4), quality education affects and is affected by other Goals. Transitioning to quality education is fundamental for the sustainable development of the region and all its inhabitants. The education transition is directly linked to the Goals on decent work and economic growth and on reduced inequalities. In addition, in view of its potential to disseminate key messages, it has ties to all of the other SDGs, making it a vehicle for improving health and the use of natural resources, preserving ecosystems, promoting respect and fostering an environment that is free from violence and characterized by justice, respect for the rule of law and peace (see image IV.4).

3. Desired scenario

The desired scenario for a sustainable and just education transition is one in which the global population has achieved a paradigm shift in terms of its thinking, behaviour and understanding of development processes, both individually and collectively. In the desired scenario, all people would have the opportunity to acquire a broad range of skills, abilities and competencies in a changing labour market.

In that regard, the concept of continuing education throughout the life cycle is increasingly important in ensuring access to quality education for all to develop the skills, values and attitudes that enable citizens to lead healthy and fulfilled lives, make informed decisions and respond to local and global challenges, through education for sustainable development and global citizenship education (UNESCO and others, 2016).
4. Current scenario

The range of challenges facing education in Latin America and the Caribbean indicate that the region is currently not on track. Although the majority of the countries of the region have reached near-universal primary education, with a regional average of more than 95%, progress in secondary education has been less pronounced, with completion rates of around 80% for lower secondary and just 65% for upper secondary. These levels fall further, to around 30%, in post-secondary education. At all education levels, access is segmented according to socioeconomic status and level of education in the household of origin, as well as other social inequality axes, such as ethnicity and race, urban or rural environment, migration status and disability status (ECLAC, 2022b). Another challenge is to develop education systems that enable the population to build the requisite skills in order to share in the benefits of development and contribute to the regional leap forward that transforming the production structure will require. Exams such as the Regional Comparative and Explanatory Study and the Programme for International Student Assessment show that only half of students meet the minimum expected level for mathematics, reading and science in basic and secondary education.

Thus, the region is facing gaps in access and quality, as well as other factors, including: constraints that make it difficult for adults to access education; digital education resources and modified curricula that are still in the early stages of development; and public expenditure on education per student that remains well below the level of investment seen in more developed economies (Huepe, 2024; ECLAC, 2022b). The state of education and its systems in the region has contributed significantly to the current unsustainable reality (Sengeh and Winthrop, 2022).

5. Strategies, plans, policies and programmes

The most relevant strategies, plans, policies and programmes for a just and sustainable education transition include:

- Increasing the coverage and accessibility of primary, secondary and post-secondary education, in all its modalities, including technical and vocational training and education (TVET) and early childhood education.
• Recognizing higher education as a central pillar of inclusion and sustainable development policies and adopting the necessary measures to achieve its mass expansion improve quality standards.

• Implementing adaptable and flexible education throughout the life cycle, with skills-building, certifications and the development of different types of cognitive and socioemotional competencies.

• Recognizing the valuable role of teachers, enabling them to develop individually and to become agents of change, which helps to increase the quality and relevance of education systems.

• Supporting girls’ education, in particular in science, technology, engineering and mathematics (STEM).

• Fully harnessing the digital revolution to transform education.

• Fostering greater social cohesion in the classroom, including a culture of peace, as part of the global citizenship education framework.

• Coordinating education with other sectors and public policy instruments that are essential to well-being, in order to strengthen educational trajectories, such as student health (including mental health, sexual and reproductive health, and nutrition), as well as income protection programmes for households with students and transportation and gender equality policies.

These elements and others are addressed in the Our Common Agenda Policy Brief entitled “Transforming education”, which contains two fundamental recommendations for establishing, monitoring and expanding programmes, together with governments and partners, on the main themes of the Transforming Education Summit and of the report of the International Commission on the Futures of Education (United Nations, 2023b). These recommendations are set out below:

(i) Commit, in a pact for the future, to a new vision for the creation of learning societies centred on the following six principles: building an integrated system of education and lifelong learning in a world of uncertainty; ensuring equity, access and inclusion in and through education; making curricula and pedagogies relevant for today and tomorrow; repositioning the teaching profession to ensure that teachers increasingly serve as creative guides and facilitators in the learning process; harnessing digital tools and resources to expand access, improve learning and increase capacities to navigate the future and avoid the digital divide; and investing more, more equitably and more efficiently in education.

(ii) Recognize education and lifelong learning as a global public good and galvanize international cooperation to invest in and transform education.

Several of the above-mentioned elements are already being implemented in some countries of the region, with varying degrees of specificity, ranging from the generalized recognition of the right to education in political constitutions, to specialized programmes, such as the targeted initiative to treat attention deficit hyperactivity disorder (ADHD) in Trinidad and Tobago. In terms of broadening stakeholder engagement, highlights include the National Transformation Initiative of Barbados and its public-private partnership with the firm Coursera to provide training courses online.

With regard to increasing access, in several countries, a variety of literacy initiatives are combined with grants and further complemented by specific programmes, such as the school meal programme launched in Guatemala. Programmes to digitalize education include the Bicentennial Education Network in Costa Rica, which aims to provide broadband to primary and secondary schools; Plan Ceibal in Uruguay, which encourages the use of electronic resources in education; initiatives to provide laptops and Internet in Barbados; and the Internet for All programme in Mexico.

Some countries are carrying out education reforms affecting curriculum. Barbados, for example, is seeking to align lesson plans with new technological trends in the labour market. Meanwhile, some countries have addressed student health, with programmes such as school health insurance in Guatemala or the prioritization of mental health and support for well-being in Barbados.
Since the COVID-19 pandemic, initiatives have been developed to ensure access to remote learning, including the *Aprende en Casa* strategy in Colombia (in particular Bogotá), the Online Tutoring Programme (TOP) in the Dominican Republic and the online support programme *Tutores para Chile*.

There are also initiatives related to education assessments, such as the *Evaluar para Avanzar* programme in Colombia, which takes a transformative approach to ensure that students fulfil their academic potential. There are also specialized programmes, such as skills training and certification for former prisoners in Trinidad and Tobago or the expansion of training for TVET teachers in Argentina.

### 6. Institutional arrangements

To achieve a sustainable and just education transition, the following institutional arrangements are needed:

- Long-term investing with sufficient and sustainable financing that provides adequate infrastructure and human and technical resources.
- Fostering participation in the design of alternatives to complete the transition, with a governance system in which education stakeholders, including students and teachers, participate in designing a balanced curriculum.
- Incorporating certain elements into cognitive and socioemotional skills training, such as awareness-raising about environmental protection, the recognition of the value of ecosystem services, future-oriented learning, education during crises, the promotion of gender equality and education for girls and inclusive education for persons with disabilities.
- Increasing the availability of and access to open learning resources.
- Improving education management and information systems to contribute to student monitoring and inclusion, administrative records and data in general, which help to identify changes in the education system and improve its management.

### 7. Investment needs

In the Incheon Declaration and Framework for Action for the implementation of Sustainable Development Goal 4, adopted during the World Education Forum 2015, countries committed to allocating 4%–6% of GDP to education. While on average, public expenditure on education in Latin America and the Caribbean is equivalent to 4.3% of GDP, this level remains demonstrably insufficient, in light of present conditions, to achieve a just and sustainable education transition. Investment in education is even more urgent in some countries of the region, which have yet to reach the 4% threshold. Efforts are needed not only to increase financing for education but also to improve resource use efficiency and the productivity of education systems and vocational education.

### 8. Conclusions

Achieving a sustainable and just education transition requires an in-depth review of education objectives, an analysis of the relevance of education in the current context and efforts to address central issues, such as inequality and resilience in a changing world (Sengeh and Winthrop, 2022; ECLAC/OEI, 2020; Huepe, Palma and Trucco, 2022). This will entail a cultural education process that is open to the concept of a sustainable and just transition, based on systemic, critical and creative thinking, including knowledge and skills that are crucial to sustainable development, global citizenship, and technological research and development. This process must connect to a broader and nontraditional vision of education at all levels.
(pre-primary, primary, secondary, post-secondary, vocational and adult). Including in its more traditional forms, education must be universally accessible and of the highest possible quality, while retaining the essential aspects of the current education model, such as employment-focused skills-building, the development of transition pathways with the involvement of all stakeholders (students, teachers, parents, experts and officials) and the allocation of sufficient resources to improve infrastructure and services (UNESCO, 2023).

E. Jobs and social protection transition

1. Description

The transition in the area of jobs and social protection involves moving towards societies that are capable of creating decent jobs and establishing sustainable, universal social protection systems, which would close existing access gaps and help to ensure adequate living standards for all.

It requires many stakeholders to take several measures to synergistically drive necessary simultaneous changes in various subsystems (e.g. education, capacity-building and productive development). The aim is to rapidly satisfy employers’ demand for higher-skilled, better-paid jobs while strengthening social protection systems to ensure universal access to adequate incomes that provide a sufficient level of well-being, social services (e.g. health, education, water and sanitation), housing and policies on inclusive labour and decent work, as called for in the Regional Agenda for Inclusive Social Development (ECLAC, 2020, p. 20).

2. Contribution to the Sustainable Development Goals

This transition can be linked to most of the SDGs and galvanize progress towards their achievement, given that access to decent work and a robust social protection system helps to reduce poverty and hunger and increases the population’s chances of accessing better health, education, water and sanitation services. This has the potential to reduce equality gaps, in particular gender gaps. It also strengthens innovation and sustainable production processes linked to action on climate change and fosters the development of sustainable cities and communities in a context of peace, justice and strong institutions, as well as partnerships (see image IV.5).

3. Desired scenario

The desired scenario from an economic perspective is one with an adequate labour force (both in number and skill level) to sustain highly productive development, with greater incorporation of technology and considerable efficiency in the use of resources. From a social perspective, work would be envisioned as a means of accessing sufficient income and entitlements, such that the right to a dignified life is ensured and inclusive social development is thereby achieved. The existence of highly productive jobs for fair wages, combined with universal, comprehensive, sustainable and resilient social protection systems that ensure lasting well-being and establish specific protection mechanisms for the labour transition, would produce economies that are less vulnerable to economic shocks, with a knock-on multiplier effect on progress towards the SDGs (ECLAC, 2023a; United Nations, 2023c).
4. Current scenario

Neither the employment facet nor the social protection facet of this transition has been fully realized. On the one hand, the world is experiencing rapid technological and social changes that are altering the demand for skills and the employment modalities available, which the current labour supply is unable to satisfy. On the other, a considerable percentage of employed individuals do not earn a sufficient income, and many of the jobs that are available are informal and insecure. This leaves people unable to exercise their right to a dignified life, and social protection policies have not been adequate in this regard.

The situation is very uneven and unequal among the countries of Latin America and the Caribbean. For example, in terms of technological change, some productive sectors in the region are advanced, while others lag far behind. Some sectors are predominantly rural, with a population that has a low level of education, while in others the population has easier access to higher levels of education and higher-skilled, better-paid jobs. Moreover, the region has just experienced its second “lost decade”, averaging just 0.8% economic growth, which is less than half of the 2.0% rate averaged during the original lost decade of the 1980s.

Labour participation also varies widely among population groups. For example, labour participation among women is 22 percentage points lower than among men, while the rate for persons with disabilities is barely half the rate for the rest of the population. Unemployment rates are higher among Indigenous and Afrodescendant populations relative to the rest of the population. The informality rate associated with less-secure, lower-paid jobs in the region is 49%, but with wide disparities among population groups (over 70% for older persons and the rural population) (ECLAC, 2023a).

These employment gaps mean that a significant portion of the region’s population is living in poverty (29.1%). In addition, levels of inequality in income and access to health services (often linked to formal employment) and to contributory pensions are high. Despite the implementation of various social protection programmes in the form of cash transfers and non-contributory pension schemes, these efforts have not been enough to rapidly reduce poverty levels (ECLAC, 2023a).
Social protection has changed significantly in recent years. According to the International Labour Organization, the coverage of contributory social protection in Latin America and the Caribbean improved in the decade prior to the COVID-19 pandemic but contracted in its wake. In that context, non-contributory entitlements played an outsize role in reducing or preventing the rise of poverty and extreme poverty: the broader social protections designed and established during the period to offset the pandemic’s impact on incomes could inspire new solutions in future.

As the above-mentioned regional discrepancies attest, the process of transforming employment is under way and may adversely affect a considerable portion of the population. The groups affected include people in insecure and informal jobs; young people facing labour inclusion challenges; people who perform reproductive work, often unpaid and unacknowledged; and workers displaced by the automation of productive processes, in particular in the manufacturing sectors of Central America, Mexico and some Caribbean countries.

The transition towards the desired scenario requires progress towards higher, sustained, inclusive and sustainable growth, and efforts to alleviate the unintended consequences of change, with measures and policies for a just transition that reduce negative impacts of certain transition phases on these and other population groups.

5. Strategies, plans, policies and programmes

ECLAC has proposed at least two additional conditions that are essential to the just transition process: (i) progress towards higher, sustained, inclusive and sustainable growth; and (ii) a shift in focus away from labour market access and towards labour inclusion. The latter implies access not just to jobs but to decent jobs. It links labour supply to labour demand so as to ensure quality jobs, adequate incomes and access to social security and to other services and labour entitlements (ECLAC, 2023a).

Action areas for strategies, plans, policies and programmes to guide a just transition in the area of jobs and social protection include:

- Expanding the focus of productive development policies to include the productive development of the sectors that drive and stimulate growth.
- Expanding and coordinating active labour market policies with productive development policies and social protection systems.
- Designing employability plans and road maps for the various population groups.
- Increasing contributory and non-contributory social protection coverage, including sustainable financing models.
- Providing cash transfers (non-contributory social protection) that ensure an adequate level of well-being and facilitate skills-building, with special attention afforded to households with children and adolescents (this effort can prioritize the poorest households).
- Implementing universal, comprehensive and sustainable health-care systems (increasing public spending and reducing out-of-pocket expenses) that are coordinated with employability policies.
- Promoting lifelong education and training programmes.
- Establishing comprehensive care policies (universal and affordable).

10 From 1 March 2020 to 31 October 2021 alone, the 33 countries of Latin America and the Caribbean adopted 468 emergency non-contributory social protection measures. Of these measures, 34% (nearly one third) were new cash transfers (ECLAC, 2022a).
The implementation of these alternatives is already under way, albeit to a limited extent, in the countries of the region. For example, programmes to foster employability include the Job Creation Incentive in Colombia, the National Employment Programme (PRONAE) of Costa Rica, the Decent Work Agenda in Trinidad and Tobago and the Objetivo Empleo programme in Uruguay. There are specially designed programmes targeting specific groups, such as those to foster labour access among young people, including: the Jóvenes con Más y Mejor Trabajo programme in Argentina; the Jóvenes Construyendo el Futuro programme in Mexico; the Joven Aprendiz programme in Brazil; the Youth Employment Subsidy in Chile; and Yo Estudio y Trabajo in Uruguay. There are also programmes for women’s employment, such as the Emplea + Mujeres programme in Brazil.

With regard to non-contributory social protection, the majority of countries have implemented conditional or continuous cash transfer programmes, such as the Universal Child Allowance (AUH) in Argentina, the Bolsa Familia programme in Brazil, the entitlements provided by Chile’s Security and Opportunities Subsystem and the Single Family Allowance (SUF), and the Supérate programme in the Dominican Republic.

Currently, all but five countries in Latin America and the Caribbean have non-contributory pension systems. The Renta Dignidad universal old-age pension in the Plurinational State of Bolivia, the Old Age Pension in Guyana, the Pension for the Well-being of Older Persons in Mexico and the Universal Guaranteed Pension (PGU) in Chile have the highest levels of coverage. Many countries in the region are also making progress in the design and implementation of comprehensive care policies and have improved social registries of care recipients as key components in the design of social protection policies.

However, productive development policies in the region still have a long way to go towards stimulating labour markets, reducing poverty and informality and creating high quality jobs.

6. Institutional arrangements

Institutional arrangements to achieve a just and sustainable transition in the area of jobs and social protection include:

- Aligning employment policy with productive development, digital, education and vocational training policies.
- Developing and strengthening labour intermediation instruments, processes and measures for vulnerable groups.
- Strengthening universal, comprehensive, sustainable and resilient social protection systems that reinforce comprehensive labour inclusion and care policies.
- Implementing a robust institutional framework for social protection, supported by solid legislative frameworks, with greater coordination between contributory and non-contributory components.
- Leveraging synergies between social protection policy and education and vocational training policy to respond to new ways of working and the changing demand for skills.
- Improving vocational training systems and institutions.

7. Investment needs

Although countries have made efforts to invest in labour policy, investment is insufficient, averaging just 0.34% of GDP (ECLAC, 2023a). A shift from mere labour market access to labour market inclusion is needed, which means ensuring access to quality employment, income above the minimum wage and social protection, in particular for women and young people.
In addition, labour efforts must be complemented by social protection and health efforts. There is an urgent need to secure financial resources to sustain a minimum level of entitlements in order to ensure the level of well-being called for in the 2030 Agenda and to achieve inclusive social development.

Some countries have produced benchmark estimates based on specific milestones to determine the scope of additional investment needs for a just transition in the area of employment and social protection. According to estimates based on data from 2021 for 14 Latin American countries, investments equalling 0.24% of GDP are needed to raise all households above the extreme poverty line. This amount is indicative of the efforts needed to shore up basic levels of social protection (ECLAC, 2023f). The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) estimates that reaching the milestone of a universal, free childcare system in Mexico would require additional investments equivalent to 1.2% of GDP (UN-Women, 2020). In Chile, ECLAC estimates that to reach the milestone of implementing a cash transfer for the children and adolescents of 80% of the poorest households in an amount equivalent to one quarter of the poverty threshold amount (close to the value of a basic food basket) would require an annual investment of 0.59% of GDP up to 2030 (Vargas, Robles and Espíndola, 2021).

Many countries have identified the need to increase public spending on health to meet the World Health Organization recommendation of allocating a minimum of 6% of GDP to health spending, which would help to chart a course towards the achievement of milestones, such as eliminating out-of-pocket health-care costs for citizens. For example, in Brazil, where public spending on health only amounts to approximately 4.6% of GDP, out-of-pocket costs borne by citizens account for an estimated 25% of the country’s total spending on health, highlighting the need to increase investment in that sector.

8. Conclusions

A just transition towards sustainability in employment and social protection requires progress in the implementation of productive development policies that stimulate labour demand. It also requires progress in the design, expansion and coordination of active labour market policies, in particular those targeting the most vulnerable populations. This progress would help to strengthen institutional frameworks for such policies and ensure their financial sustainability. In that regard, it is necessary to strengthen and complement the aforementioned action areas, bolstering them with contributory and non-contributory social protection systems to ensure their sustainability and resilience to crises and transitions. In addition, progress must be made towards the establishment of unemployment insurance and other mechanisms that act as automatic stabilizers during crises in countries where they do not yet exist.

F. Climate change, biodiversity loss and pollution transition

1. Description

The climate transition requires urgent and unequivocal decision-making, with myriad consequences for today’s societies, in order to limit the average global temperature rise to no more than 2 °C above pre-industrial levels while continuing to pursue the 1.5 °C target.11 In addition, it includes reversing biodiversity loss and pollution from GHG emissions, which cause climate change and its environmental consequences.

In addition, with a view to leaving no one behind —an essential principle of the 2030 Agenda— the climate transition must be just. To address climate change and avoid creating more inequality, it is important to consider countries’ historical responsibility for GHG emissions, but equally important is

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11 Given that 2023 was the hottest year on record, with an average global temperature that is dangerously close to 1.5 °C above pre-industrial levels, the success of the climate transition will determine the fate of the other transitions. The targets of the Paris Agreement must be met to avoid the irreversible impacts of climate change.
the consideration of socioeconomic level and vulnerability to the impacts of climate change, which vary from country to country. In that regard, climate change responsibilities (for example, financing and technology transfer for climate change adaptation and mitigation) should be shared by all countries but differentiated, and damages and losses should be fully included in the discussion.

The climate transition requires the implementation of policies to mitigate GHG emissions and adapt to climate change, which in turn will require decision-making in macroeconomics, technology, organizations and institutional reform, among other areas. Value chains need to be competitive in carbon-neutral markets but also resilient to the effects of climate change. This requires the adoption of an ecosystemic approach that reinforces biodiversity conservation and restoration and strengthens local societies and economies.

The transition should be highly coordinated to prevent imbalances that delay or negatively affect the comprehensive achievement of environmental, social and economic goals.

2. Contribution to the Sustainable Development Goals

Climate change has imposed a new reality on sustainable development; given that climate change affects all human activity (and all activity related to life on the planet in general), addressing it improves the likelihood of achieving the SDGs (see image IV.6). Most of the effects of climate change erode the natural and social foundations of sustainable development. Climate change increasingly undermines the possibility of eradicating poverty and hunger and of fostering equality and peace, and it affects the planet’s ecosystems. Adequately responding to this global ill can open up innumerable opportunities to change current development patterns in accordance with the 2030 Agenda. For example, there are opportunities to support sustainable production and consumption and adopt clean energies, as well as to strengthen international cooperation and multilateralism.

Image IV.6
Sustainable Development Goals supported by the climate transition

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

12 Adaptation is key to sustainable development in Latin America and the Caribbean, given its high level of vulnerability to climate change.
3. Desired scenario

At the regional level, the desired scenario is one of minimal vulnerability to climate change, a high level of adaptation and resilience to its impacts, and attenuated effects thanks to individual efforts to mitigate emissions. At the global level, average temperature rise would be kept to a minimum, facilitating the planning of climate-resilient development strategies that help to lessen the growing impacts of global warming, now an inevitability. Economies in the region would become sustainable, carbon neutral and climate resilient, and growth, productivity and employment would be sufficient. In addition, countries would improve their participation in global markets by transcending their role as mere exporters of commodities.

4. Current scenario

As discussed in chapter III, Latin America and the Caribbean produces just 10% of global GHG emissions, and the top-contributing activities in that regard are land-use change, forestry and agriculture (accounting for more than half of regional emissions), followed by energy and transportation. Nevertheless, many countries of the region, in particular Caribbean and Central American countries, are highly vulnerable to the effects of climate change. They are experiencing a rising number of disasters caused by extreme weather events, including tropical cyclones, extreme rainfall and droughts, which result in significant damages, losses and additional costs and affect capital costs and food and water security.

Global temperature rise has repercussions for many aspects of development. For example, it can change the productivity of arable land, cause some areas to be more susceptible to floods and others to droughts, and increase the frequency and intensity of extreme weather events, such as tropical storms and hurricanes. Land, ocean and marine ecosystems are all transformed by climate change. Moreover, climate change exacerbates historically negative trends, such as the reduced availability of water and the loss of biodiversity.

Climate change is a protracted global phenomenon. Its impacts are growing, nonlinear and borderless, and its causes and consequences are asymmetrical. It is characterized by intense feedback loops and high levels of uncertainty and requires complex risk management. In addition, both its causes and its solutions have significant the ethical implications. However, the rising costs of inaction far outweigh any concerns, and the window of opportunity for action is rapidly closing according to the remaining carbon budget.

The countries of the region are committed to combating climate change and aware of the need to adapt. Specific strategies and measures have been designed in that regard. For example, as of June 2023, 29 of the 33 countries of the region, accounting for 95% of its emissions, had submitted nationally determined contributions with unconditional targets that are more ambitious than in previous rounds. Approximately half of the countries intend to achieve carbon neutrality by 2050 (or earlier, in the case of Antigua and Barbuda, and Barbados), and climate change laws have proliferated. National climate change policies and a variety of regulatory and economic instruments have also been instituted.

However, the region faces countless challenges in the transition to carbon neutrality: (i) trends show that countries are getting further away from achieving Goal 13, meeting their nationally determined contributions and reaching the targets established in the major multilateral agreements on the environment; (ii) investment remains stubbornly low, which is not helping in the fight against climate change; (iii) the current model, which casts the region as the provider of commodities to the rest of the world (including some that are essential to the transition to carbon neutrality and, in particular, the energy and agrifood transition) is skewing investment towards those sectors and leading to the reprimarization
of the region’s economies;\(^{13}\) (iv) environment and climate issues have yet to be fully integrated into economic decisions taken at the three levels of government; (v) the amount of financing and the level of access to it is insufficient for carrying out investments and driving innovation in key sectors, and fiscal space and access to concessional finance are limited;\(^{14}\) (vi) the financial system has limited scope for action to address the so-called tragedy of the horizon; (vii) policies lack cohesion, and incentives are not properly aligned to enable different stakeholders to work to achieve a common aim;\(^{15}\) and (viii) regional cooperation is limited, and there is not enough interest in regional agreements, such as the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement). In addition, the countries of the region are scattered across different negotiating blocs with occasionally competing interests regarding the United Nations Framework Convention on Climate Change.

5. Strategies, plans, policies and programmes

Environmental sustainability is an important consideration in competition, innovation, investments, market decisions and policy options. Thus, in addition to the nationally determined contributions, climate strategies and carbon neutrality commitments of the countries of the region, the climate transition requires decisive action to achieve the Paris Agreement targets. This will help the region to emerge from the global periphery, leaving behind its current growth and participation model to improve the quality of life of its inhabitants and preserve what remains of the natural world. The region’s many development opportunities can only be harnessed through a broad combination of policies, technological transformations, behavioural changes and international cooperation, including:

- Changing the benchmark indicators and metrics for decision-making to reflect the interlinkages between problems and solutions to environmental, social and economic challenges, which calls for going beyond GDP to measure development (ECLAC, 2020 and 2022b).
- Targeting investment strategies towards sustainability, with action coordinated across sectors, in a long-term planning framework that emphasizes adaptation and carbon neutrality.
- Aligning incentives (economic and regulatory) and develop productive development policies in transformative sectors.\(^{16}\)
- Incorporating the social price of carbon into public investment systems or including the estimated potential contributions of climate change as an assessment factor in social and environmental project assessment systems.
- Anticipating systemic economic and financial risks resulting from the impacts of climate change and the transition to low carbon economies, for example through foresight analysis, the harmonization of green finance taxonomies, risk-based regulation and the establishment of standards for new products and future markets.
- Carrying out productive investments in the high-potential sectors of the future, including in:
  - Adaptation (with high rates of return).
  - High-value-added bioeconomy (harnessing the region’s biological wealth and supporting the agrifood and carbon neutrality transitions).

\(^{13}\) Policies must be better designed to ensure that natural resource extraction is respectful of the environment and local populations and that it generates revenue for provider countries, lest it create conflict that detracts from the sustainable development of the countries of the region.

\(^{14}\) As a middle-income region, Latin America and the Caribbean receives very little international climate financing (a mere 0.5% of its GDP), and this will probably decrease over time if traditional criteria are maintained.

\(^{15}\) The private sector, with some exceptions, has generally taken a reactive approach to environmental issues, and the population’s participation and awareness are limited by its inadequate environmental education.

\(^{16}\) Given the amount of investment needed, achieving this transition and ensuring that it galvanizes environmental efforts depends on the private sector.
– Circular-economy-related activities (which improve the efficient use of materials and energy and reduce waste).
– Renewable energies (high-potential wind and solar, as well as green hydrogen).
– Sustainable transport, including electromobility.
– Modified use of urban space and new methods of construction (positioning the region’s cities as transformation hubs).

- Ensuring that the opportunities created by the transition do not worsen environmental problems for local communities (e.g. ensuring that the benefits of mining are felt locally and not just globally), strengthening regulatory frameworks, standards and licensing systems that ensure due diligence, avoid environmental liabilities and apply the user and polluter pays principle.
- Reversing and limiting land use change to allow more space for carbon capture and sequestration, for example through the protection of marine and land ecosystems.
- Restoring environmentally degraded areas and expanding protected natural areas.
- Reducing agricultural emissions, for example through crop rotation, decreased use of fertilizers and the implementation of technologies and practices to reduce methane emissions from livestock.
- Implementing adaptation measures to ease the adverse effects of climate change and reduce vulnerability, including preventive measures and early warning systems for disasters; protection and management of water resources; planting of crops that are better adapted to climate change; and support for circular economy practices (recycling, reusing, renewing, repairing, sharing or renting existing products).

The countries of the region have designed specific strategies and measures in that regard. Many countries have submitted nationally determined contributions, such as Uruguay, which committed to reducing carbon intensity by 3.4 percentage points, and Mexico, Barbados and Colombia, which committed to cutting carbon dioxide (CO_2) emissions by 22%, 35% and 51%, respectively, by 2030.

Several countries have also instituted national climate change policies, such as the Strategy for Reduction of Carbon Emissions of Trinidad and Tobago, 2040; the 2021–2024 Special Programme on Climate Change of Mexico; the National Plan of Action on Climate Change of Guatemala; the Long-term Climate Strategy of Chile; the National Decarbonization Plan and the National Climate Change Adaptation Plan of Costa Rica; and the 2030 National Climate Change Adaptation and Mitigation Plan of Argentina. These policies have translated into timely measures, such as the fuel tax imposed in Uruguay, the reduction of deforestation by 1.2 million hectares in Guatemala and the policy to eradicate deforestation in Brazil.

Countries have also made adaptation efforts, such as increasing resilience through emergency plans and early warning systems, and more specific proposals, such as the Roofs to Reefs Programme in Barbados, which incorporates elements of sustainability and resilience in the construction of new housing.

The ratification of the Escazú Agreement by 15 States Parties to date further demonstrates the countries’ commitment to fighting climate change and the ideal of a just transition with the minimal negative effects and the maximum level of certainty possible about the changes to come.

6. Institutional arrangements

The complexity and urgency of a sustained climate transition call for institutional arrangements that envisage coordination and cooperation mechanisms at the following levels: inter-institutional (horizontal and vertical); multi-stakeholder (including the public and private sectors and civil society); and
bilateral and multilateral (subregional, regional and international). This requires the active participation of all sectors of society. Specifically, relevant institutional arrangements would contribute to the following objectives:

- Improving environmental, social and economic data, including the integration of such data for decision-making, and developing climate action methodologies based on scientific evidence.
- Understanding and disseminating knowledge concerning the implications of climate change for society and nature, as well as individual and collective responsibilities and possible actions, in accordance with article 12 of the Paris Agreement and with the Escazú Agreement, with a special focus on the most vulnerable individuals and groups.
- Clearly establishing the responsibilities of governments (national and subnational), the private sector, civil society, Indigenous Peoples and other stakeholders in national climate change adaptation and mitigation policies, strategies, programmes and plans, and defining the mechanisms for inter-institutional and multi-stakeholder coordination.
- Specifying, in sectoral and systemic (i.e. cross-sectoral) climate change adaptation and mitigation strategies, the parties responsible for their implementation and the mechanisms for consultation, collaboration, and monitoring and evaluation, as well as investment and financing needs and facilitation frameworks.
- Fostering regional climate change adaptation and mitigation initiatives to support national initiatives, for example through knowledge platforms (including lessons learned and best practices) and platforms for channelling international financial and technical support, and to address cross-border issues.
- Strengthening the rule of law, judicial systems and environmental democracy to establish stable collaborative institutional arrangements with timelines dictated by the climate transition.
- Combating illegal activity and corruption and creating stable transition frameworks.

These institutional arrangements must also contribute to the construction of a new economic and development narrative according to the parameters that will determine the planet’s future. Climate change is breaching the planet’s thresholds and threatening its stability. GDP, the prevailing indicator used to measure well-being and development, fails to take either of these factors or the planet’s thresholds into account. These matters call for collective reflection and review.

7. Investment needs

A just and sustainable climate transition requires investments to address mitigation needs (in particular in land use and the agricultural, energy and transportation sectors) and adaptation needs from an ecosystemic perspective.

Structural economic change means redirecting investments towards the achievement of climate goals. This includes, for example, decreasing investment in fossil fuel production and extraction while increasing investment in wind, solar and bioenergy, carbon capture and sequestration, and power transmission and distribution.

ECLAC has estimated the level of investment necessary to realize these transitions and reach major milestones. One relevant milestone is the achievement of universal electricity coverage powered by renewable energy, which would require estimated annual investments equalling 1.3% of regional GDP for a decade and reduce CO₂ emissions by more than 30%. 
Another milestone is the reduction or elimination of emissions, which requires varying degrees of stakeholder action depending on the country. Some country-level estimates are available in that regard. For example, in Chile, approximately US$ 50 billion would be needed to achieve net zero emissions (emissions minus removals), but the associated reduction in energy use would ultimately result in savings of around US$ 80 billion, representing a net gain for the national economy. In Brazil, meeting the national decarbonization and climate resilience target would require approximate annual investments equalling 1.2% of GDP up to 2050.

A third milestone is for countries to be able to bear the costs of restoring and rebuilding their own national infrastructure in the wake of extreme weather events. Costa Rica, for example, would have to be capable of allocating 1.6%–2.5% of its GDP annually for that purpose.

Overall, the transition will require the significant scaling up of existing investment levels: in 2020, climate finance made available to the region was approximately 0.5% of regional GDP, compared to annual investment needs of 3.7%–4.9% of GDP (an approximate ninefold difference between existing investments and investment needs), in order to fulfil climate commitments (see table IV.1) (ECLAC, 2023d).

Table IV.1
Latin America and the Caribbean: annual investment needed to fulfil nationally determined contributions, 2023–2030
(Percentages of regional GDP)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Investment needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy system</td>
<td>0.22–0.97</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
<td>2.0</td>
</tr>
<tr>
<td>Electric public transport</td>
<td>0.02–0.08</td>
</tr>
<tr>
<td>Reduction of deforestation</td>
<td>0.06</td>
</tr>
<tr>
<td><strong>Mitigation total</strong></td>
<td><strong>2.30–3.11</strong></td>
</tr>
<tr>
<td>Poverty reduction</td>
<td>0.05–0.46</td>
</tr>
<tr>
<td>Irrigation infrastructure</td>
<td>0.10</td>
</tr>
<tr>
<td>Water and sanitation infrastructure</td>
<td>0.70</td>
</tr>
<tr>
<td>Flood control and coastal infrastructure</td>
<td>0.28</td>
</tr>
<tr>
<td>Comprehensive early warning systems</td>
<td>0.012</td>
</tr>
<tr>
<td>Biodiversity (protected areas)</td>
<td>0.26–0.28</td>
</tr>
<tr>
<td><strong>Adaptation total</strong></td>
<td><strong>1.40–1.83</strong></td>
</tr>
<tr>
<td><strong>Total investment</strong></td>
<td><strong>3.70–4.94</strong></td>
</tr>
</tbody>
</table>

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *The economics of climate change in Latin America and the Caribbean, 2023: financing needs and policy tools for the transition to low-carbon and climate-resilient economies* (LC/TS.2023/154), Santiago, 2023.

Factors that explain these gaps include persistently low levels of inflation (19% of regional GDP compared to the global average of 25%) and a current-decade growth rate that is lower than the rate of the lost decade of the 1980s, which is making long-term transformations difficult.

8. Conclusions

Development models must change, which will require the transformation of consumption and production patterns. Fortunately, the knowledge and technology that this transformation requires already exist, but the challenge remains formidable: institutions will not only have to overcome the forces of inertia; they will also have to fundamentally change, as will return-on-investment models and, to some extent, all human activity.
Some changes can be completed in the short term while others require a longer timeline, but action must be taken immediately. The cost of inaction is too high and rising, disproportionately affecting the most marginalized and vulnerable segments of society. Historical needs and socioeconomic inequalities must be borne in mind at every step of the transition.

The transition towards resilient and carbon neutral societies and economies is a matter of utmost urgency for limiting average global temperature rise above pre-industrial levels to 1.5 °C. Scientific data on the transition’s trends and scenarios will be indispensable for a more accurate understanding of biophysical and economic changes in different parts of the world. This understanding would enable the implementation of adaptation measures and facilitate other transitions, such as the agrifood transition, the energy transition and the jobs and social protection transition.

G. Conclusions

Latin America and the Caribbean has an opportunity to guide the global transformations under way and in various stages of advancement in the areas of food systems, energy, digitalization, education, jobs and social protection, and climate change. These transformations must be reoriented to bring the desired destination—sustainability—within reach and to chart a course forward in that regard, identifying the appropriate pathways to incorporate change in a just and sustainable manner while anticipating future scenarios and planning with foresight.

The analysis of the path towards the achievement of the SDGs by 2030 presented in chapter III lays bare the need for major changes in order to get back on track. With the information available, the baselines can be identified with precision, which in turn makes it possible to identify priority areas requiring urgent attention.

The situation in Latin America and the Caribbean is not without hope. Global research provides a considerable number of tools to facilitate the selection of pathways that will ensure a just transition to sustainability in the areas identified. However, governments will need to take decisive action, both individually and in partnership with other development stakeholders. Strengthening the technical, operational, political and foresight capacities of policymakers is an indispensable step in effectively guiding efforts to achieve the transitions analysed in this chapter.

These six transitions are central components of transforming development from the current model, characterized by slow gross domestic product and productivity growth, job insecurity, stalled social development and material progress, and the degradation of nature and the environment, into a more productive, inclusive and sustainable model that generates prosperity, social progress and improved quality of life for the population of Latin America and the Caribbean.

In the long term, accelerating the six transitions will require new development strategies, policies, plans, programmes and projects, designed and executed collectively by social stakeholders and in coordination with the State, to respond to the questions of how and with what resources these transitions should be carried out. The fundamental answers are to be found in the development of institutional capacities for social dialogue and inclusion, governance, public-private coordination, multiscale linkages and foresight, to drive initiatives to transform prevailing development patterns.

The implementation of the 2030 Agenda has demonstrated the crucial role of the State in building a sustainable and inclusive future. The State must adapt in order to fulfil, with renewed strength, its basic functions as coordinator and connector in the transitions towards sustainability. The State must be development focused; it must drive sectors with the potential to transform and accelerate learning processes with a view to developing skills, competencies and innovation at all levels; and it must create...
markets, support firms, foster the modernization of technology, eliminate infrastructure bottlenecks and provide financing for development. Transforming the development model requires a State capable of establishing effective institutions, good governance and social dialogues in order to successfully implement new public policies to address the current development crisis in the region.

Efforts to implement the 2030 Agenda in the region have launched collective dialogue processes and the sharing of lessons and experiences, which have helped to build and strengthen valuable capacities to advance towards sustainable development. This institutional groundwork can be leveraged and built upon to make the necessary progress in a wide variety of areas of the public sphere linked to the sustainable, prosperous and inclusive development transition. This is directly related to the development of foresight capacities, which are needed to complete the six central transitions rapidly while ensuring security and adequate flexibility.

Although there are other transitions that would also help to transform development models, the transitions identified in this chapter represent a critical mass of change that would generate substantial traction on multiple SDGs.

The food systems, energy, digital, education, jobs and social protection, and climate transitions vary in terms of depth and progress throughout the region. In some cases, they are under way and require acceleration; in others, they are backsliding or at the mercy of imperfect markets that disadvantage vulnerable groups. In such cases, the transitions must get back on track to realize the desired scenarios, with adequate systems of governance that encourage collaboration among all key stakeholders. In cases in which the transitions are stalled or have yet to begin, urgent measures must be taken to achieve short-term progress, as well as medium- and long-term results.

In that regard, the development of technical, operational, political and foresight capacities is fundamental. The SDGs have made a considerable contribution to foresight, but in general, the countries of the region lack public forums for dialogue to envision the future. Future-oriented thinking and action must be included in policymaking and decision-making processes. Strengthening foresight capacities, while mainly the domain of the State, should also be addressed by civil society and the private sector, as well as by parliaments, to strengthen the legislative function of foresight in alignment with the desired future scenarios. In this area, development stakeholders should work together to facilitate:

- Monitoring of global megatrends that affect regional development and offer information, empirical data and lessons to optimize decision-making in sustainable transition processes.
- Participatory efforts with development stakeholders to build and adopt desired future development scenarios.
- Development of desired scenarios to facilitate the discussion and design of sustainable transition strategies.
- Support for the design and implementation of State policy measures on foresight.
- Provision of rapid and effective responses to unexpected shocks that divert development and derail transitions.
- Establishment of a culture of dialogue to forecast and manage conflicts among development stakeholders in transition processes, with a view to building consensus within and among communities, governments, the private sector, civil society and others.

ECLAC emphasizes the need to incorporate foresight analysis into the work of the public sector to accelerate progress on the 2030 Agenda but also to aspire to more ambitious targets beyond 2030 (ECLAC, 2023b). The six transitions analysed in this chapter are under way in the region and must be guided towards a desired outcome. Their path cannot be determined by market forces alone, nor by
the vagaries of politics, external shocks or chance. Foresight, together with strengthening the technical, operational and political capacities of institutions, is a powerful tool in driving the six central transitions to realize a more productive, inclusive and sustainable future for the countries of the region.

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ECLAC/FAO/WFP (Economic Commission for Latin America and the Caribbean/Food and Agriculture Organization of the United Nations/World Food Programme) (2022), *Towards sustainable food and nutrition security in Latin America and the Caribbean in response to the global food crisis*, Santiago.

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FAO and others (Food and Agriculture Organization of the United Nations and others) (2023), *Regional Overview of Food Security and Nutrition – Latin America and the Caribbean 2022: towards improving affordability of healthy diets*, Santiago.

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Financing to achieve the Sustainable Development Goals

Introduction
A. The investment and financing needed for the SDGs
B. Mobilizing domestic resources
C. Mobilizing external resources
D. Conclusions
Bibliography
Introduction

Chapters II and III provided an overview of current progress and challenges in the effort to achieve the Sustainable Development Goals (SDGs) in the region. The information in those chapters reinforces what the United Nations Secretary-General has said (United Nations, 2023c) about the urgency of securing a massive increase in financing for development, from both domestic and external sources, to fund the major investments that meeting the SDGs will require. Recent estimates of these additional needs range from 3% to 10% of GDP a year. To put these figures in perspective, Latin America and the Caribbean is one of the developing regions with the lowest levels of overall investment, averaging around 20% of GDP over the past 30 years.

The mobilization and effective use of domestic resources are critical in the pursuit of sustainable development. However, the countries’ efforts to cope with the development impact of cascading crises such as the coronavirus disease (COVID-19) pandemic, the cost-of-living crisis and climate change mean that fiscal space for the massive investments needed is very limited. Moreover, the current international financial architecture has not been able to support the mobilization of stable, long-term finance on the scale required to combat the climate crisis and achieve the SDGs.

This chapter analyses the recent evolution of sources of development finance in Latin America and the Caribbean, with an emphasis on the policy proposals needed to get back on track to the SDGs.

Section A reviews the available empirical evidence on the global financing gap, put at some US$ 4 trillion a year, relative to the amount needed to achieve the SDGs. In the context of Latin America and the Caribbean, the financing gap implies a need for additional investment of between 5.3% and 10.9% of GDP a year just to maintain trend growth in the face of the effects of climate change.

Setting out from a recognition that the mobilization of domestic public resources, mainly through taxation, must be the principal driver of development, section B analyses the challenges faced by the countries of Latin America and the Caribbean if they are to boost public revenues.

The scale of the investments required means that external financing flows need to be greatly expanded to complement domestic efforts, a topic discussed in section C. Although official development assistance (ODA) falls short of the target of 0.7% of donor countries’ gross national income, and notwithstanding that its importance as a component of development financing in the region has been declining in relative terms, it continues to represent a major source of external funding for some countries in the region, as detailed in section C.1. From the perspective of the Latin American and Caribbean countries, dwindling access to concessional external resources is just one of the challenges posed by the current international financial architecture. Accordingly, section C.2 details the proposal made by the United Nations Secretary-General for reforming this architecture. Given the profound consequences for development and the long-lasting effects on growth, investment, poverty and inequality that debt crises, debt distress and high debt service can have (ECLAC, 2023a), as well as the urgent need to achieve additionality in financial resources for development, section C.3 focuses on proposals aimed at achieving a lasting solution for countries coping with debt distress. Lastly, section C.4 discusses the role that development banks can play in massively scaling up development finance.

The chapter concludes, in section D, with some considerations regarding what the countries can do to achieve the massive expansion of financing from public and private sources, both domestic and external, that is needed to get back on track to the SDGs.

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1 The concept of additionality in financing for development refers to situations where the mobilization of financial resources facilitates the implementation of investments that would not have been possible without these additional resources (Winckler Andersen, Hansen and Rand, 2021).
A. The investment and financing needed for the SDGs

The cascading crises since 2020, which include the COVID-19 pandemic, the cost-of-living crisis resulting from the spike in food and energy prices triggered by the Russian Federation’s invasion of Ukraine and the severe tightening of international financing conditions, coming on top of the challenges from climate change, have resulted in a wide divergence between developed and developing countries (Inter-Agency Task Force on Financing for Development, 2022; OECD, 2022). While the former have deployed great resources to reduce the effects of the crises and stimulate recovery, the latter have less and less policy space because their needs are growing while their resources are inadequate. As a result, global progress towards the SDGs has stalled (United Nations, 2023b).

According to estimates by the Intergovernmental Committee of Experts on Sustainable Development Financing (United Nations, 2014) for the third International Conference on Financing for Development, held in Addis Ababa in July 2015, the financing required to achieve the SDGs runs into trillions of dollars a year, with US$ 66 billion a year estimated to be needed to eradicate poverty, between US$ 5 trillion and US$ 7 trillion to invest in infrastructure, about US$ 3.5 trillion to meet the financing needs of small and medium-sized enterprises (SMEs) and about US$ 7 trillion to invest in climate change adaptation and mitigation.

Despite the commitment embodied in the Addis Ababa Action Agenda (United Nations, 2015), financing for sustainable development has been inadequate. In Global Outlook on Financing for Sustainable Development 2021. A New Way to Invest for People and Planet, the Organisation for Economic Co-operation and Development (OECD, 2020) identified a shortfall in financing to achieve the SDGs of approximately US$ 2.5 trillion a year even before the pandemic.

The SDG financing gap widened by 56% during 2020 to an annual US$ 3.9 trillion (OECD, 2022). Nearly two thirds of the increase in the gap was due to the more than US$ 900 billion spent by developing countries to deal with the pandemic, coupled with a US$ 689 billion decrease in government revenues due to the impact of the pandemic on economic activity and reductions of US$ 143 billion in capital flows and US$ 5 billion in remittance flows. This was only partially offset by an increase of US$ 63 billion in ODA.

According to the United Nations Conference on Trade and Development (UNCTAD, 2022), the gap was actually US$ 4.3 trillion a year after taking into account the effects of inflation, the constraints faced by developing countries in mobilizing domestic public resources, the rising cost of servicing public debt and the volatility of private investment flows.

The importance and urgency of the fight against climate change has been at the forefront of the debate on mobilizing additional finance in the effort to secure the funding needed to achieve the SDGs. As explained in chapter IV, the climate transition, i.e., the implementation of the measures needed to keep the global average temperature increase below 2 °C relative to preindustrial levels and sustain efforts to limit the increase to 1.5 °C, as stipulated in the Paris Agreement, affects all 17 SDGs. Moreover, scientific evidence indicates that climate change is occurring faster than expected, that its impact and the harm it is causing are greater than anticipated, and that the time left for corrective action is rapidly running out (IPCC, 2023). Climate action entails a transformation of economies centred on changing energy systems through investment in net zero emissions, adaptation, resilience and natural capital. This has implications not only for the climate, but also for the emergence of robust and inclusive growth and development patterns, as well as for the achievement of the SDGs as a whole.
According to the independent high-level panel on climate finance (Songwe, Stern and Bhattacharya, 2022), the external financing needed by developing countries (excluding China) to achieve a fair transition to inclusive low-carbon economies is estimated at US$ 1 trillion, with between 60% and 65% of this being for the transformation of power generation, distribution and consumption systems.

While national and international climate change commitments entail additional requirements for development finance, they also create investment opportunities that can contribute to the achievement of the SDGs and support sustainable growth and development. Thus, in a context of scarce resources and economic uncertainty, a key challenge is to find opportunities for investment that can capitalize on the close interdependence between climate action and sustainable development.

The fight against climate change is of particular importance for the countries of Latin America and the Caribbean, which suffer disproportionately from its consequences. Of the 50 countries in the world most affected by it, 13 are in the region. Rising temperatures and changing hydrometeorological conditions, with an increased incidence of droughts and heat waves and greater variability in precipitation levels and patterns, threaten to undermine the determinants of economic growth, thereby reducing labour productivity, disrupting agricultural production and contributing to a rapid depreciation of the capital stock. At the same time, the increasing frequency and severity of extreme weather events such as hurricanes and floods mean that these are taking a growing human toll in the region.

According to the most recent estimates of the Economic Commission for Latin America and the Caribbean (ECLAC, 2023b), the impact of climate change and the increased intensity of severe weather events will reduce the level of economic activity in a group of selected countries of the region\(^2\) by between 9% and 12% by 2050, compared to a counterfactual scenario of trend growth. GDP per capita is expected to follow a similar trajectory, entrenching the low levels already found in some countries of the group. According to these estimates, offsetting the economic losses caused by climate change requires a sustained investment push of unprecedented magnitude. Restoring the level of GDP entailed by the trend growth scenario would require additional investment averaging the equivalent of between 5.3% and 10.9% of GDP a year. The required investments would need to be economy-wide, driving a supply-side transformation that generated dynamic, sustained and sustainable economic growth.\(^3\)

While there are few estimates of the overall investment needed to achieve development goals, the studies that have been carried out also show that these outlays could be very large (see table V.1). Recent estimates in studies of global climate and development investment needs for emerging market and developing economies, including those in Latin America and the Caribbean, consist mainly of exercises in gauging the outlays needed to close observed infrastructure gaps, with a particular emphasis on electricity and transport. However, climate-related investments (targeting land use and agriculture, among other areas) are also included, either explicitly (land use or flood protection) or implicitly (infrastructure that could incorporate climate adaptation features). Although different methodologies are used in these studies, the expected annual investment needs largely converge, with estimated outlays ranging between 3% and 8% of GDP a year. These estimates, however, typically do not include investment in education, health care or other elements of the social safety net, which are crucial to ensure a just transition to an inclusive low-carbon economy.

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\(^2\) Barbados, the Dominican Republic, El Salvador, Guatemala, Honduras and Saint Lucia.

\(^3\) These estimated annual values do not take account of possible inefficiencies in the implementation of investment projects or the existence of structural limits to additional investment. Thus, policymakers seeking to offset losses due to climate change should also consider other investments in areas such as research and development, education and health to strengthen total factor productivity.
Table V.1
Selected recent studies of comprehensive climate and development investment needs, 2017–2022
(Percentages of GDP)

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Source</th>
<th>Elements considered</th>
<th>Estimated annual investment needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging markets, excluding China</td>
<td>A. Bhattacharya and others, <em>Financing a big investment push in emerging markets and developing economies for sustainable, resilient and inclusive recovery and growth</em>, London/Washington, D.C., Grantham Research Institute on Climate Change and the Environment/London School of Economics and Political Science/ Brookings Institution, 2022</td>
<td>Human capital, sustainable infrastructure, land use, agriculture, environment, adaptation and resilience</td>
<td>6.8</td>
</tr>
<tr>
<td>Low- and middle-income countries</td>
<td>J. Rozenberg and M. Fay, &quot;Beyond the gap: how countries can afford the infrastructure they need while protecting the planet&quot;, <em>Sustainable Infrastructure</em>, Washington, D.C., World Bank, 2019</td>
<td>Electricity, transport, water sanitation, flood protection and irrigation</td>
<td>7.2: 4.5 (capital investment) 2.7 (maintenance)</td>
</tr>
<tr>
<td></td>
<td>J. Rozenberg and M. Fay (2019)</td>
<td>Electricity, transport, water sanitation, flood protection and irrigation</td>
<td>2.6 to 8.8, depending on the scenario</td>
</tr>
</tbody>
</table>


B. Mobilizing domestic resources

In Latin America, government revenues have historically been insufficient to meet public spending demands, resulting in a deficit bias in the public finances (ECLAC, 2020b) (see figure III.16). As a result, countries’ fiscal stances tend to be highly procyclical and highly volatile (Alesina, Tabelini and Campante, 2008; Talvi and Végh, 2005). This situation leads to what are often large fiscal adjustments in economic downturns, reinforcing the downswing of the cycle. Public spending adjustments have generally taken the form of sharp reductions in public investment, since this is one of the main items of discretionary spending (Ardanaz and Izquierdo, 2017). To reverse this situation and give sustainability to a fiscal policy that favours sustainable and inclusive development, domestic resource mobilization needs to be improved.

In particular, there is ample scope to strengthen tax collection and thereby increase the fiscal capacity of the region’s countries. As figure V.1 shows, the average tax take in Latin America and the Caribbean is low in comparison with the OECD countries, averaging 21.7% of GDP in 2021 (with large regional variations) compared to 34.1% of GDP in the latter.

There are many ways for countries to strengthen tax collection in the short term. Measures need to be taken quickly to combat tax evasion and to review high levels of tax expenditure. The Economic Commission for Latin America and the Caribbean (ECLAC) estimates that revenue losses from tax non-compliance in the region totalled US$ 325 billion in 2018, equivalent to 6.1% of regional GDP (ECLAC, 2020a). Some countries’ tax systems collect less than half the revenue they should. This is particularly noticeable in the case of corporate and personal income taxes. In fact, corporate income tax losses are estimated at between 0.7% and 5.3% of GDP in Latin America (ECLAC, 2020a).
Tax expenditures also account for a large amount of foregone revenue in the region, averaging 3.7% of GDP in 2021, equivalent to 19% of central government budget expenditures (ECLAC, 2023b). Tax incentives for investment are also substantial (around 1% of GDP) and should be aligned with climate change objectives (ECLAC/Oxfam, 2019; ECLAC, 2019).

Another area of growing importance is the taxation of the digital economy. The Outcome Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy, endorsed by the Inclusive Framework on Base Erosion and Profit Shifting in July 2023 (OECD/G20, 2023), is an important step forward. The purpose of the first pillar is to establish a mechanism for redistributing some of the profits of the largest multinational companies (around 100) to the countries where their goods and services are used or consumed. The purpose of the second pillar is to establish a global minimum corporate income tax (at a rate of 15%) for multinational companies with annual sales of 750 million euros or more, in order to limit profit shifting, especially through tax havens.

Developing countries, however, have expressed concern about the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy and the potential benefits deriving from it. On 22 November 2023, the Second Committee of the United Nations General Assembly adopted a resolution, submitted by Nigeria on behalf of the African Group, calling on the United Nations to assume a greater role in international tax matters under a multilateral convention on international tax

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4 Tax relief can take various forms, such as exemptions, deductions, credits, reduced rates and deferrals, among others. This variety provides tax policymakers with an array of tools for designing public policies that incorporate tax relief but are heterogeneous in their impact, resulting in different levels of revenue loss and different changes in the behaviour of beneficiaries. This highlights the importance of assessing the effectiveness of tax relief and contrasting it with the costs (Campos Vázquez, 2022).
cooperation. In particular, the aim is to establish a mechanism for inclusive and effective international tax cooperation under an international tax cooperation framework or instrument to be developed and agreed through a United Nations intergovernmental process. The countries of Latin America and the Caribbean, meanwhile, have pursued the creation of the Regional Tax Cooperation Platform for Latin America and the Caribbean (PTLAC), with the aim of sharing tax experience and establishing regional positions for international tax debates that promote a tax policy favourable to sustainable and inclusive development.

In the medium term, reforms will be needed to generate the resources required to boost investment, tackle climate change and meet growing social demands. Consolidating personal income tax will be crucial, as this is one of the main tax gaps between the region and OECD. In 2021, the average take from this tax was 2.1% of GDP in Latin America and the Caribbean and 8.3% of GDP in OECD (OECD and others, 2023). There is also scope to expand and strengthen wealth and property taxes, which generate little revenue despite their potential in such an unequal region (ECLAC, 2021a).

The review and modernization of the fiscal regimes applying to the exploitation of non-renewable natural resources is another pending task for many resource-producing countries (ECLAC, 2022). Reforms to these systems are particularly important, since moving towards net zero emissions will have serious fiscal and macroeconomic consequences for oil and gas producers in the region (Titelman and others, 2022). Mining countries, on the other hand, stand to benefit in this scenario, making it all the more important to establish progressive fiscal frameworks before global demand for their minerals and metals increases.

The case for improving domestic resource mobilization becomes even stronger when public debt levels in the region are analysed. In Latin America, central government gross public debt peaked at 56% of GDP in 2020, when the countries took unprecedented measures to deal with the COVID-19 pandemic (see figure V.2). While debt levels have declined since then, mainly owing to the rapid recovery of nominal GDP in a context of high inflation, they remain historically high. Similarly, debt levels in the Caribbean are stabilizing after a sharp increase in 2020, but remain high, representing a source of vulnerability for these economies, which are exposed to the ever-increasing impact of climate change.

Figure V.2
Latin America (16 countries) a and the Caribbean (13 countries): b central government gross public debt, 2000–2022
(Percentages of GDP)

A. Latin America

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Current levels of public debt are a cause for concern, and the cost of debt financing is an obstacle to sustaining an active fiscal policy, while making it difficult to meet target 17.4. The effective interest rate on public debt in the region is high, standing well above the 2.8% average for emerging and developing Asia (see figure V.3). Similarly, effective interest rates are much lower in the advanced economies (averaging 1.4%). The region’s higher interest rates are largely associated with the risk premium on sovereign debt issued on international markets and with high interest rates for local currency issues, generally on domestic markets.

The increase in interest payments has reduced the fiscal space available to the region’s governments for undertaking active policies to promote sustainable and inclusive development (ECLAC, 2023a). As illustrated in figure III.18, the size of interest payments in relation to other priority expenditures is substantial. On average, these payments are equivalent to more than half of central government social spending on education, health and social protection, with the proportion increasing over the last decade despite exceptional growth in spending in these areas in 2020 owing to the public sector response to the COVID-19 pandemic. This rise was partially reversed in 2021. The size of interest payments relative to public investment is particularly unfavourable.

Central government capital expenditures declined sharply over the last decade and became the main fiscal adjustment variable at a time when the countries were implementing fiscal consolidation measures to curb the growth of public debt. In 2019, measured as a weighted average, general government gross fixed capital formation in Latin America and the Caribbean was 2.8% of GDP, which contrasts considerably with the values in advanced economies and in emerging and developing Asia (see figure V.4). By comparison, public investment in the advanced economies was equivalent to 3.5% of GDP. The region’s low level of public investment is particularly evident when compared with the weighted average of 11.7% of GDP in emerging and developing Asia. The low level of public investment in the region has resulted in a stock of public capital that is insufficient to support the economic services needed to foster dynamic and competitive economies.
Figure V.3
Latin America and the Caribbean and selected regions and country groupings: effective interest rates on general government gross debt, 2011–2022 averages (Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), World Economic Outlook: A Rocky Recovery, Washington, D.C., April 2023.

Note: The effective interest rate is calculated as implicit interest payments divided by the level of public debt the previous year.

Figure V.4
Selected regions: general government gross fixed capital formation and capital stock, 2015 and 2019

A. Gross fixed capital formation, 2019 (Percentages of GDP at constant prices)
The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean...

B. Capital stock, 2015
(Percentages of GDP)

<table>
<thead>
<tr>
<th></th>
<th>Latin America and the Caribbean</th>
<th>Emerging markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>64.9</td>
<td>91.8</td>
<td></td>
</tr>
</tbody>
</table>


a The weighted averages are calculated on the basis of purchasing power parity (PPP) gross domestic product (GDP) in international dollars at current prices.

C. Mobilizing external resources

1. Official development assistance

According to the latest OECD data, the volume of official development assistance (ODA) disbursed by the OECD Development Assistance Committee (DAC) donor countries in 2022 totalled US$ 211.4 billion at constant 2020 prices. This represents a rise of 13.6% over 2021, largely explained by the increased resources allocated to the hosting of refugees in donor countries and to bilateral aid for Ukraine (OECD, 2023). As a result, the total ODA disbursed in 2022 represented 0.36% of the DAC member States’ aggregate gross national income, slightly above the 0.32% recorded in the 2018–2021 period. Despite this progress, donor countries’ ODA is barely half the 0.7% of gross national income pledged by developed countries to revitalize the Global Partnership for Sustainable Development (Goal 17). Moreover, the flows recorded are far from sufficient, particularly given the pressing need to increase external resources for development financing.

In relative terms, ODA disbursements to the region represented 6.1% of total ODA to developing countries, a relatively small share compared to those of Africa and Asia, which rose to 28.9% and 25.1%, respectively. This reflects the fact that 20 of the 33 countries in the region are classified by the World Bank as upper-middle-income, with gross national incomes per capita of between US$ 4,466 and US$ 13,845. As can be seen in figure III.17, the preponderance of upper-middle-income countries in the region has resulted in donations stagnating and a growing role being played by lending with some degree of concessionality as an alternative financing method.

6 DAC is made up of 32 developed countries, which are also OECD members, plus the European Union.
7 These are preliminary figures that value ODA in grant equivalent terms, whereby only the grant part of a loan is treated as ODA.
8 During the period 2020–2022, only five DAC countries reached the target of allocating 0.7% of their national income to ODA: Germany (0.78%), Denmark (0.71%), Luxembourg (1.00%), Norway (0.97%) and Sweden (0.98%).
9 According to the updated list of countries eligible to receive ODA from DAC in 2024 and 2025. In particular, Belize and El Salvador were reclassified from the lower-middle-income category to the upper-middle-income category. Only Haiti remains in the low-income category of countries with gross national income per capita of US$ 1,135 or less.
Bilateral aid received by the countries of Latin America and the Caribbean has averaged US$ 6.053 billion a year since the adoption of the Goals of the 2030 Agenda for Sustainable Development (see figure III.17). This aid has been on the rise since 2020, increasing by 4.8% in 2021 over 2020. Among the main donors, three DAC member countries, namely the United States (29.3%), France (15.9%) and Germany (13.9%), accounted for just over 59% of the cumulative amount received by the region over the five-year period from 2017 to 2021, with the European Union contributing 13.6% on top.

Notwithstanding, ODA continues to be a major source of external financing contributing to the development and well-being of populations in the region. Between 2017 and 2021, net ODA represented a significant proportion of the gross national income of recipient countries in the region, averaging around 2% (see table V.2). For gross capital formation, the regional indicator was around 6%, and in some cases ODA disbursements have accounted for more than 10% of capital accumulation in the last five years. The distribution of ODA by sector of activity shows the importance of external financing in the responses to the various challenges faced by the countries of the region, particularly in the wake of the recent increase in ODA disbursements for environmental protection (see table V.3). The recent evolution of the ODA received by Latin America and the Caribbean highlights the need for the resources furnished by donor countries to increase, with a view to achieving the Goals of the 2030 Agenda in particular.

Table V.2
Latin America and the Caribbean: net official development assistance received from Organisation for Economic Co-operation and Development Assistance Committee donor countries relative to gross national income and gross capital formation, 2017–2021

<table>
<thead>
<tr>
<th>Recipient country</th>
<th>Percentages of gross national income</th>
<th>Percentages of gross capital formation</th>
<th>Recipient country</th>
<th>Percentages of gross national income</th>
<th>Percentages of gross capital formation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>1.2</td>
<td>3.1</td>
<td>Guatemala</td>
<td>0.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.0</td>
<td>0.1</td>
<td>Guyana</td>
<td>1.6</td>
<td>...</td>
</tr>
<tr>
<td>Belize</td>
<td>2.3</td>
<td>12.0</td>
<td>Haiti</td>
<td>5.6</td>
<td>30.8</td>
</tr>
<tr>
<td>Bolivia (Plurinational State of)</td>
<td>1.7</td>
<td>8.4</td>
<td>Honduras</td>
<td>2.9</td>
<td>12.3</td>
</tr>
<tr>
<td>Brazil</td>
<td>0.0</td>
<td>0.2</td>
<td>Jamaica</td>
<td>0.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Chile</td>
<td>0.0</td>
<td>0.1</td>
<td>Mexico</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Colombia</td>
<td>0.5</td>
<td>2.4</td>
<td>Nicaragua</td>
<td>4.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>0.2</td>
<td>1.0</td>
<td>Panama</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Cuba</td>
<td>0.7</td>
<td>5.7</td>
<td>Paraguay</td>
<td>0.5</td>
<td>2.2</td>
</tr>
<tr>
<td>Dominica</td>
<td>8.8</td>
<td>18.4</td>
<td>Peru</td>
<td>0.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>0.3</td>
<td>1.0</td>
<td>Saint Lucia</td>
<td>3.1</td>
<td>...</td>
</tr>
<tr>
<td>Ecuador</td>
<td>0.3</td>
<td>1.4</td>
<td>Saint Vincent and the Grenadines</td>
<td>7.3</td>
<td>...</td>
</tr>
<tr>
<td>El Salvador</td>
<td>1.0</td>
<td>5.3</td>
<td>Suriname</td>
<td>0.8</td>
<td>...</td>
</tr>
<tr>
<td>Grenada</td>
<td>3.7</td>
<td>...</td>
<td>Uruguay</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Region (average)</strong></td>
<td><strong>1.8</strong></td>
<td><strong>5.9</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Note: Three dots indicate that the data are missing, not separately reported or unavailable.
Table V.3
Latin America and the Caribbean: distribution of net official development assistance received from Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee donor countries, by destination sector, 2017–2021

<table>
<thead>
<tr>
<th>Sector</th>
<th>Evolution</th>
<th>Cumulative total (Millions of dollars at constant prices)</th>
<th>Share (Percentages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Social infrastructure and services</td>
<td></td>
<td>16 060</td>
<td>53.5</td>
</tr>
<tr>
<td>II. Economic infrastructure and services</td>
<td></td>
<td>5 343</td>
<td>17.8</td>
</tr>
<tr>
<td>III. Production sectors</td>
<td></td>
<td>2 625</td>
<td>8.7</td>
</tr>
<tr>
<td>IV.1. General environment protection</td>
<td></td>
<td>3 940</td>
<td>13.1</td>
</tr>
<tr>
<td>IV.2. Other multisector</td>
<td></td>
<td>2 072</td>
<td>6.9</td>
</tr>
<tr>
<td>V. Total sector allocable (I+II+III+IV)</td>
<td></td>
<td>30 040</td>
<td>100.0</td>
</tr>
<tr>
<td>Total bilateral aid to all sectors</td>
<td></td>
<td>35 212</td>
<td></td>
</tr>
</tbody>
</table>


Per capita income metrics do not capture the complexity of middle-income countries’ specificities and vulnerabilities, even though they are the yardstick for access to certain sources of preferential financing. The region’s middle-income countries, like its low-income ones, are faced with the need to close chronic structural gaps in the form of inequality and inadequate social protection systems, low labour productivity and low investment, commodity dependence, limited fiscal policy space and limited availability of stable financing sources for providing access to basic services such as education and health care, among other things (ECLAC, 2015). This is compounded by the urgency of protecting the environment and combating climate change, with a particularly vital need to build up the countries’ capacity to cope with potential environmental shocks. These challenges are further exacerbated by the current highly uncertain context, characterized by persistent global inflation, more difficult financial conditions and a large external debt burden, amid intensifying geopolitical conflicts.

A first step in overcoming the current and long-term challenges facing middle-income countries is for the long-standing United Nations target for donor country contributions to be met. Other important steps include boosting the international cooperation system, reforming the international financial architecture to enable developing countries to sustainably finance their climate action, and achieving a productive transformation that leads to a sustainable, inclusive and equitable development path.

10 See the reports of the United Nations Secretary-General on development cooperation with middle-income countries issued in 2021 (A/76/375) and 2023 (A/78/224).
2. Reform of the international financial architecture

The current international financial architecture was designed by the advanced countries in 1945, after the Second World War. However, this architecture has proven inadequate for a world facing the challenges of climate change, extreme inequality, highly integrated financial markets vulnerable to cross-border contagion and profound demographic, technological, economic and geopolitical shifts (United Nations, 2023a).

In particular, the international financial architecture has failed to mobilize stable, long-term financing for the investments needed to achieve the SDGs. It is also characterized by deep inequalities, gaps and inefficiencies. These include higher financing costs for developing countries, even when factors such as default risk, lower liquidity and exchange-rate and policy volatility are taken into account; heterogeneous access to sources of liquidity in times of crisis; limited investment in global public goods, such as the fight against climate change; and high volatility in capital markets, which has resulted in recurrent financial crises.

In this context, Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture (United Nations, 2023a) clearly describes the way forward for reforming the international financial and tax architecture in six areas: (i) global economic governance; (ii) debt relief and the cost of sovereign borrowing; (iii) international public finance; (iv) the global financial safety net; (v) policy and regulatory frameworks that address short-termism in capital markets, better link private sector profitability with sustainable development and the SDGs and address financial integrity; and (vi) global tax architecture for equitable and inclusive sustainable development (see box V.1).

Box V.1
Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture: proposals for reforming the international financial architecture

The document Our Common Agenda. Report of the Secretary-General (United Nations, 2021), prepared at the behest of the General Assembly as it marked the seventy-fifth anniversary of the United Nations, represents Secretary-General António Guterres’ vision for the future of international cooperation. The report calls for the development of an interconnected, inclusive and effective multilateralism to deliver better responses and results for people and the planet, and for the world to resume the actions needed to achieve the Sustainable Development Goals (SDGs).

To address global debt challenges and achieve sustainable development, Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture (United Nations, 2023) presents concrete proposals for reforming the international financial and tax architecture. The goal is a fairer and more effective international financial system that supports sustainable development and climate action.

The proposal’s six priority areas and their respective actions are detailed below:

Reform and strengthen global economic governance
(i) Transform the governance of international financial institutions.
(ii) Create a representative apex body to systematically enhance coherence of the international system.

Lower the cost of sovereign borrowing and create a lasting solution for countries facing debt distress
(i) Reduce debt risks and enhance sovereign debt markets to support sustainable development goals.
(ii) Enhance debt crisis resolution through a two-step process: a debt workout mechanism to support the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative and, in the medium term, an inclusive and representative sovereign debt authority to develop and implement a multilateral legal framework for sovereign debt restructuring.
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Massively scale up development and climate financing
(i) Massively increase development lending and improve terms of lending.
(ii) Change the business models of multilateral development banks and other public development banks to focus on SDG impact and more effectively leverage private finance for SDG impact.
(iii) Massively increase climate finance, while ensuring additionality.
(iv) More effectively use the system of development banks to increase lending and SDG impact.
(v) Ensure that the poorest can continue to benefit from the multilateral development bank system.

Strengthen the global financial safety net and provide liquidity to countries in need
(i) Strengthen liquidity provision and widen the financial safety net.
(ii) Address capital market volatility.

Reset the rules for the financial system to promote stability with sustainability
(i) Strengthen regulation and supervision of bank and non-bank financial institutions to better manage risks and rein in excessive leverage.
(ii) Make businesses more sustainable and reduce greenwashing.
(iii) Strengthen global financial integrity standards.

Redesign the global tax architecture for equitable and inclusive sustainable development
(i) Strengthen global tax norms to address digitalization and globalization through an inclusive process, in ways that meet the needs and capacities of developing countries and other stakeholders.
(ii) Improve pillar two of the proposal by the Organisation for Economic Co-operation and Development (OECD) and Group of 20 (G20) Inclusive Framework on Base Erosion and Profit Shifting to reduce wasteful tax incentives, while better incentivizing taxation in source countries.
(iii) Create global tax transparency and information-sharing frameworks that benefit all countries.


Given the profound development implications and long-lasting effects on growth, investment, poverty and inequality that debt crises, debt distress and high debt service can have (ECLAC, 2023a), as well as the urgent need to achieve additionality of financial resources for development, sections C.3 and C.4 of this chapter focus on proposals to create a durable solution for countries suffering from debt distress and on the role of development banks in massively increasing development finance.

3. Reforming the sovereign debt resolution framework

Debt trended upward in all developing regions of the world following the global financial crisis (2008–2009). Between 2010 and 2019, general government gross debt as a share of GDP increased from 40.1% to 56.6% in Asia, from 47.3% to 68.1% in Latin America and the Caribbean, from 27.6% to 48.0% in the Middle East and Central Asia and from 26.7% to 51.5% in Sub-Saharan Africa.

Rising debt and its associated costs not only significantly reduced the policy space of developing countries for implementing countercyclical measures to alleviate the short-term effects of the pandemic, but have also limited their scope for independent action to engage in a process of long-term economic and social recovery. In contrast, developed countries implemented massive fiscal stimulus on top of expansionary monetary measures without regard to their financial circumstances or exchange rates, which reflects the asymmetry in autonomous policy space between the two types of economies.

Addressing the debt problem, especially in middle-income countries, is essential for restoring growth and stability to the global economy. Middle-income countries account for 75% of the world’s population, about 30% of global aggregate demand and, even more importantly, 96% of developing countries’ public debt (excluding China and India).
The main measures in place to improve the international sovereign debt management architecture are the Debt Service Suspension Initiative, under which the G20 countries temporarily suspended debt servicing for 73 low-income countries during 2020, and the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, established by official creditor countries forming part of the G20 and the Paris Club to coordinate debt workouts for countries eligible for the Debt Service Suspension Initiative.

While these measures provided eligible countries with liquidity during the pandemic, they do not represent a long-term solution for reducing debt and ensuring its sustainability over time. For example, middle-income countries in difficulty cannot access them. In the case of Latin America and the Caribbean, only eight economies qualify because of their classification as low-income (Haiti), lower-middle-income (Honduras and Nicaragua) and vulnerable upper-middle-income (Dominica, Grenada, Guyana, Saint Lucia and Saint Vincent and the Grenadines).

Moreover, the debt deferral under the initiative is based on neutral net present value and, as a result, does not reduce the total payment to creditors. Once the initiative comes to an end, countries have to pay the capitalized value of the debt principal and deferred interest. This assumes that they will have regained the fiscal space to be able to ensure debt sustainability after their participation in the Common Framework. However, there are no measures or initiatives at the global level to ensure that developing countries can grow fast enough to secure the sustainability of their sovereign debt. Moreover, as mentioned in the previous section, countries face severe domestic constraints on their ability to raise taxes and finance higher interest outlays.

Lastly, implementation of the Common Framework has been slow because of continuing coordination problems. The main constraint on private sector participation in debt workouts and restructurings has been the absence of a multilateral sovereign debt restructuring mechanism that can apply equitable rules to both creditors and debtors. Debt relief initiatives create uncertainty about debt repayment obligations that can be perceived as tantamount to default, leading to downgrades by credit rating agencies and a loss of capital for private investors.

For their part, multilateral institutions such as the World Bank argue that participation in debt restructuring mechanisms may jeopardize their solvency, as suspension would affect their own credit ratings and financing costs, unless this possibility is counterbalanced by increased capital contributions from shareholder countries. Lastly, some countries are concerned that participation in the initiative will reduce their chances of accessing private capital markets, which are the main source of sovereign borrowing for developing countries, including those of Latin America and the Caribbean.

According to the proposal by the United Nations Secretary-General (United Nations, 2023a), reform of the multilateral legal framework for sovereign debt restructuring requires two complementary sets of measures.

The aim of the first set of measures is to reduce risk in sovereign debt markets and align these markets’ incentives with the achievement of the SDGs. First, internationally agreed guidelines on the responsibilities of sovereign lenders and borrowers need to be developed. These guidelines could build on responsible borrowing and lending principles (UNCTAD, 2012) and include criteria that took account of the efforts needed to achieve the SDGs. Second, information on sovereign debt issuance, redemptions, stocks and holdings needs to be expanded, with an emphasis on the inclusion of non-official creditors, and updated regularly. Third, the methodologies used by credit rating agencies to assess debt sustainability need to be strengthened with a view to improving the prospects of achieving the SDGs. A distinction should be made, for example, between liquidity crises and solvency crises, and medium- and long-term outlooks should be incorporated into sustainability analysis, together with estimates of available fiscal space. Fourth, the design of sovereign debt instruments can be improved
by linking debt servicing to countries’ repayment capacity, for example by including contingency clauses (Pérez Caldentey and Villarreal, 2023).

The second set of measures is aimed at improving the resolution mechanism for sovereign debt crises. To this end, it is proposed, first, that the coverage of the Common Framework be extended to those middle-income countries that have accumulated substantial volumes of sovereign debt and need to restructure it. Second, a sovereign debt workout mechanism should be implemented to overcome the coordination problems that exist among official creditors and between these and private creditors. Lastly, in the medium term, it is necessary to create an inclusive and representative multilateral body with the authority to restructure sovereign debt.

4. Development banks

Although the global financial system has assets estimated at close to US$ 430 trillion (OECD, 2020), these resources do not necessarily go towards SDG financing or to the countries with the greatest financing needs. Development banks, established and mandated by the public sector to finance and facilitate investments with positive externalities oriented towards the common good, play a key role in supporting countries’ efforts to advance towards the SDGs, either through direct financing and assistance for projects and programmes in the public and private sectors, or by helping to mobilize and catalyse public and private resources towards SDG-aligned investments (Chandrasekhar, 2022; UNDP, 2022).

Strengthening the lending capacity of development banks is one way to expand the mobilization of external resources towards developing countries. The lending capacity of development banks can be enhanced via three different but complementary means: increased capitalization, more efficient use of capital, and greater flexibility in lending criteria.

The main multilateral development banks increased their capitalization in the aftermath of the global financial crisis. The Central American Bank for Economic Integration (CABEI) recently increased its authorized capital for the eighth time, raising it from US$ 5 billion to US$ 7 billion in April 2020 (a 40% increase), and in December 2021, the Development Bank of Latin America (CAF) approved the largest capital increase in its history (US$ 7 billion in paid-in capital). In 2022, the Inter-American Development Bank (IDB) approved a road map for increasing the capital of IDB Invest, which focuses on private sector financing.

Another way to increase the amount of development bank resources is through more efficient use of capital bases. In 2017, the Asian Development Bank merged its ordinary capital resources with concessional lending resources, allowing it to triple its capital base. In 2019, IDB undertook a similar restructuring, resulting in a 20% increase in its capital base.

Lastly, multilateral development banks can adopt more flexible lending criteria. They have room to reduce the ratio of equity to loans to a level in line with that of commercial banks. Multilateral development banks take a conservative stance on the level of equity. Among the major banks of this type, the ratio of equity to loans ranges between 20% and 60%, which is higher than that of most commercial banks, where the ratio is typically 10% to 15% (Humphrey, 2020). In other words, multilateral development banks have US$ 2 to US$ 6 of equity for every US$ 10 of loans extended, while commercial banks have only US$ 1 to US$ 1.50 for every US$ 10 of lending. The ratio of equity to loans at the World Bank and IDB is currently 22.6% and 38.2%, respectively.

A recent study focusing on the World Bank, the Asian Development Bank, IDB and the African Development Bank shows that by adopting more flexible lending criteria and increasing their leverage, these banks could collectively triple their lending capacity from US$ 415 billion to US$ 1.3 trillion. According

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11 Equity consists of paid-in capital and accumulated reserves. Loans comprise loans themselves, guarantees and capital investments for development purposes.
to the findings, the increased leverage and risk would have a minimal effect on the credit ratings of these multilateral development banks. A recent G20 study also states that multilateral development banks can substantially increase their lending capacity, from US$ 500 billion to US$ 1 trillion, with no major effect on their credit ratings (Settimo, 2019; Maasdorp, 2021).

It is important to emphasize that increased lending capacity must be accompanied by initiatives to overcome the technical and institutional constraints that some development banks face in mobilizing development finance. Not all development banks have the same lending capacity or access to the same financing conditions. Among the main barriers that development banks face in expanding their financing for development objectives in general, and climate-related objectives in particular, are limited access to low-cost sources of finance and insufficient long-term capital. Some projects, particularly those involving infrastructure, are large, require substantial up-front capital investment and have long lead times. Another barrier is lack of experience and technical capacity to be able to access funds and design projects that are compatible with the supply of finance. Lack of public-private institutional linkages and coordination, which are a fundamental requirement for financing SDG-related projects, is a further obstacle.

The public sector can overcome some of these constraints by taking on more risk, providing guarantees, improving credit, assisting in project selection and appraisal, building capacity and diversifying projects (Prasad and others, 2022). Coordination and linkages between development banks at different levels are essential to support the development of an SDG financing strategy. Multilateral development banks can provide a great deal of financial and technical support to subregional and national development banks. This can reduce costs and mitigate financial risk, improve technical capacity in the design and presentation of projects to obtain development financing, and foster linkages between national development banks and global financing mechanisms. It could also enhance the knowledge and opportunities provided by financial markets.

D. Conclusions

At the national level, large-scale mobilization of public and private resources requires a multidimensional approach that aligns fiscal policy with the SDGs while creating the conditions to unlock private capital and attract investment. On the fiscal front, ECLAC (2023b) has proposed the establishment of a new fiscal covenant that lays the foundations for a framework of sustainable public finances, centred on an increase in permanent revenues to meet welfare, investment and environmental sustainability needs through more efficient and effective public spending. This means increasing not only the level of tax collection, but also its progressiveness and its capacity to reduce income and wealth inequalities.

The experience of the Latin American and Caribbean countries suggests that there are ample opportunities for countries to increase tax revenues in the short term by tackling tax evasion and revising costly tax expenditures. Reviewing and modernizing the tax regimes applied to the exploitation of non-renewable natural resources is also a pending task for many producing countries. In this process, efforts should be made to align tax incentives with the SDGs, ensuring consistency across different policy areas.

In the medium term, it is crucial to establish fiscal covenants that strengthen personal income taxation, viewed as the main reason for the tax gap between the region and the OECD countries. It is important to extend the scope of wealth and property taxes. The countries could also consider implementing environmental taxes and others associated with public health problems. Countries producing non-renewable natural resources could review and update the fiscal frameworks applied to the extractive sector.
To complement this, a strategic perspective on public spending policy is proposed to improve its effectiveness in narrowing social divides and boosting the economy’s growth potential, with priority for measures that offer a high economic, social and environmental return. Public spending should not only be geared towards meeting short-term needs, but should also foster productive, inclusive and sustainable development in the medium and long term.

When it comes to strengthening the ability of development banks to mobilize financial resources for sustainable development, this can be enhanced by three different but complementary means: increased capitalization, more efficient use of capital and more flexible lending criteria. In addition, the public sector can support development banks’ efforts to obtain low-cost, long-term financing through guarantees, capacity-building and project diversification. Such efforts can be complemented by coordination and linkages between development banks at different levels.

Taken together, all these measures will contribute to a situation in which financing can be increased to implement the actions needed for the SDGs to be achieved in the region.

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General conclusions and recommendations

A. Transitioning to productive, inclusive and sustainable development
B. Meeting the challenges of achieving the Sustainable Development Goals
C. Speeding up the transitions to sustainability
D. Increasing financing alternatives
E. Other relevant actions to speed progress towards the Sustainable Development Goals
F. Final reflections
A. Transitioning to productive, inclusive and sustainable development

The Latin American and Caribbean countries face challenges arising from the global environment and their own regional dynamics. The multilateral economic system, based on clear and predictable rules with efficiency-driven global production chains, is threatened by the complex geopolitical situation. This has created a fragmented world of regional blocs, with little cooperation for global development.

The world’s economic powers are renovating their productive development policy portfolios and relocating their production centres and supply chain routes. These processes have an impact on the countries of Latin America and the Caribbean, influencing the decisions they make to manage threats, take advantage of opportunities and minimize damage, in an unstable global framework over which the region has no control. It is therefore necessary to explore and analyse global megatrends and anticipate the best responses and strategies.

Against this backdrop, the region is experiencing a development crisis, which is manifested in the slow evolution, stagnation and even deterioration of social and material progress, and in the population’s quality of life. Economic growth is very slow, and productive development is lagging behind that of its international competitors; productivity has practically flatlined in the last 20 years, and poverty and inequality remain at very high levels.

The actions undertaken over several decades to drive the region towards a scenario of sustainability have been insufficient, which is jeopardizing achievement of the Sustainable Development Goals (SDGs). The region needs to transition rapidly towards a model that will transform its productive, social and environmental performance, with sustainable development as its central objective.

The urgent need to accelerate fulfilment of the 2030 Agenda for Sustainable Development calls for far-reaching transformations in productive and macroeconomic development policies (fiscal, monetary, exchange rate), in terms of “what” to do and “how” to do it. These should facilitate implementation of the Agenda and enhance its impact on growth and productivity, with a long-term strategic vision and participation by multiple stakeholders in all territories.

It is necessary to view the distant horizon to facilitate the adoption of forward-looking public policies—in other words, policies with long-term objectives that emerge from dialogue and wide-ranging, participatory and inclusive agreements among development actors. This requires a renewed State and democratic agreements on the role of the actors, leading to the creation of a new form of democratic public governance.

Productive development policies highlight the potential of coordinated actions between the government, the private sector and civil society, among other actors, to promote lasting structural transformations aimed at achieving sustained increases in production and productivity. Cluster initiatives are a good example of policies that have yielded promising results and have generated valuable lessons in several of the region’s countries. These initiatives can be combined profitably with other productive development policies and programmes at the national and subnational levels.

The proposal to target efforts on the sectors that drive growth is reiterated, and the countries and their territories could use them as benchmarks for setting priorities within their productive development policies. These driving sectors are present in the region’s economies to varying degrees. They offer both incentives for productivity growth and opportunities for investment and collaboration with other countries in the region and with other regions of the world.
B. Meeting the challenges of achieving the Sustainable Development Goals

The trends of the indicators that monitor progress towards the Sustainable Development Goals display a heterogeneous and complex regional panorama. Although good progress is being made towards some of the Goals, the fact that challenges persist in most cases requires urgent course correction to refocus on the targets that were affected by the COVID-19 pandemic and by the prevailing global phenomena and crises, in order to get back on track to achieving the Goals defined in 2015.

Projections show that the targets most likely to be achieved relate to Goal 3 (Good health and well-being), Goal 7 (Affordable and clean energy), Goal 9 (Industry, innovation and infrastructure) and Goal 15 (Life on land). In contrast, the targets least likely to be achieved are those of Goal 12 (Responsible production and consumption) and Goal 13 (Climate action).

The Goals for which the trend is in the right direction, but progress is too slow for the targets to be met in most cases, are Goal 1 (No poverty), Goal 2 (Zero hunger), Goal 4 (Quality education), Goal 5 (gender equality), Goal 6 (Clean water and sanitation), Goal 8 (Decent work and economic growth), Goal 10 (Reduced inequalities), Goal 11 (Sustainable cities and communities) and Goal 16 (Peace, justice and strong institutions).

In the midst of renewed collaboration between countries and subregions (South America, Central America and the Caribbean), it will be essential to share relevant experiences aimed at hastening progress towards the Goals, especially in cases where subregional institutional mechanisms exist that are conducive to cooperation. This would make it possible to reduce the gaps between the observed trajectories and the thresholds specified in the targets, and to narrow the differences in progress towards the Goals between territories within the same country.

In particular, there are numerous challenges, but, at the same time, multiple strengths and opportunities to get back on track and accelerate the pace towards full achievement of the five Goals that are analysed in greater depth in this document (Sustainable Development Goals 1, 2, 13, 16 and 17). In most cases, an additional effort is needed, to increase the number of targets for which there is a path to achievement by 2030.

In order to accelerate the pace towards Goal 1 (No poverty), it is necessary to boost economic growth and simultaneously reduce inequalities, promoting productive employment and deepening sectoral policies in education, health, housing and access to basic services, with a focus on closing gender and territorial gaps. Secondly, the coverage and sufficiency of social protection systems must be increased, especially in terms of pensions and transfers to low-income groups. The systems in question need to be made more comprehensive by enhancing interaction between their components, and between social protection and other social policies. The sustainability of these systems must be ensured by ring-fencing expenditure that makes it possible to implement the social policies needed to achieve Goal 1.

With regard to Goal 2 (Zero hunger), the confluence of crises and conflicts that have set back the fight against hunger and food insecurity, undernourishment, and malnutrition in general, must be addressed worldwide. It should be borne in mind that the productivity of food production is hampered by climate shocks that cause production losses and supply problems that aggravate food insecurity. To meet these challenges, the region needs to make investments to produce additional food, through food systems that are more resilient to climate shocks, use fewer resources and reduce greenhouse gas (GHG) emissions. These investments should also seek to boost producers’ incomes and improve the population’s access to a diversified and healthy diet.
In the case of Goal 13 (Climate action), the region needs to speed up the decarbonization of its economy by four to five times, to meet its GHG emission reduction commitments, by increasing investment and strengthening productive development in sectors that are essential for the global transition to carbon neutrality (renewable energies, sustainable transport, bioeconomy and circular economy, among others), and in those that enhance efforts to adapt to climate change and mitigate its effects, along with risk management. As the region is highly vulnerable to climate change, persistent investment shortfalls in disaster risk reduction (DRR) and in the reconstruction and expansion of early warning systems, need to be overcome. The countries of the region, and the international community as a whole, urgently need to enhance coordination of their agendas on climate change, sustainable development and DRR.

With regard to Goal 16 (Peace, justice and strong institutions), the public institutions tasked with combating violence need to regain public trust and be strengthened, to enable the State to guarantee human rights. In order to promote the rule of law and guarantee access to justice for all, it is necessary to implement open justice policies, and to use digital tools to strengthen control systems and promote greater transparency and accountability in the cases handled by the various judicial bodies. Institutional strength, which presupposes greater and better access to public information for citizens, facilitates collaboration and decision-making, makes it possible to plan responses to disruptive events, and fosters organization in participatory structures with a view to designing solutions jointly, through collective knowledge.

In terms of Goal 17 (Partnerships for the Goals), domestic resource mobilization is constrained by sluggish growth, high levels of debt and low tax burdens, compounded by the scarcity of international resources since most of the region’s countries are classified as middle-income. Greater resource mobilization, favouring technological progress in a context of increased trade opportunities, would provide countries with potential gains in efficiency, scale and learning, which would increase productivity. This would boost potential economic growth, create more and better jobs and increase tax revenues, which in turn would expand the fiscal space available to implement new policies for sustainable development. To achieve this greater resource mobilization, additional and better partnerships are needed between governments, the private sector, civil society and international institutions, based on a joint vision with shared principles and values that lead to collaboration and joint endeavours.

C. Speeding up the transitions to sustainability

Six transitions are central to transforming the development model, to turn the current situation of slow growth, precarious employment, stalled social development and environmental deterioration, into a more productive, inclusive and sustainable form of development that generates prosperity and social progress, and improves the quality of life of the Latin American and Caribbean population.

The six transitions to sustainability are under way in the region—in the areas of food systems, energy access and affordability, digital transformation, education, jobs and social protection, and climate change. Increasing the pace requires new strategies, policies, plans, programmes and long-term development projects, designed and implemented collectively by social actors coordinated by the government, to respond to the questions of what should be done, how, and with what resources. To foster initiatives that transform the current development patterns, institutional capacities for social dialogue and inclusion, governance, public-private interaction, multi-scale linkages and foresight all need to be strengthened.

Foresight needs to be incorporated into public affairs, not only to fulfill the 2030 Agenda more expeditiously, but also to aspire to more challenging goals beyond 2030. Social actors need to guide the six transitions deliberately towards a desired destination; their trajectory cannot simply be left to market forces, nor to political vagaries, external shocks or chance. Strategic planning and foresight,
combined with institutional capacity building, are very useful tools for promoting the six key transitions towards achieving a more productive, inclusive and sustainable future in the region’s countries.

D. Increasing financing alternatives

According to recent estimations, Latin America and the Caribbean needs additional investment of between 3% and 8% of regional GDP per year to move towards sustainable development. However, fiscal space is limited, and the international financial architecture features deep inequalities and inefficiencies; and it has been unable to support the mobilization of stable, long-term financing for the investments needed to combat the climate crisis and achieve the Sustainable Development Goals.

The Secretary-General’s policy brief titled “Reforms to the International Financial Architecture,” describes a path for reforming the international financial and tax architecture in six areas: (i) global economic governance; (ii) debt relief and the cost of sovereign borrowing; (iii) international public finance; (iv) the global financial safety net; (v) policy and regulatory frameworks that address short-termism in capital markets, better link private sector profitability with sustainable development and the SDGs and address financial integrity; and (vi) global tax architecture for equitable and inclusive sustainable development.

At the regional level, the Economic Commission for Latin America and the Caribbean (ECLAC) recommends mobilizing public and private resources, with a multidimensional approach that aligns fiscal policy with the Sustainable Development Goals, and also creates the conditions needed to unlock private capital and attract investment. It is proposed to establish a new fiscal compact that steers fiscal incentives towards the development goals and lays the foundations for public finance sustainability. The compact should focus on increasing recurrent revenues to meet welfare, investment and environmental sustainability needs through more efficient and effective public spending. This requires increasing both the level of tax collection and its progressiveness and capacity to reduce income and wealth inequalities.

Increasing tax revenue means reducing tax evasion and costly tax expenses, and modernizing the tax regimes applied to the exploitation of non-renewable natural resources. The efficiency of public expenditure policy must be improved to reduce social gaps and boost the economy’s growth potential, prioritizing measures that generate high economic, social and environmental returns. Public spending should promote productive and inclusive development that is sustainable in the medium and long terms.

The capacity of the development banks to mobilize financial resources can be increased through greater capitalization, more efficient use of their capital and greater flexibility in their lending criteria. The public sector can support the development banks in their efforts to obtain low-cost, long-term financing by providing guarantees, capacity building and project diversification.

E. Other relevant actions to speed progress towards the Sustainable Development Goals

Implementation of the 2030 Agenda for Sustainable Development has revealed the importance of participation by all development actors: national, subnational and local governments, private sector associations and firms of all sizes and origin of capital, non-governmental organizations and other civil society organizations, parliaments, research institutes and higher education institutions, international cooperation agencies and regional and global financial institutions. It is important to continue promoting

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broad, inclusive and democratic participation by actors, to strengthen public awareness, mobilize multi-stakeholder support, forge alliances, and promote coordination mechanisms for SDG monitoring.

It is also important to continue strengthening the governance mechanisms for implementation of the 2030 Agenda and efforts to monitor progress towards the Sustainable Development Goals: 19 countries in the region have a public institution specially designated for SDG implementation and monitoring. Between 2016 and 2023, 32 of the region’s 33 countries have reported at least once on their progress in the ownership, monitoring and implementation of the 2030 Agenda at the national level, by submitting voluntary national reviews. It is important to continue these SDG monitoring actions at the national level.

At the subnational level, it is important to foster the development of voluntary local reviews, which have the potential to align national development plans and SDGs with the priorities of the territories, complementing national monitoring efforts and facilitating dialogue between different levels of government, with a view to developing integrated, coherent and coordinated policies.2

These voluntary national and local reviews provide lessons and learning that presage their evolution into tools for analysing the nature, progress and challenges of SDGs, and for providing key inputs for decision-making on actions and policies that offer ways to hasten progress towards the Goals.

F. Final reflections

In confronting the development crisis and the relative delay in achieving the Goals, Latin America and the Caribbean needs to change direction in the conduct of public policies, the promotion of new strategic areas to drive the process, implementation of transformative initiatives, a new governance of public policy-making, effective participation and new roles for social actors, the strengthening of institutional capacities and the use of new tools, such as strategic planning and foresight.

The region requires a new form of governance for development, with actions and policies that drive transition processes in the spheres of food systems, energy, digital transformation, education, jobs and social protection, and climate change, which can contribute significantly to structural transformation in the transition to a scenario of productivity, inclusion and sustainable development.

The process of implementing the 2030 Agenda has shown that the government has a fundamental role to play in building a sustainable and inclusive future. It needs a strengthened and proactive State that resumes its basic functions as coordinator and articulator of the transitions towards sustainability. It requires a State that promotes the sectors with the greatest potential for transformation and accelerates learning processes to develop capacities, skills and innovation at all levels. The State must also be one that creates markets, supporting businesses, promoting technological modernization, eliminating infrastructure bottlenecks and facilitating investments for development. The transformation of the model requires a State that is capable of fostering the construction of effective institutions, good governance and social dialogue, for the successful implementation of new public policies that are commensurate with the development crisis facing the region.

Work to implement the 2030 Agenda has fostered dialogue processes in the region with a common purpose, along with learning and exchange of experiences, which has resulted in the installation and development of valuable capacities for progressing sustainable development. This institutional footprint can be used and intensified to make progress in responding to the “how” of public action in many

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2 With contributions from the Department of Economic and Social Affairs of the United Nations, ECLAC prepared a guide for the preparation of voluntary local reviews, entitled “Territorialization of the Sustainable Development Goals (SDGs) in Latin America and the Caribbean: a guide for the preparation of voluntary local reviews at the subnational level”. It is scheduled to be launched at the seventh meeting of the Forum of Latin American and Caribbean Countries on Sustainable Development, to be held in April 2024 at ECLAC headquarters in Santiago.
different areas related to the just transition to sustainability. Foresight capacities need to be developed to undertake the six central transitions described above, rapidly, safely and with due flexibility.

The Summit of the Future, to be held in September 2024, should foster a strengthened commitment to the 2030 Agenda, together with renewed and bold policies and actions by all actors. Efforts must be maintained in relation to all SDGs, emphasizing those for which the indicators are furthest from the targets. The scenario described for 2030, in particular the very small chance of meeting almost a third of the targets, should not be a reason to slacken efforts, but, on the contrary, to redouble them in order to reach that date better placed to continue striving for a more productive, inclusive and sustainable future for the region.