Summary

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

Forum of the Countries of Latin America and the Caribbean on SUSTAINABLE DEVELOPMENT
Santiago 15–18 April 2024

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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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Explanatory notes for graphs and tables:

Three dots indicate that data are not available or are not separately reported.
A dash indicates that the amount is nil or negligible.
A full stop is used to indicate decimals.
The word “dollars” refers to United States dollars, unless otherwise specified.
A slash between years (e.g. 2023/2024) indicates a 12-month period falling between the two years.
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 is 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

[1] United Nations Sustainable Development Group (UNSDG), *Six Transitions: Investment Pathways to Deliver the SDGs*, 2023 [online] https://unsdg.un.org/resources/six-transitions-investment-pathways-deliver-sdgs.

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)

[2] United Nations, "Secretary-General's remarks to the General Assembly on Priorities for 2024", 7 February 2024 [online] https://www.un.org/sg/en/content/sg/speeches/2024-02-07/secretary-generals-remarks-the-general-assembly-priorities-for-2024.

PART I

Progress in the achievement of the Sustainable Development Goals

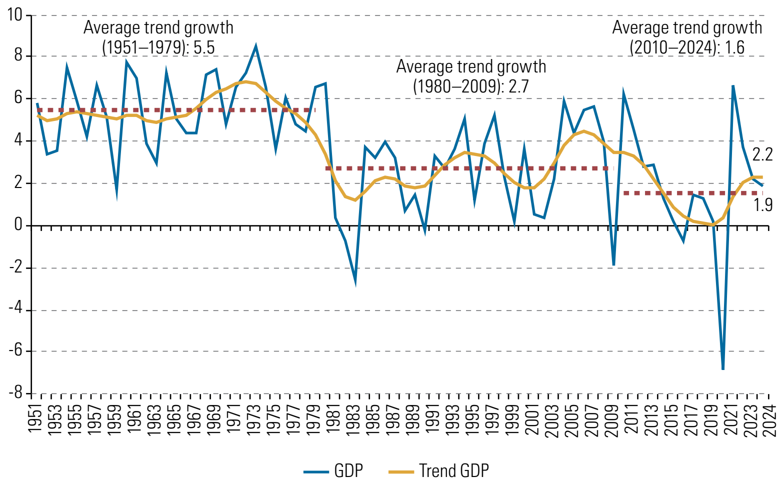
I. Towards productive, inclusive and sustainable development in Latin America and the Caribbean

A. The international and regional outlook

Subdued growth in the international economy, investment and trade are affecting Latin America and the Caribbean, where growth in output, productivity and employment is also sluggish. The region's slow growth is related 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 (ECLAC, 2023a). Economic growth has moderated across all sectors of activity, especially in the manufacturing industry.

The Economic Commission for Latin America and the Caribbean (ECLAC) estimates that in 2024, the region's GDP will grow at an annual rate of 1.9%, 0.3 percentage points below the 2023 rate. Fiscal and monetary policy space remain limited. The low growth forecast in the coming years is not only a short-term issue; rather, it reflects an ongoing decline in regional trend GDP growth in recent decades (see figure 1).

Figure 1
Latin America and the Caribbean: growth in GDP and trend GDP, 1951–2024
(Percentages, on the basis of dollars at constant 2018 prices)



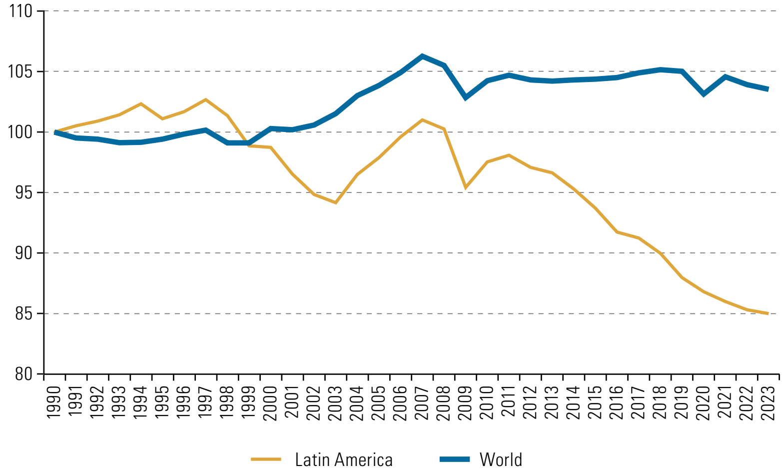
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The Hodrick-Prescott filter was used to calculate GDP trend growth.

Inflation has subsided, but countries are maintaining their contractionary stance, wary of the effects that interest rate cuts could have on capital flows and exchange rates, since developed countries' interest rates remain high. Investment and job creation capacity is also slowing, while high levels of labour informality persist, along with gender gaps, in particular in labour participation and unemployment rates.

B. Towards a new productive, inclusive and sustainable development model

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 2). 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.

Figure 2
Latin America and the Caribbean (15 countries)[a] and the world: total factor productivity, 1990–2023
(Index: 1990=100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of The Conference Board, Total Economy Database [online] https:// www. conference-board. org/data/economydatabase/total-economy-database-productivity.
[a] Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

To achieve and sustain productivity growth, the sophistication and diversification of the region's productive apparatus must be enhanced, encouraging structural changes (Salazar-Xirinachs, Nübler and Kozul-Wright, 2017; McMillan and Rodrik, 2011). This requires coordination between the public sector, private sector, academia and civil society to identify and resolve bottlenecks to change, which leads to productive development policies.

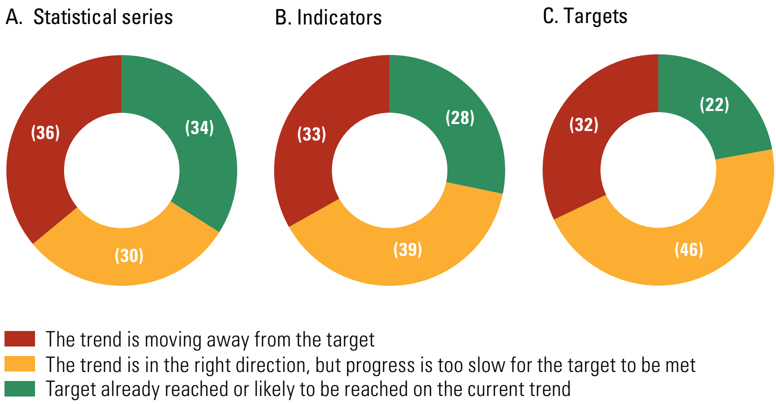
The development crisis and the relative lag in progress towards the SDGs in Latin America and the Caribbean call for a change of course, abandoning ineffectual practices and policies and developing new strategic areas that can drive and lead progress. Also required is the implementation of transformative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

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

This section presents the results of the analysis of current trends towards the achievement of the SDGs, through 2030 scenarios based on projection models. On the basis of the data from Latin America and the Caribbean available to February 2024, 794 statistical series and 179 indicators were analysed, enabling 131 targets to be evaluated (78% of the total number). A "traffic light" system is used, with green lights for targets that have already been achieved or will be if the current trend and pace are maintained, yellow lights for targets that are on track but where the pace of progress is too slow to ensure that the thresholds will be met by 2030, and red lights for targets that will not be achieved by 2030 unless public policies are implemented to reverse the trend moving in the wrong direction.

The results show a slight decline with respect to the results from previous years (ECLAC, 2023b). 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. Some 30% of the series, 39% of the indicators and 46% of the targets remain on track but with progress that would need to be accelerated to reach the established thresholds, while 36% of the series, 33% of the indicators and 32% of the targets have regressed from their starting point in 2015 (see figure 3).

Figure 3
Latin America and the Caribbean: statistical series, indicators and targets of the Sustainable Development Goals, by likelihood of achievement by 2030
(Percentages)



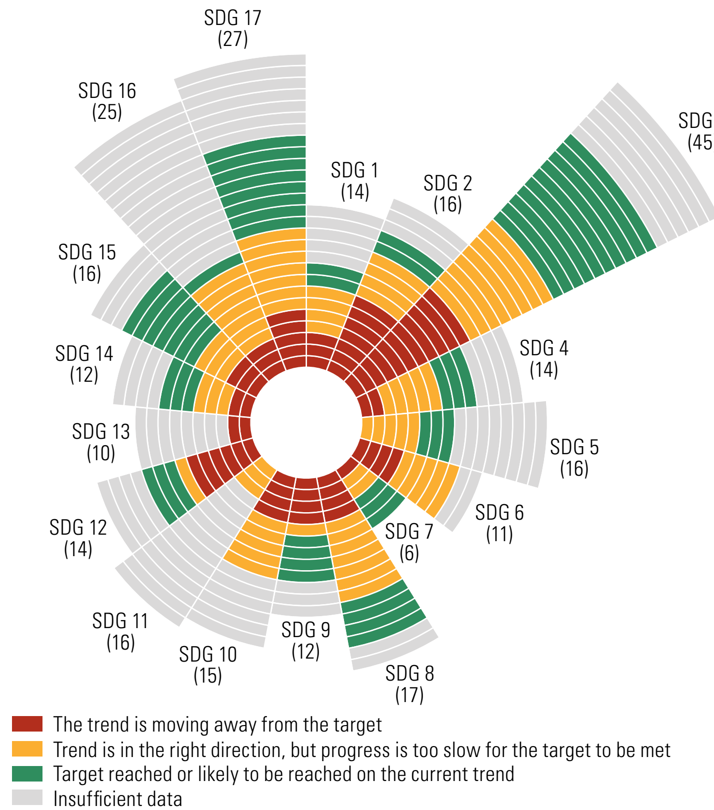
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Figure 4 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.[3]

The aggregated results for targets of the 2030 Agenda approximate what can be expected by 2030. Figure 5 presents more detailed information, showing the likelihood that the targets of each Goal will be met by 2030, classified using the traffic light system, which shows and contrasts the progress for each Goal.

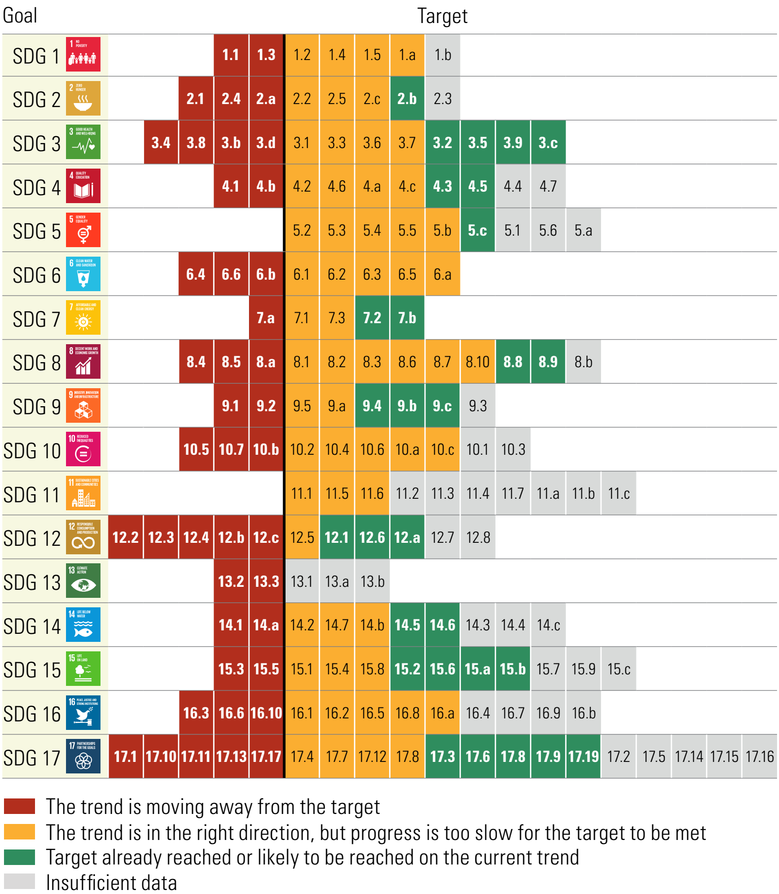
[3] See the definition of the SDGs, targets and indicators in ECLAC (2023c).

Figure 4
Latin America and the Caribbean: Sustainable Development Goal (SDG) indicators by likelihood of the threshold set being reached by 2030
(Number)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Note: Includes 30 additional indicators prioritized for the region. Repeated indicators are included in all relevant SDGs.

Figure 5
Latin America and the Caribbean: Sustainable Development Goal (SDG) targets by likelihood of accomplishment by 2030

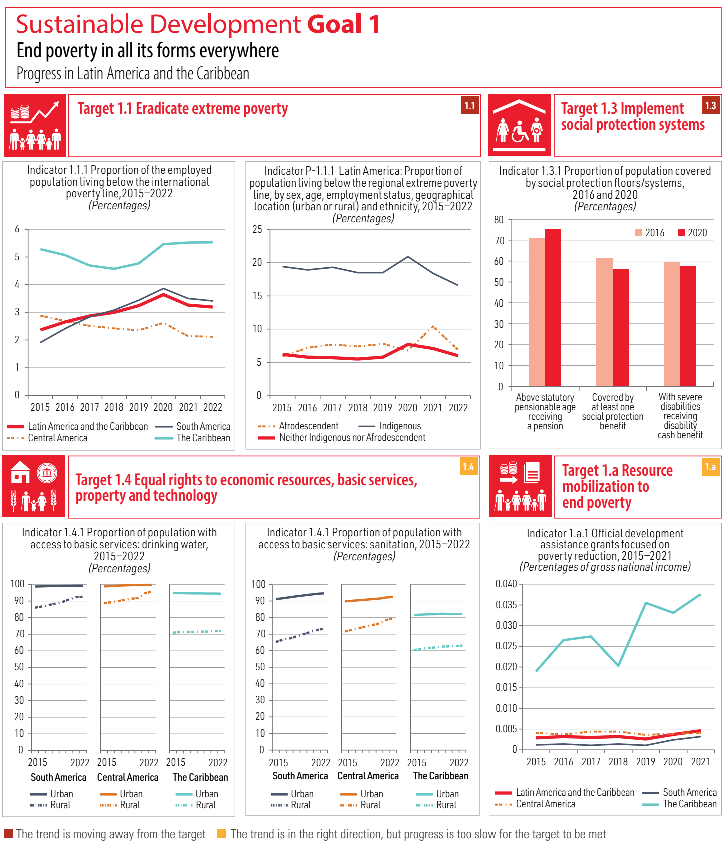


Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Given this regional context, it is urgent for countries to implement public policy measures and horizontal cooperation aimed at addressing the lags, in order to step up and consolidate the pace of progress towards the fulfilment of the commitments made in the 2030 Agenda. In that regard, 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.

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

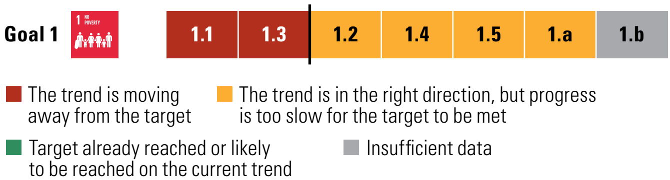
A. Sustainable Development Goal 1: End poverty in all its forms everywhere



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 1
Latin America and the Caribbean: Goal 1 targets, by likelihood of achieving the defined threshold by 2030

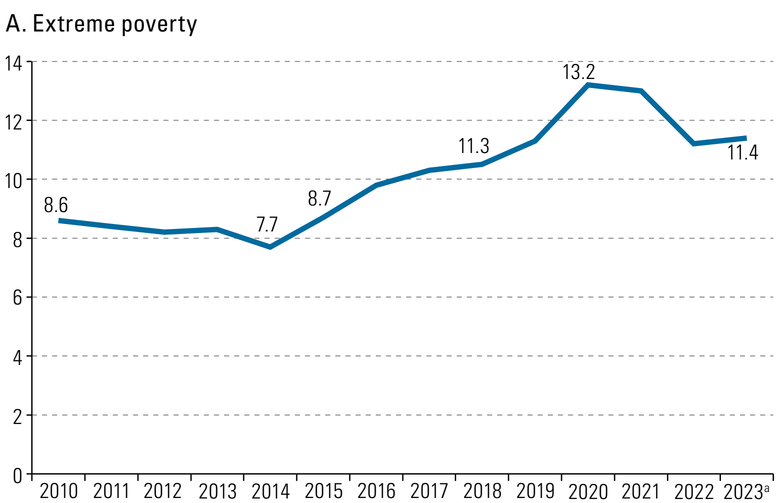


Source: Economic Commission for Latin America and the Caribbean (ECLAC).

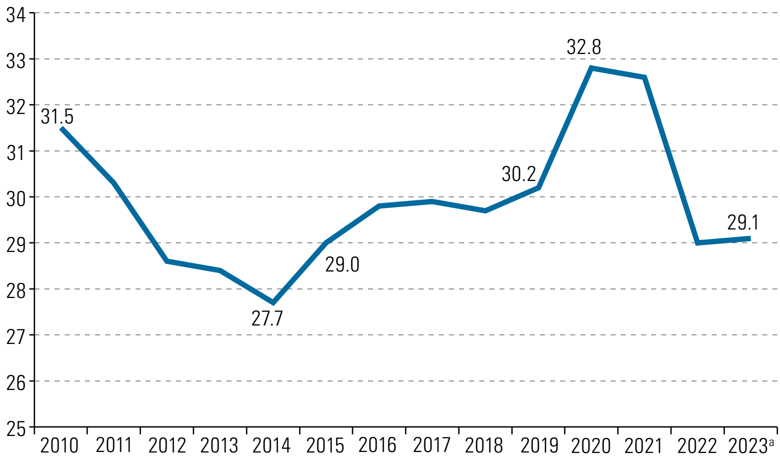
1. Ending poverty and extreme poverty as measured by income (targets 1.1 and 1.2)

In the 2000s, the region saw a reduction in poverty and extreme poverty. However, owing to regression in recent years, it is less likely that Goal 1 will be achieved in the region. The extreme poverty rate in the region is estimated to have reached 11.4% in 2023, an increase of 2.7 percentage points from 2015 (see figure 6), which represents a setback in the achievement of target 1.1. The poverty rate is estimated at 29.1%, up 0.1 percentage points from 2015, meaning that no progress has been made on target 1.2.

Figure 6
Latin America (18 countries): extreme poverty and poverty rates, 2010–2023
(Percentages)



B. Poverty



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1), Santiago, 2023.

[a] Figures for 2023 are estimates.

Poverty disproportionately affects certain population groups. In 2022, the poverty rate for women of working age was 1.2 times the men's rate (ECLAC, 2023d). Policies to reduce poverty gaps between population groups are essential to improve the prospects of meeting target 1.1.

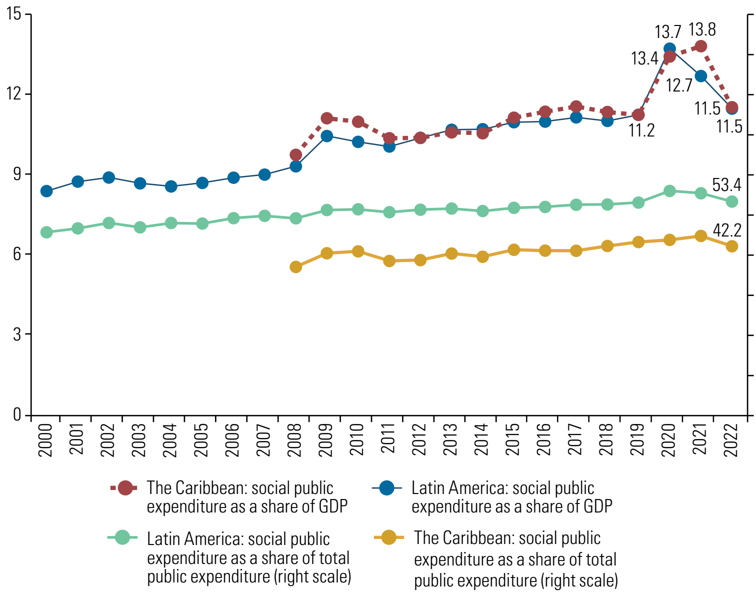
2. Resource mobilization and social spending to eradicate poverty (targets 1.a and 1.b)

Public social spending is a key means of implementation for the achievement of the SDGs. Trends in social spending illustrate countries' efforts to achieve inclusive social development. Figure 7 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).

Figure 7

Latin America and the Caribbean (22 countries):[a b] central government social spending as a proportion of GDP and of total public expenditure, 2000–2022

(Percentages)



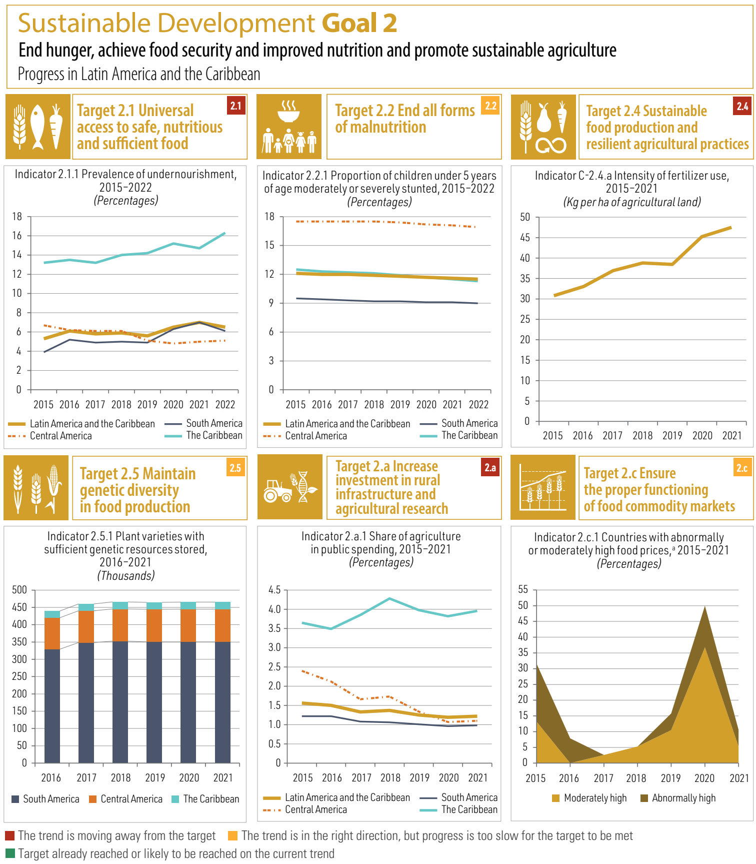
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] The figures for Latin America refer to the arithmetic mean of the values for 17 countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. In the Plurinational State of Bolivia, coverage is provided by the central administration, and in Peru by the general government. Data for the Plurinational State of Bolivia and Panama refer to 2021.

[b] The figures for the Caribbean refer to the arithmetic mean of the values for five countries: Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago.

Social protection, education and health, in keeping with indicator 1.a.2 of target 1.a of the SDGs, account for the largest proportion of social spending (around 90% of the total). In 2022, the target range for spending on education recommended by the United Nations Educational, Scientific and Cultural Organization (UNESCO) was met in only eight countries of the region (UNESCO and others, 2016). In terms of health spending, none of the countries of the region met the target of 6% of GDP established by the Pan American Health Organization (PAHO) as measured by central government spending (ECLAC, 2023e).

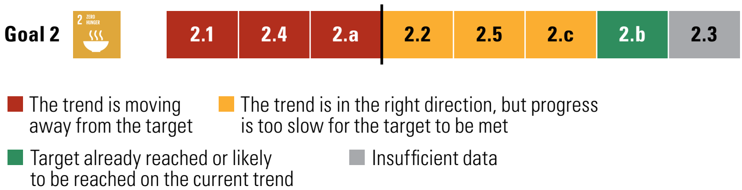
B. Sustainable Development Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture



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 2
Latin America and the Caribbean: Goal 2 targets, by likelihood of achieving the defined threshold by 2030



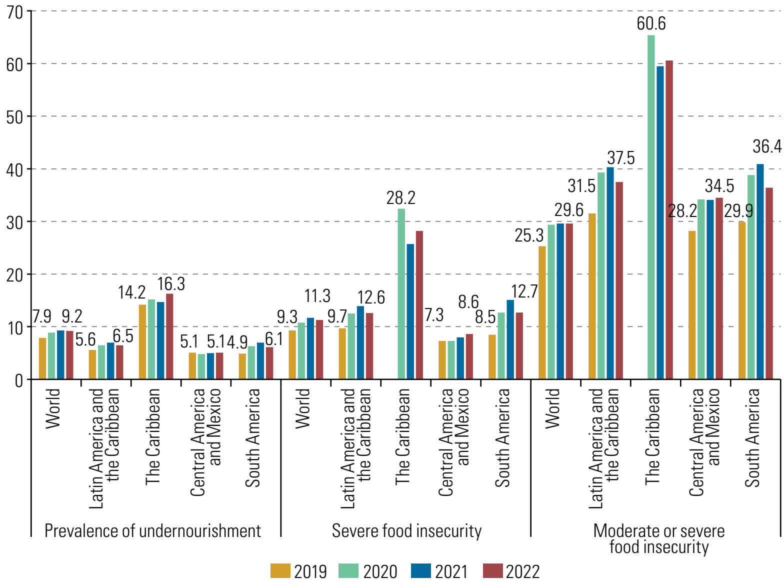
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

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

Since 2014, low economic growth and global crises have interrupted progress in the fight against hunger in Latin America and the Caribbean, which increased the prevalence of food insecurity in the region from 21.7% in 2015 to 29.6% in 2022, affecting women and rural populations the most (FAO and others, 2023). These data show a setback in the achievement of target 2.1. In addition, food inflation and income inequality have accelerated the rise in hunger since 2019 worldwide (see figure 8).

The increase in hunger and food insecurity is attributable mainly to access problems, as food supply is sufficient (ECLAC/FAO/WFP, 2022). Social, demographic and economic changes are modifying eating habits worldwide, in many cases increasing the consumption of unhealthy foods, especially in poorer households. An unhealthy diet is one of the major causes of malnutrition and is among the top 10 risk factors affecting the global burden of disease (FAO/WHO, 2019).

Figure 8
Latin America and the Caribbean: global, regional and subregional prevalence of undernourishment and moderate or severe food insecurity, 2019–2022
(Percentages)

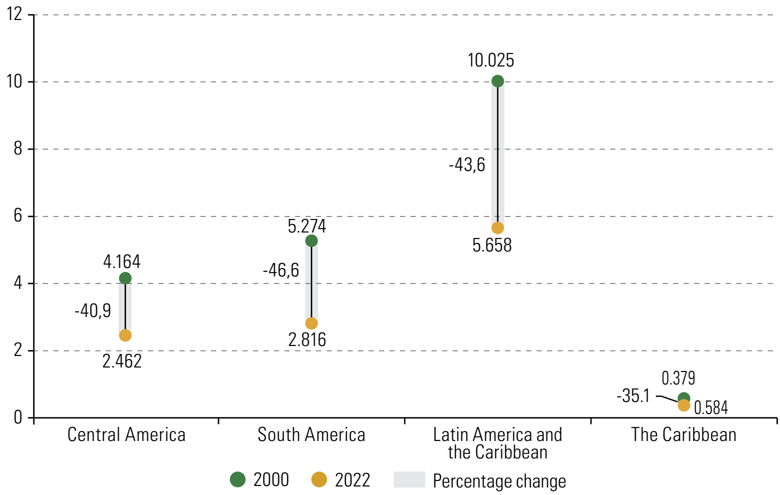


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO) and others, *Latin America and the Caribbean – Regional Overview of Food Security and Nutrition 2023: Statistics and Trends*, Santiago, 2023.

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. 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 9).

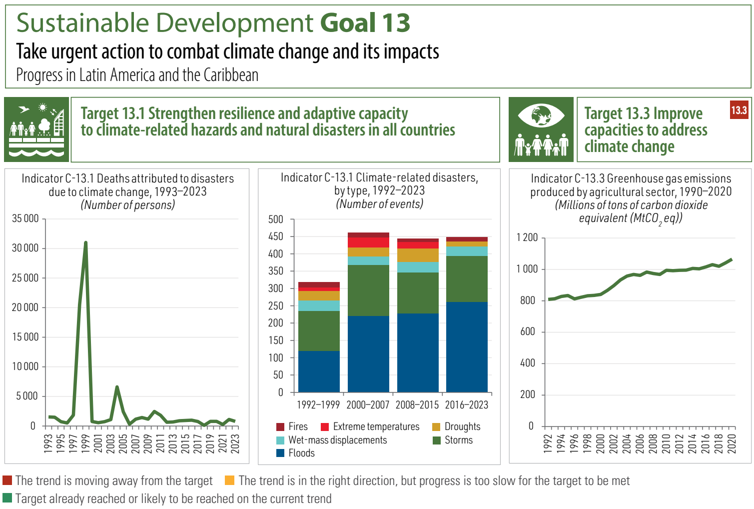
Figure 9
Latin America and the Caribbean: number of children with moderate or severe stunting, by subregion, 2000–2022
(Millions)



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.

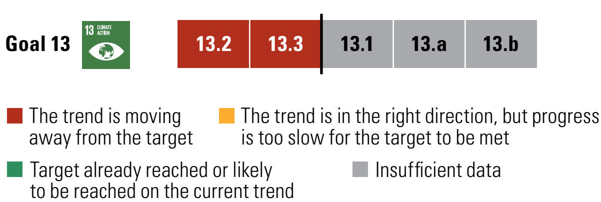
It appears that insufficient progress has been made towards meeting the target related to the prevalence of moderate or severe stunting in children, which fell from 17.8% in 2000 to 11.5% in 2022. Progress towards the target is a mere 35.4%, below the 73.3% that should have been achieved by 2022 to stay on track. The prevalence of overweight in children under 5 years of age (another form of malnutrition) has risen.

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



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 3
Latin America and the Caribbean: Goal 13 targets, by likelihood of achieving the defined threshold by 2030



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

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

Latin America and the Caribbean emitted six gigatons of carbon dioxide equivalent ($GtCO_2eq$) in 2019, which represented 10% of global emissions (ECLAC, 2023f). The region's energy mix is relatively cleaner than the global average, and renewable energies have been gaining ground. Land-use change accounts for 38% of greenhouse gas (GHG) emissions; forestry and agriculture 20%; and the energy sector 25% (ECLAC, 2023f).

To date, 15 countries in Latin America and the Caribbean have submitted national adaptation plans to the United Nations Framework Convention on Climate Change. Adaptation figures more prominently in 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 1).

2. National and regional climate change policies, strategies and plans (targets 13.2, 13.a and 13.b)

The region's climate targets for 2030 include reducing greenhouse gas 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.

Countries have focused the bulk of their efforts on sectors such as energy; land use, land-use change and forestry; transport; agriculture; and waste. However, 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, from the annual average of 0.9% (between 2010 and 2019) to 3.9%. In order to limit average global temperature rise to the 1.5°C target, the region's historical decarbonization rate must be increased eightfold (ECLAC, 2023g).

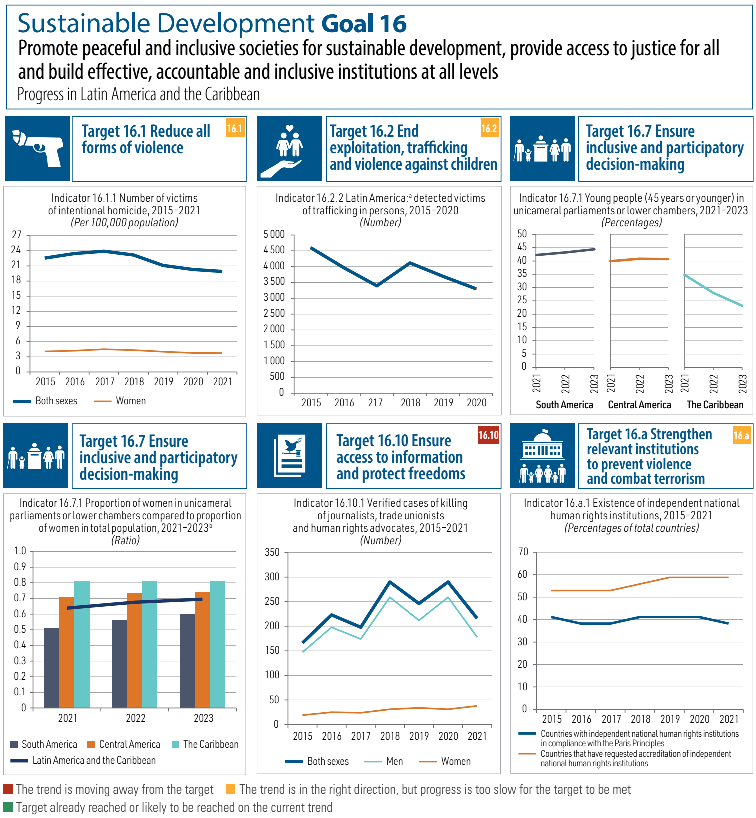
Table 1
Latin America and the Caribbean: priority sectors for adaptation to climate change

Country/sector	Water	Agriculture	Health	Biodiversity	Coastal and marine areas	Land use, land-use change and forestry	Risk management	Forests	Infrastructure	Cities, human settlements and territorial organization	Energy	Tourism	Transport	Housing	Industry	Education	Social development
Antigua and Barbuda																	
Argentina																	
Bahamas																	
Barbados																	
Belize																	
Bolivia (Plurinational State of)																	
Brazil																	
Chile																	
Dominican Republic																	
Colombia																	
Costa Rica																	
Cuba																	
Dominica																	
Ecuador																	
El Salvador																	
Granada																	
Guatemala																	

Country/sector	Water	Agriculture	Health	Biodiversity	Coastal and marine areas	Land use, land-use change and forestry	Risk management	Forests	Infrastructure	Cities, human settlements and territorial organization	Energy	Tourism	Transport	Housing	Industry	Education	Social development
Guyana																	
Haiti																	
Honduras																	
Jamaica																	
Mexico																	
Nicaragua																	
Panama																	
Paraguay																	
Peru																	
Saint Kitts and Nevis																	
Saint Vincent and the Grenadines																	
Saint Lucia																	
Suriname																	
Uruguay																	
Venezuela (Bolivarian Republic of)																	

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.

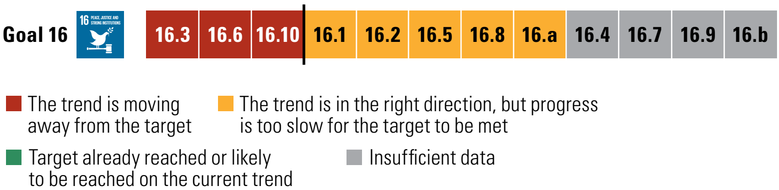
D. Sustainable Development Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



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 4
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)

Nearly one third of global homicides occur in Latin America and the Caribbean, which is home to nearly 9% of the global population: there were 19.9 homicides per 100,000 inhabitants in 2021 (UNODC, n.d.). The homicide rate has ranged between 20 and 25 per 100,000 inhabitants over the last 20 years. In Asia, the average homicide rate is 2.3 per 100,000; in Europe, 2.2; in Oceania, 2.9; in North America, 6.3; and in Africa, 12.7 (UNODC, 2023).

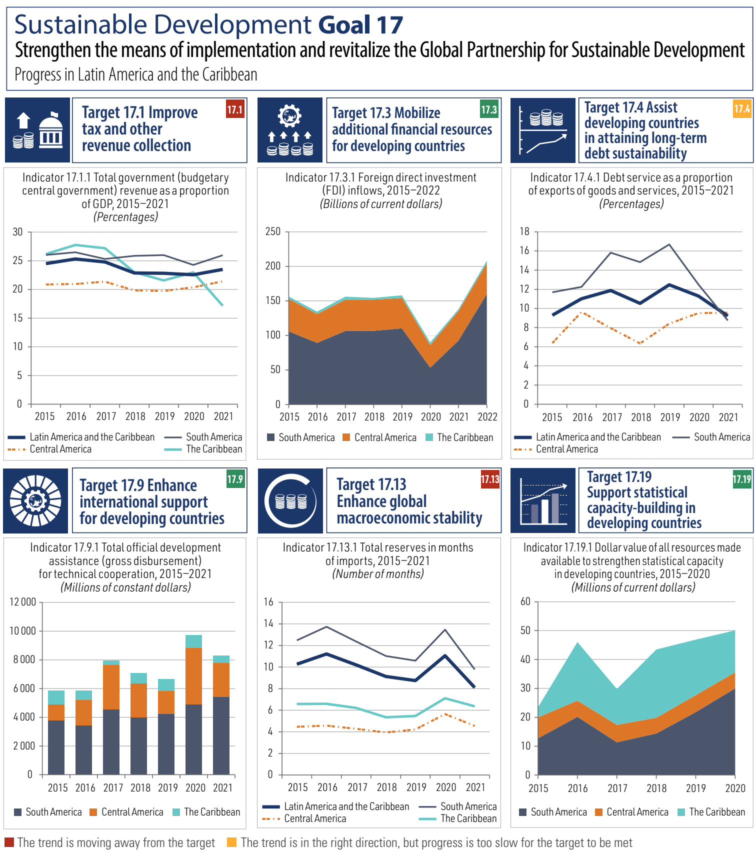
Persistently high homicide levels in the region are normally attributed to organized criminal groups competing for control of illegal markets. This is compounded by a weak rule of law, social inequality and youth unemployment (Hernández Bringas, 2021; UNODC, 2023), and to factors such as drug production and firearm possession and use (UNODC, 2023). This situation underscores that progress towards the achievement of target 16.1 is insufficient.

Measurements in several countries of the region indicate that more than half of children aged 1–14 years suffer acts of violence. Trafficking in girls is more widespread, as is trafficking in urban areas, all of which helps to explain the difficulty in reaching the threshold for target 16.2 by 2030.

2. Access to justice (target 16.3)

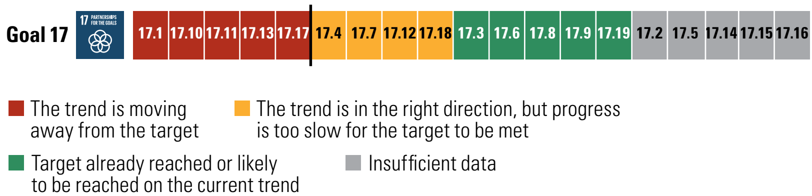
In Latin America and the Caribbean, there is still a large percentage of people who have been victims of a crime or violent act, but have not reported them to the competent authorities or other officially recognized conflict resolution mechanisms. This may be due to a lack of trust in institutions or to problems with reporting processes, as well as to judicial backlogs and delays. Meanwhile, a high percentage of the cases for which reports are filed with authorities remain unsolved, or are only solved after a long time, which makes citizens less inclined to report crimes, resulting in less access to justice for victims. Progress towards achieving target 16.3 of the 2030 Agenda has not been sufficient, and there have even been setbacks.

E. Sustainable Development Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development



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 5
Latin America and the Caribbean: Goal 17 targets, by likelihood of achieving the defined threshold by 2030



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

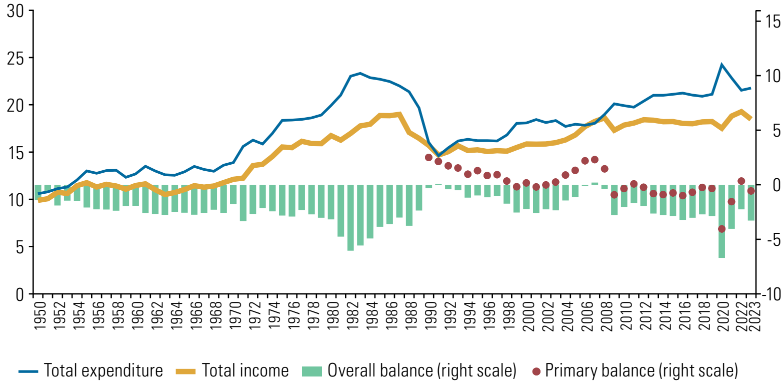
1. Public finance, resource mobilization and debt sustainability (targets 17.1, 17.2, 17.3 and 17.4)

Tightening fiscal and monetary policy space, along with growing public indebtedness and an international financial architecture that has proven incapable of supporting stable, long-term sources of financing on the scale and terms needed, have widened the development financing gap.[4]

General government revenue as a share of GDP has risen from 15% in the early 1990s to more than 18% in 2021 (see figure 10). However, this increase has not been enough to meet public spending demands (ECLAC, 2020a). Moreover, in 2020, the proportion of the national budget financed by domestic taxes fell to 54.6% in the region, compared to 75.5% in 2007. This setback on the path to target 17.1 reflects weakening tax collection capacity which materialized after the 2008 financial crisis and was exacerbated by the onset of the coronavirus disease (COVID-19) pandemic.

[4] According to an analysis by ECLAC (2023h) of a group of countries of 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.

Figure 10
Latin America (16 countries):[a] central government fiscal indicators, 1950–2023[b]
(Percentages of GDP)



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

[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

[b] Simple averages. The figures for 2023 are official estimates for the year. The figures for Argentina, Mexico and Peru refer to the national public administration, the federal public sector and the general government, respectively.

The trend in the mobilization of additional financial resources from multiple sources (target 17.3) indicates good progress. In the region, the volume of remittances as a percentage of GDP is up from 0.9% in 2000 to 2.4% in 2020. Foreign direct investment (FDI) in the region is also growing.

With regard to long-term debt sustainability (target 17.4), the deficit bias of public finances in the region, coupled with countries' efforts to cope with the impact of cascading crises, have resulted in a significant rebound in debt levels and the debt service burden. This trend suggests that the achievement of that target by 2030 will not be possible. The cost of debt financing constitutes a major obstacle to adopting an active fiscal policy stance.

PART II

Acceleration towards the realization of the 2030 Agenda for Sustainable development

IV. Transitions to accelerate progress towards the Sustainable Development Goals

The countries of Latin America and the Caribbean have had a mixed track record in their pursuit of the Sustainable Development Goals. If current trends continue, many targets will not be achieved by 2030. There are several reasons for the slow, uneven progress: 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 the Goals; inadequate budgets and implementation capacities; and the cascade of crises and adverse shocks since 2020. To realize the fundamental transformations that can address these weaknesses, more comprehensive, systemic policy approaches are needed, that generate traction on multiple SDGs at once (TWI2050, 2018).

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 either reverse regression or accelerate progress on the SDGs.

The United Nations Sustainable Development Group (UNSDG, 2023) has identified six transitions that are key owing to their catalytic, multiplier and accelerator effects on progress towards the SDGs. The transitions pertain 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. The remainder of this section presents descriptions of these transitions and how they support progress towards the SDGs, and what needs to be done to achieve desired scenarios in each.

A. Food systems transition

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.

The United Nations Food Systems Summit underscored the many benefits of transitioning towards more sustainable and resilient food practices and highlighted the perfect alignment between the commitment to sustainable food systems and the broader aspirations enshrined in the 2030 Agenda. 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 (see image 1).

In the desired transition 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).

Image 1
Sustainable Development Goals supported by the food system transition

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

B. Energy transition

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 shift to the generalized use of renewable and clean energy sources contributes to the achievement of Goal 7 and to innovation, with the development of new technologies and value chains in associated industries; increases productivity, with gains in energy efficiency; and opens up new labour market opportunities, contributing to decent work (see image 2). In addition, it reduces the use of fossil fuels in productive activities and generates fewer emissions in the residential and construction sectors. It also contributes to the decarbonization of water withdrawal, purification and distribution and energy generation processes, women's empowerment and to the reduction of urban pollution. 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 2
Sustainable Development Goals supported by the energy transition

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

The desired transition scenario for energy access and affordability 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, and do not significantly degrade ecosystems.

C. Digital transition

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

Image 3
Sustainable Development Goals supported by the digital transition

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

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.

D. Education transition

The education transition is the process that comprises 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.

While quality education is one of the Goals of the 2030 Agenda (Goal 4), 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 appropriate 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 4).

Image 4
Sustainable Development Goals supported by the education transition

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

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

E. Jobs and social protection transition

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, productive development). The aim is to satisfy the 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 (ECLAC, 2020b).

This transition is linked to most of the SDGs and can galvanize progress towards their achievement, given that access to decent work and a robust social protection system help to reduce poverty and hunger and increase 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 5).

Image 5
Sustainable Development Goals supported by the jobs and social protection transition

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

The desired scenario for a just transition towards sustainable in jobs and social protection systems 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. Work is a means of accessing sufficient income and entitlements, such that the right to a dignified life is ensured and inclusive social development is achieved.

F. Climate change, biodiversity loss and pollution transition

The climate transition is a process that aims to limit the rise in the average global temperature to 1.5°C above pre-industrial levels. It also aims to reverse biodiversity loss and pollution from GHG emissions. To avoid creating more inequality, it is important in the climate transition to consider countries' historical responsibility for GHG emissions; it is equally important to consider socioeconomic level and vulnerability to the impacts of climate change, which vary from country to country. 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.

Climate change has imposed a new reality on sustainable development; addressing it therefore improves the likelihood of achieving the SDGs (see image 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 fulfil the 2030 Agenda, which thus entails a need to change current development models, for example, through sustainable production and consumption, the use of clean energies, and stronger international cooperation and multilateralism.

Image 6
Sustainable Development Goals supported by the climate transition

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

At the regional level, the desired scenario is one of minimal vulnerability to climate change and a high level of adaptation and resilience to its impacts, thanks to individual efforts to mitigate GHG emissions. At the global level, average temperature rise would be kept to a minimum, facilitating the planning of climate-resilient development strategies that also help to lessen the growing impacts of global warming, now an inevitability.

Development models must change, which will require the transformation of consumption and production patterns. The knowledge and technology that this transformation requires already exist, but the challenge remains formidable: institutions will have to overcome the forces of inertia and return-on-investment models will have to fundamentally change, as will, to some extent, all human activity.

V. Financing to achieve the Sustainable Development Goals

The United Nations Secretary-General has underscored the urgency of securing a massive increase in financing for development, from both domestic and external sources, to fund the major investments required to achieve the SDGs (United Nations, 2023a). Globally, recent estimates of these additional needs range from 3% to 10% of GDP per year.

The mobilization and effective use of domestic resources is critical in the pursuit of sustainable development. However, fiscal space in Latin America and the Caribbean is very limited and, moreover, the 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.

A. The investment and financing needed for the SDGs

The importance and urgency of the fight against climate change has drawn attention to the mobilization of additional funding to achieve the SDGs. Indeed, the climate transition affects the achievement of all 17 SDGs.[5] It entails a transformation of economies centred on changing energy systems through investment for net zero emissions and in adaptation, resilience and natural capital. This has implications not only for the climate but also for the emergence of growth patterns and the achievement of the SDGs as a whole.

[5] The climate transition entails the implementation of the measures needed to keep the global average temperature increase below 2°C relative to preindustrial levels and sustaining the efforts to limit the increase to 1.5°C, as stipulated in the Paris Agreement.

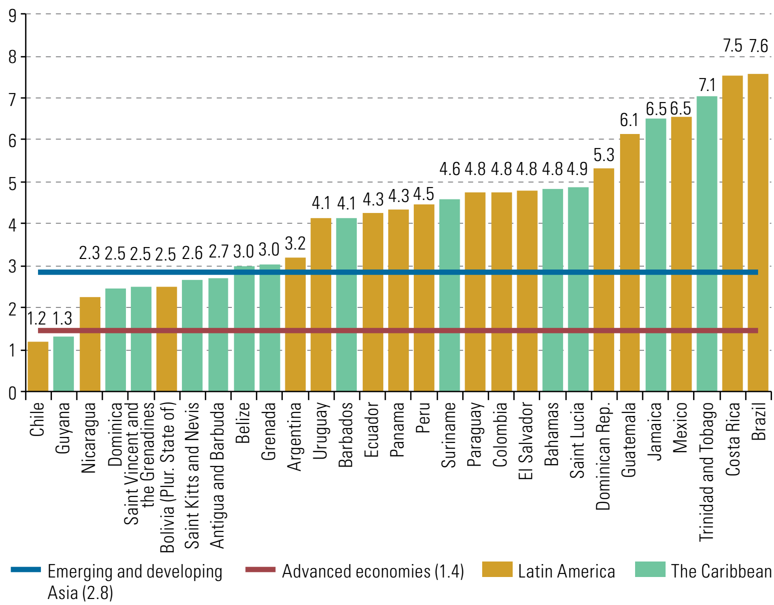
The fight against climate change is of particular importance for the countries of Latin America and the Caribbean, which suffer disproportionately from its consequences. According to ECLAC estimates (2023h), the impact of climate change and the increased intensity of severe weather events will reduce the level of economic activity in Barbados, the Dominican Republic, El Salvador, Guatemala, Honduras and Saint Lucia by between 9% and 12% by 2050, compared to a scenario of trend growth. Offsetting the economic losses caused by climate change would require an unprecedented and sustained investment push. 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.

B. Mobilizing domestic resources

There is ample scope in the countries of the region to strengthen tax collection and thereby increase fiscal capacity and support the sustainability of a fiscal policy that favours sustainable and inclusive development. Tax revenue collection in Latin America and the Caribbean averaged 21.7% of GDP in 2021 (varying widely across the region, from 12.7% in Panama to 33.5% in Brazil), compared with 34.1% of GDP in the Organisation for Economic Co-operation and Development (OECD) countries.

The need to improve 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 countries took unprecedented measures to deal with the COVID-19 pandemic. The effective interest rate on public debt in the region is high, standing well above the 2.8% average for emerging and developing economies in Asia and the 1.4% average of advanced economies (see figure 11). The region's higher interest rates are 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.

Figure 11
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.

C. Mobilizing external resources

1. Official development assistance

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, a rise of 13.6% over 2021.[6] Despite this progress, this is barely half the 0.7% of gross national income pledged by developed countries for ODA to revitalize the Global Partnership for Sustainable Development (Goal 17).[7]

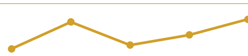
[6] DAC is made up of 32 developed countries, which are also OECD members, plus the European Union.

[7] During the period 2020–2022, only five DAC countries reached the target of allocating 0.7% of their gross national income to ODA: Germany (0.78%), Denmark (0.71%), Luxembourg (1.00%), Norway (0.97%) and Sweden (0.98%).

Between 2017 and 2021, net ODA represented a significant proportion of the gross national income of recipient countries in the region, averaging around 2%; for gross capital formation, the regional indicator was around 6%. 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 2). 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 2

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

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

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD), Creditor Reporting System (CRS) [online] https://stats.oecd.org/Index.aspx?datasetcode=CRS1 [accessed on 15 December 2023].

2. Reform of the international financial architecture

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 profound inequalities, gaps and inefficiencies, including higher financing costs for developing countries; uneven 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.

Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture (United Nations, 2023b) 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".

3. Development banks

The main multilateral development banks increased their capitalization in the aftermath of the global financial crisis.[8] Another way to increase the amount of development bank resources is through more efficient use of capital bases. In 2019, the International Development Bank (IDB) undertook a restructuring, resulting in a 20% increase in its capital base. Multilateral development banks can also adopt more flexible lending criteria. Among the major banks of this type, the ratio of equity to loans ranges between 20% and 60%, while in most commercial banks, the ratio is typically 10% to 15% (Humphrey, 2020).

[8] The Central American Bank for Economic Integration (CABEI) increased its authorized capital for the eighth time, raising it from US$ 5 billion to US$ 7 billion in April 2020, 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.

Increased lending capacity must be accompanied by initiatives to overcome the technical and institutional constraints that some development banks face in mobilizing development finance. The main barriers include limited access to low-cost sources of financing and insufficient long-term capital. Some projects, particularly those involving infrastructure, require substantial 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.

VI. General conclusions and recommendations

A. Transitioning towards 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, economic growth is very slow; productive development is lagging behind that of international competitors; productivity has practically flatlined in the last 20 years; and poverty and inequality remain at very high levels. All of these factors are jeopardizing achievement of the 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.

B. Meeting the challenges of achieving the Sustainable Development Goals

The trends of the indicators that monitor progress towards the Sustainable Development Goals paint a heterogeneous and complex regional picture. Although good progress is being made towards some of the Goals, the fact that challenges persist in most cases requires urgent course correction to get back on track to achieving the Goals set in 2015.

In the midst of renewed collaboration between countries, it will be essential to share relevant experiences aimed at accelerating progress towards the Goals, especially 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. In most cases, an additional effort is needed to meet the targets, in particular for SDGs whose indicators are moving in the right direction but very slowly, and for those that are regressing with respect to the thresholds to be achieved by 2030.

C. Speeding up the transitions to sustainability

Six transitions are central to transforming the development model. The objective is to turn the current situation of slow growth, precarious employment, stalled social welfare and environmental deterioration into a more productive, inclusive and sustainable development scenario that generates prosperity and social progress, and improves the quality of life of the Latin American and Caribbean population.

The six transitions to sustainability —in the areas of food systems, energy access and affordability, digital transformation, education, jobs and social protection, and climate change— are linked with and feed back into the transformative initiatives that ECLAC has recommended for progress towards implementing the 2030 Agenda (ECLAC, 2023b). Accelerating and aligning them with the SDGs requires new, long-term strategies and development policies, collectively designed and implemented by social actors with State coordination. 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.

D. Increasing financing alternatives

It is estimated Latin America and the Caribbean needs additional investment of some 3% to 8% of regional GDP per year to move towards sustainable development. However, fiscal space is limited, and the international financial architecture, characterized by deep inequalities and inefficiencies, has been unable to support the mobilization of stable, long-term financing to drive investments of that magnitude. For that reason, the Secretary-General of the United Nations has put forward a bold proposal for reforming the international financial and tax architecture (United Nations, 2023b).

At the regional level, ECLAC recommends mobilizing public and private resources, with an approach that aligns fiscal policy with the SDGs, 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. This requires increasing 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 development banks to mobilize financial resources can be increased through greater capitalization, more efficient use of capital and more flexible lending criteria. The public sector can support development banks in their efforts to obtain low-cost, long-term financing by providing guarantees, capacity-building and project diversification.

E. 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. It also calls for the promotion of new strategic areas to drive the process, the implementation of transformative initiatives aligned with the six transitions towards sustainability described above, a new form of governance for development that systematizes and uses lessons learned from 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 process of implementing the 2030 Agenda has shown that the State 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 of linking and coordinating 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, to establish greater productivity, inclusion and sustainability for development.

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 low likelihood of meeting nearly a third of the targets, should not be a reason to slacken efforts; rather, they should be redoubled to reach that date better placed to continue working for a productive, inclusive and sustainable future for the region.

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