

# A decade of action for a change of era

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Fifth 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**  
San José  
7–9 March **2022**



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UNITED NATIONS

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- The word "dollars" refers to United States dollars, unless otherwise specified.
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# Foreword

For the fifth time, the countries of the region are convening in the framework of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development. On each occasion, the Economic Commission for Latin America and the Caribbean (ECLAC) has presented a report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development. Since 2020, efforts to assess progress towards meeting the 2030 Agenda have had to be undertaken amid the constraints imposed by measures to address the coronavirus disease (COVID-19) pandemic. Our region has been especially hard hit: it accounts for much higher percentages of COVID-19 infections and deaths than it does of the world population, and the ensuing deterioration in the countries' economic and social conditions in 2020 was the worst seen in over a century.

The recovery in 2021 not only failed to recoup the large job losses, particularly for women, but also occurred within the constraints of a development pattern that had already shown its limitations and low growth before the pandemic, and amid new inflationary pressures that erode the real income of much of the population. Broadly speaking, the region has returned to the path that led it into the extreme vulnerability from where it had to face the health crisis: high levels of poverty, limited capacity to create quality jobs, low productivity and low technological intensity of production, and a production and consumption model that still fails to internalize environmental externalities. All this in a context of social exclusion and the prevalence of a long-ingrained culture of privilege.

In this difficult context, ECLAC continued to step up its efforts to assess the progress towards the achievement of the Sustainable Development Goals (SDGs). Whereas in 2019 we only had 19 statistical series of SDG indicators for the region to analyse progress towards 2030, in this fifth report we are presenting the results for 359 series, corresponding to 111 targets, 73 of which are targets covered by the prioritized indicators for the region.

The results of the assessment back the warnings we have been voicing since 2019. Despite the improvement in some indicators, progress towards 68% of the 111 targets evaluated is insufficient to achieve the SDGs by 2030; what is worse, progress has gone into reverse on almost a third of these targets (22%).

Our in-depth review of the four Goals linked to education, gender equality and marine and terrestrial biodiversity shows that the effects of the pandemic have further impeded progress towards the targets set for 2030. Three, often invisible "silent crises" are still at play: the loss of more than a year of classroom schooling for an entire generation of students, the increase in gender-based violence and in the unequal gender distribution of care burdens, and the exacerbation of biodiversity destruction as a result of illegal activities, often combined with killings of environmental defenders. Despite these harsh realities, the countries of the region continue to support the implementation and follow-up of the 2030 Agenda through a growing number of voluntary national reviews and, increasingly, voluntary local reviews, reflecting the increased importance of the territorial dimension of sustainable development.

Given this contradiction between, on the one hand, the growing institutional efforts to bring to fruition the Decade of Action of the Sustainable Development Goals called for by the United Nations Secretary-General and his proposal of *Our Common Agenda* and, on the other, the insufficient progress towards the achievement of the Goals, ECLAC stresses once again its proposal to launch a decade of action for a change of era. The Sustainable Development Goals will not be achieved by doing more of the same; we must move towards a new, inclusive and sustainable economic and social system.

For more than a decade, ECLAC has been urging a structural change in the development model, with equality at its core. To this end, our region must adopt industrial policies to foster investment as a bridge between the short and medium terms. But not just any investment will do: in addition to increasing the regional average from the current meagre 19% of GDP by at least one percentage point per year throughout this decade of action, investment must revolve around sustainable development, channel the energy transition towards renewable sources, promote electromobility in our cities, enhance nature-based solutions and ensure digital inclusion. In short, investments must foster a society of care and underpin a move away from the culture of privilege and towards a commitment to a culture of equality.

This document presents specific proposals in four areas in which we must continue to work: strengthening multilateralism, particularly in the area of financing for development; improving implementation of productive, social and environmental policies of national and regional scope; building up the resilience of institutions; and overcoming conflicts through agreements and compacts. Our proposals highlight the need to look beyond per capita GDP as an indicator of development and, as set forth in *Our Common Agenda*, to complement GDP with aspects that are invisible in national accounts, such as unpaid work, labour informality and the deterioration of natural capital. All this must be measured with indicators that adequately reflect the structural gaps, complexity and heterogeneity of our societies.

The pandemic has increased asymmetries in a world in which our region will continue to have very limited power if it does not pursue political and economic integration. It has also shown the great differences between our countries, as is clearly seen in the unequal access to vaccines during the pandemic. Nevertheless, even in this bleak scenario, unprecedented political and social advances have unfolded. With renewed strength, women, youth, indigenous peoples and many civil society organizations have achieved and continue to achieve qualitative changes, first in the long overdue recognition of their rights, then in political power and, albeit partially, in economic power structures. These new realities and signals suggest that the difficult progress towards a more efficient, fair and sustainable system will not be halted. In this regard, we might well recall the words of Shelley, “If Winter comes, can Spring be far behind?”<sup>1</sup>

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<sup>1</sup> *Ode to the West Wind* (1819).

# CHAPTER I

## Asymmetries, impact of the pandemic and the cost of not committing to the future

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Introduction

A. The economic impact of the pandemic has been stronger in Latin America and the Caribbean than in other regions of the world

B. Social impact amplified by the inequality matrix

C. Global warming and the environmental vulnerability of the region

D. Conclusions

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## Introduction

The world economy is preparing to enter a post-pandemic phase that is not yet clearly defined, marked by uncertainty and the deepening of global asymmetries. Some questions are related to health, such as the risk of the emergence of new SARS-CoV-2 variants or even other pathogenic viruses. Others relate to economics, such as the possibility of a widening gap between growth in developed economies and that in developing economies. Inflation is very likely to rise, driven by negative supply shocks (as in the case of energy and the supply of global value chain inputs) and by the recovery in demand. There are also questions related to the environment, as promises and commitments to stabilize carbon emissions and halt the planet's biodiversity loss have not been translated into effective action.

Effective responses to these questions require political agreements ensuring national, regional and global cooperation. The serious asymmetries regarding vaccination, financing, concentration of wealth, income, technology, climate action and the conservation and sustainable use of biodiversity cannot be solved unilaterally and without cooperation, since in most cases there are externalities that prevent such unilateral responses from being effective. However, these agreements are difficult to reach, which increases uncertainty about the future. Moving towards sustainable development requires overcoming the strength of the short-term interests of small, concentrated but very powerful groups, in favour of the broader (and difficult to organize) long-term interests of the majority.

Significant efforts have been made to address some of these issues, such as the adoption of the 2030 Agenda for Sustainable Development by the General Assembly of the United Nations in 2015, and the Paris Agreement, which guided discussions at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 26) recently held in Glasgow. There has also been an increase in “green” components in the recovery strategies of the central countries. However, these initiatives are insufficient given the reality faced by peripheral countries in terms of financing for development, climate change adaptation, biodiversity loss and deterioration and access to vaccines and public health. Technological and productive asymmetries have tended to worsen, with political and social impacts that generate growing tensions, not only in the developing world, but also in the central countries.

It is not possible to predict what kind of partnerships and policies could emerge in the coming years. A new development pattern is favoured by the fact that the costs of inertia are rising—in some cases at increasing speed—and becoming more visible, and this is accompanied by growing pressure from society for new agreements and policies. On the contrary, geopolitical rivalry and fragmentation at the regional and national levels have increased, and there is a perception of greater polarization, wider gaps and weaker legitimacy of political actors, which makes the possibility of reaching agreements less likely.

The position paper of the thirty-eighth session of the Economic Commission for Latin America and the Caribbean (ECLAC), *Building a New Future: Transformative Recovery with Equality and Sustainability* (ECLAC, 2020), speaks of building a new future and connecting the short-term responses to the pandemic crisis with the need to transform the economic, social and environmental growth pattern. However, the recovery thus far reflects a return to the previous pattern, whose imbalances are once again manifesting themselves with great intensity.

The present document is based on this observation and calls for a redoubling of the commitment to the future, in the knowledge that the form it will take depends on the decisions taken in the present. The challenge for the future involves rebuilding spaces for dialogue and institutions for cooperation at three levels: national, regional and global.

This first chapter focuses on the analysis of the costs of not adopting the necessary measures to build a sustainable future. Section A addresses economic costs; section B, social costs, and section C, environmental costs. These costs are reflected in the strong impact of the crisis on GDP and employment in the region, the exacerbation of inequalities and the worsening of the environmental crisis. Lastly, section D presents the conclusions.

## **A. The economic impact of the pandemic has been stronger in Latin America and the Caribbean than in other regions of the world**

It is often argued that the costs of public policy, particularly fiscal policy, are too high and unaffordable. The cost of “not doing”, however, may be much higher than that of corrective policies, especially when it is cumulative. The Latin American growth pattern resulted in the region’s greater vulnerability to the impact of the pandemic and greater losses in terms of GDP and employment than the rest of the world.

### **1. Slow growth, low productivity and heterogeneity: the structural underpinnings of vulnerability**

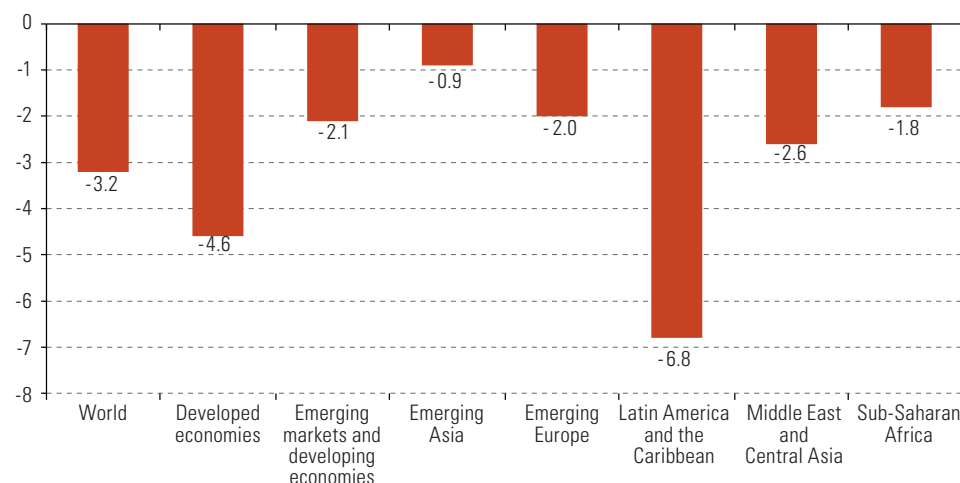
Latin America and the Caribbean’s weak resilience to shocks stems from the fact that the region does not have a productive structure with sectors that compete on the basis of technology, diversified capacities, and science and technology institutions and policies that support and enhance learning. It is these capacities and institutions that make it possible to respond quickly to the various challenges facing the countries. The traditional approach assumes that the problem is linked to the lack of flexibility in the labour market, as if productive and technological capacities already existed and it would be enough to remove some red tape to allow workers to transfer between sectors. Excessive flexibility that allows workers to move quickly into low-productivity services makes the region more, not less, vulnerable. Fostering new sectors that demand more skilled workers, however, strengthens resilience. Technological and productive asymmetries are a central and structural element of the region’s vulnerability to crises, which interacts with other macroeconomic asymmetries, such as fiscal and monetary policy capacity.

Lack of resilience to shocks is part of the cost of not committing intelligently and consciously to the future. When examining the impact of the pandemic on the economies of Latin America and the Caribbean, the decline in GDP was one of the largest in the world (see figure I.1B), and the same was true for the fall in employment (see figure I.1A).

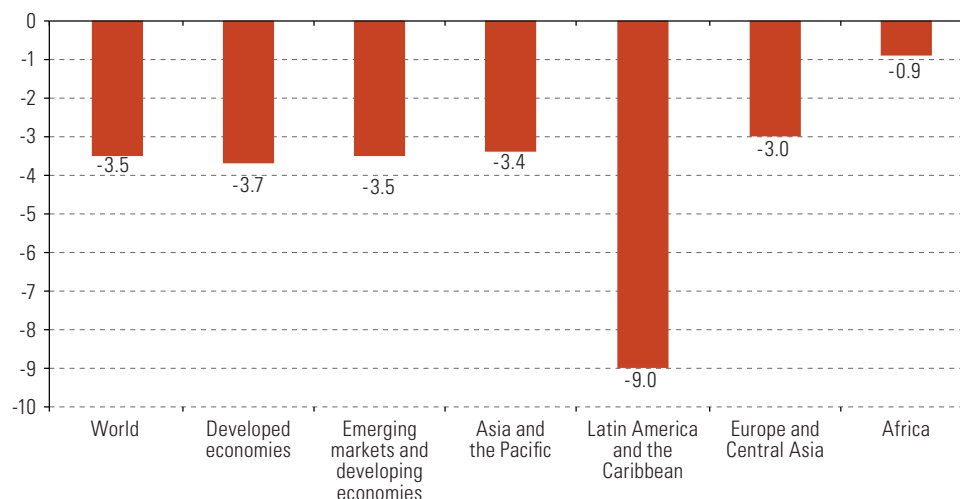
The impact of the crisis in the region was compounded by structural factors that define the composition of employment in the region; in particular the considerable proportion of informality and low-productivity services in the labour market. Although the impacts were very mixed and it is difficult to discern a single pattern, in general, resilience was weaker in areas facing higher informality, more limited manufacturing capacity (needed to produce vaccines and medical equipment), less developed universal social protection systems (and therefore more difficulty applying compensatory policies), and with governments trialling less active fiscal policies, either because they had less fiscal space or because they feared a resurgence of inflation.

**Figure I.1**  
**World and selected regions: growth in GDP and number of employed persons, 2020**  
*(Percentages)*

**A. GDP**



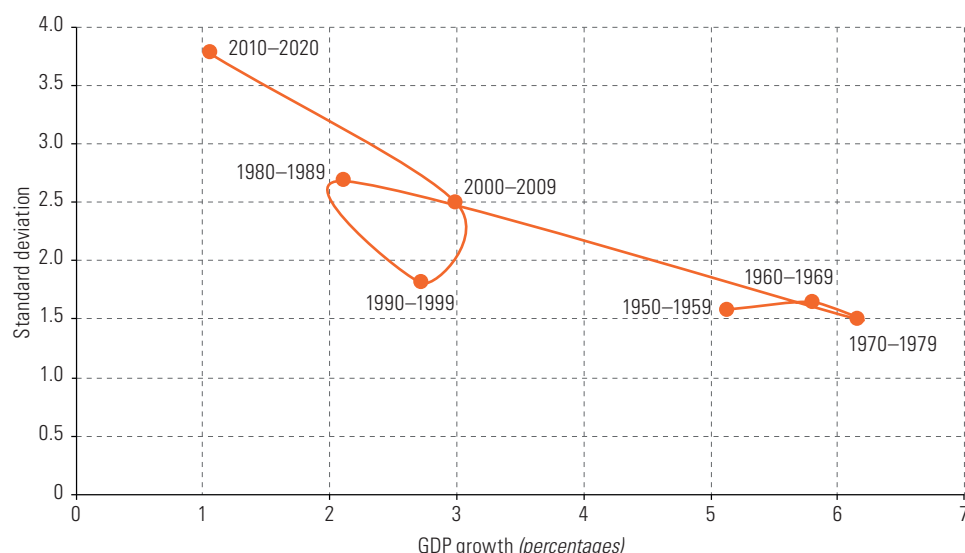
**B. Employment**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), World Economic Outlook Update, Washington, D.C., July 2020; International Labour Organization (ILO), 2021 and official figures.

Therefore, weaker resilience reflects a structure in which the most technology-intensive sectors have limited weight and where there is little investment in research and development (R&D). In a world where technical progress has become an increasingly decisive factor for competitiveness, in the absence of corrective policies, lagging countries find it more difficult to grow. Figure I.2 shows that growth rates in Latin America and the Caribbean have been lower on average and more volatile, especially since the 1980s. The pandemic hit the region at a time when growth had become slower and more unstable, which also implies that, after the GDP “rebound”, it will return to the low growth rates it was already recording owing to the structural factors mentioned above.

**Figure I.2**  
**Latin America and the Caribbean: growth and growth volatility, 1950–2020**



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

While exports grew sharply in 2021 (25%) as a result of an increase in both prices and volume, imports grew even more (32%), in line with the upturn in economic activity in the second quarter of that year in the countries of the region. Remittances to the region, in turn, grew by almost 30% on average in 2021, and in 2022 they are expected to continue to be a major source of external resources, particularly for Central America, Mexico and some Caribbean countries.

The structural problems of growth and weak diversification are manifested in the quality of employment generated. Low-productivity employment is the result of an economic structure that is not very complex, with a high level of informality, especially among women, young people, persons of African descent and indigenous peoples. This gives rise to intersectionalities that intertwine and reinforce inequalities in income, rights and access to social protection. Informality also has negative effects on aggregate productivity, as shown in figure I.3. Informal employment accounts for about 48% of total employment in Latin America and the Caribbean, and the labour productivity in the informal sector is equivalent to 6% of labour productivity in the formal sector.

In other words, an economy with poorly diversified structures and limited demand for skills does not have a productivity problem because there are barriers to the movement of workers between sectors, but because workers do not have productive employment alternatives that absorb underemployment and subsistence employment (structural heterogeneity<sup>1</sup>). Industrial and science and technology policies are key to transforming this scenario and creating formal employment opportunities with higher productivity.

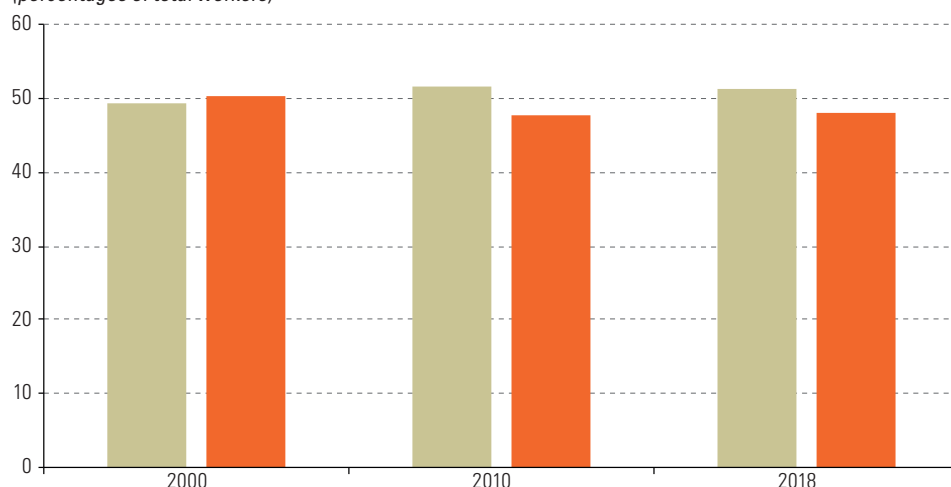
<sup>1</sup> Structural heterogeneity is the existence of major inequalities in labour productivity within an economy owing to the high percentage of workers experiencing underemployment or subsistence employment.



**Figure I.3**  
**Latin America and the Caribbean: informal sector employment and productivity gap between sectors, 2000, 2010 and 2018**

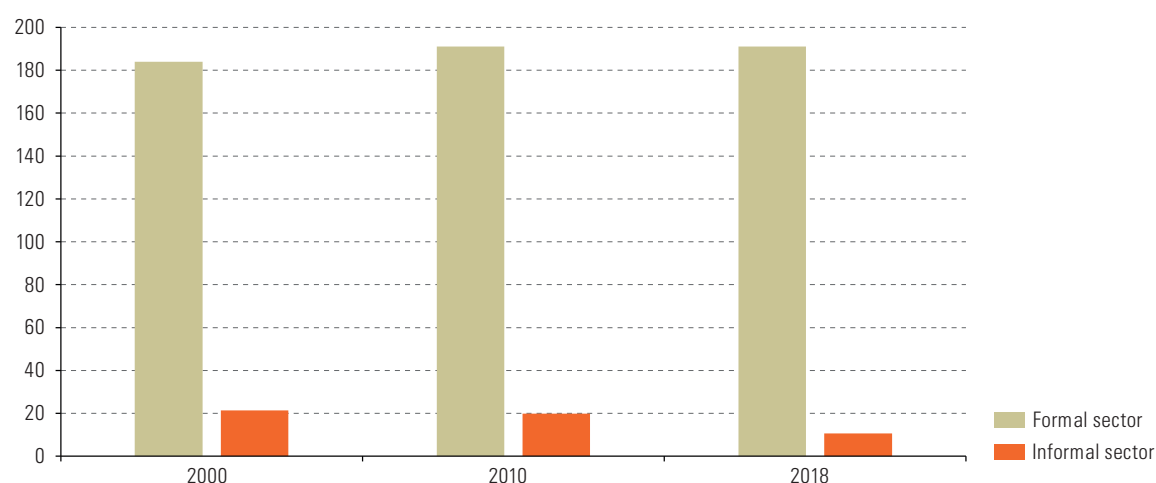
**A. Informal sector employment**

(percentages of total workers)



**B. Productivity gap between sectors**

(index: aggregate productivity=100)



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

## 2. Central America, the Dominican Republic and Mexico: the specificity of their external position

This subsection examines in greater detail the cases of Central America, the Dominican Republic and Mexico, where dynamics are more closely tied to the trends in the United States economy, trade in manufactures and remittances than to commodity cycles. This specific trade of the northern countries of Latin America and the Caribbean, which is different from that of the southern countries, justifies the separate analysis.

In 2020, these economies as a whole recorded their largest contraction in 30 years, owing to the various measures implemented to contain coronavirus disease (COVID-19) infections. In 2021, all the

countries in this subregion recorded positive economic growth rates, mainly thanks to a statistical effect (given the lower base of comparison with 2020), the significant upturn in external demand, progress in vaccination programmes and growing flows of family remittances. In 2022, GDP is expected to continue to expand, but at a slower pace than in 2021, gradually returning to the usual long-term growth rates.

This section highlights six factors that boosted the economies of Central America, the Dominican Republic and Mexico in 2021 and that are expected to continue to do so in the medium term.

### (a) Significant expansion of goods exports

For several decades now, exports have been a central engine of economic growth in the countries of the subregion. In 2021, goods exports grew significantly, and were one of the main drivers of the economic recovery. In the first nine months of the year, year-on-year growth of 27.8% was recorded in the Central American countries and the Dominican Republic as a whole, following a contraction of 8.5% in 2020. Mexico's exports, meanwhile, increased by 19.4% in the first 10 months of 2021, compared to a contraction of 9.5% in 2020.

Exports recorded stronger momentum in manufactures, but commodities also rose sharply, boosted by higher international prices, along with increases in volumes. For example, in the first half of 2021, sales of coffee, pineapple and bananas from Central America to the rest of the world increased by 12.0%, 6.5% and 4.9%, respectively, compared to the same period in 2020. Manufacture exports of clothing and medical equipment and devices expanded by 85.9% and 45.4% year-on-year, respectively, in the first six months of the year. While clothing exports dropped sharply in 2020 amid shrinking global demand, exports of medical equipment and devices remained resilient in 2020. In Mexico, manufacture exports expanded by 23.0% year-on-year in the January-August 2021 period, while agricultural exports grew by 6.5%. In the Dominican Republic, exports of minerals (23.1% in the first half of 2021) and textiles (53.9%) stood out.

### (b) Recovery of foreign direct investment

The COVID-19 pandemic weighed heavily on foreign direct investment (FDI) in Central America, the Dominican Republic and Mexico. In 2020, FDI flows<sup>2</sup> decreased by 19% (from US\$ 34.3 billion to US\$ 27.6 billion) for Mexico and by 44% (from US\$ 12.7 billion to US\$ 7.1 billion) for Central American countries<sup>3</sup> and the Dominican Republic compared to 2019. However, there were significant differences between the different sectors in terms of greenfield projects. According to the fDi Markets database, the most dramatic declines were recorded for new projects in automobile components (-75%), coal, oil and gas (-80%), plastics (-69%) and chemicals (-59%), while two sectors saw an increase in new projects between 2019 and 2020: financial services (22%) and medical devices (43%).<sup>4</sup> This may already provide an idea of potentially resilient sectors that offer opportunities for the subregion in the medium and long term.

In 2021, FDI flows recovered in many countries in the region. Up to the second quarter, FDI increased by 53% year-on-year for Central America and the Dominican Republic, while it declined slightly for Mexico (-2%) up to September. Trends indicate that towards the end of 2021, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua were expected to have achieved significantly higher FDI flows than in the period prior to the pandemic. With regard to new

<sup>2</sup> According to official balance-of-payments data, "direct investment in the reporting economy", presentation according to the sixth edition of the *Balance of Payments and International Investment Position Manual: Sixth Edition (BPM6)*, (IMF, 2009) (except in the cases of Mexico and Panama, where the presentation follows is based on the fifth edition).

<sup>3</sup> Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

<sup>4</sup> In addition to the countries mentioned above, the data provided by fDi Markets also include projects in Cuba and Haiti.

projects up to October 2021, some sectors, such as automobile components, showed some recovery; other sectors (e.g. chemicals and plastics) continued with relatively few new projects, while hotels and tourism declined sharply for a second year. The sectors with a number of projects similar to or larger than those recorded in the years prior to the pandemic were software and information technology (IT) services, communications and consumer products. The 371 new projects in 2021 were unevenly distributed: most were concentrated in Mexico (267) and Costa Rica (57).

In the coming years, the medical devices sector can be expected to continue to attract increasing amounts of FDI, given the experience of the pandemic and the nearshoring strategy of many United States companies in this sector. Other opportunities lie in the software and IT services sector, which has recorded strong growth in the region since 2015 in terms of greenfield projects, and which despite a dip in 2020, returned to pre-pandemic levels of growth in 2021.

### (c) Reconfiguration of global value chains

The external shock caused by the COVID-19 pandemic has led the main actors in global value chains to analyse their vulnerabilities to detect the greatest risks in order to mitigate them. In 2021, both the United States and the European Union unveiled initiatives aimed at increasing their productive autonomy in industries considered strategic, in order to reduce their dependence on distant suppliers—especially in China—in the face of external shocks. Added to this are the trade tensions between China and the United States, which began before the pandemic and resulted in sanctions and the imposition of tariffs on certain goods from the Asian country. This scenario is expected to encourage a reconfiguration of the chains to make them shorter (less globalized and more regionalized), more redundant (i.e. with alternatives for the production of components), more controlled and with bigger inventories of critical components.

Meanwhile, the confinement measures and the total paralysis of non-essential economic activities amid the pandemic have accelerated the transition towards more digital economies, and possibly, especially in the case of developed countries, are also likely to accelerate automation in the production processes critical to the manufacture of products. Technology and digitization allow some sectors to maintain activity and production with very few staff working in person. If this trend is confirmed, developing countries, such as those in Central America and the Dominican Republic, where the lower cost of labour is often a comparative advantage, could be affected by these changes, depending on the reconfiguration of the global value chains of which they are a part.

The countries of Central America, the Dominican Republic and Mexico are in an advantageous position to receive new manufacturing investments in the context of nearshoring processes by some companies interested in reducing their supply networks and getting closer to the United States market. There are opportunities to venture into certain niches in the electronics sector, for example, in some links of the semiconductor chain, and in the medical equipment and devices chain, which in 2021 showed remarkable resilience in the subregion and registered significant growth rates.

### (d) Increasing flows of family remittances

The subregion accounts for nearly 80% of total remittances to Latin America and the Caribbean. Remittance flows to the subregion are significant in 8 of the 10 countries that make up the subregion (including Cuba and Haiti), with the exceptions of Costa Rica and Panama. Despite the COVID-19 pandemic, remittances to the subregion in 2020 exceeded US\$ 80 billion and grew by an average of 7.8% compared to 2019 (see table I.1).<sup>5</sup> The most recent figures available point to average growth in the countries of the subregion of around 25% in 2021.

<sup>5</sup> Year-on-year growth was 10% excluding Cuba, where remittances plummeted.

Remittances are undoubtedly a factor in balancing the current account of the subregion's external sector. Likewise, their contribution to the living conditions of millions of households made these resources an important factor in mitigating the widespread adverse effects that the countries of the subregion suffered in 2020 as a result of the pandemic.

**Table I.1**  
**Central America, Cuba, Dominican Republic, Haiti and Mexico: family remittance flows, 2019–2021**  
(Millions of dollars and percentages)

	2016	2017	2018	2019	2020	2020/2019 <sup>a</sup>	2021/2020 <sup>a</sup>
Costa Rica	514.8	527.2	499.0	518.8	495.3	-4.5	19.8
Cuba	3 392.0	3 725.0	4 092.0	4 052.0	2 854.0	-29.6	9.8
Dominican Republic	5 260.8	5 911.8	6 494.1	7 087.0	8 219.3	16.0	34.4
El Salvador	4 543.9	4 985.4	5 394.7	5 656.2	5 929.9	4.8	29.1
Guatemala	7 160.0	8 192.2	9 287.8	10 508.3	11 340.4	7.9	36.6
Haiti <sup>b</sup>	2 358.7	2 614.2	2 966.2	3 026.1	3 455.3	14.2	21.3
Honduras	3 847.3	4 305.3	4 760.0	5 384.4	5 573.1	3.5	32.6
Mexico	26 993.0	30 291.0	33 677.2	36 438.8	40 604.6	11.4	25.6
Nicaragua	1 264.1	1 390.8	1 501.2	1 682.4	1 851.4	10.0	16.0
Panama	426.1	443.7	456.8	493.1	398.2	-19.2	20.2
Subregional total	55 760.9	62 386.1	69 129.0	74 847.2	80 721.4	7.8	27.3
Subregional total (excluding Cuba)	52 368.9	58 661.1	65 037.0	70 795.2	77 867.4	10.0	28.1

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates from The Economist Intelligence Unit for Cuba.

<sup>a</sup> Year-on-year change; latest figures available.

<sup>b</sup> Fiscal year from October to September.

This dynamic is primarily influenced by migratory flows from these countries to the United States, where nearly 48.2 million migrants originating from the subregion lived in 2019. Although more than three quarters of migrants come from Mexico (77% of the total), in the past two decades there has been strong migration from Guatemala and Honduras.

The positive trend in remittance flows derives partly from the employment of migrants in key sectors of the United States economy (care services, retail trade, construction industry and agricultural activities, among others), and also to the solidarity of migrants towards their communities of origin, both of which are primarily structural factors. Moreover, documented migrants' access to unemployment insurance systems and stimulus packages in the United States, both in 2020 —under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of March 2020 and the Consolidated Appropriations Act of December 2020— and in 2021 —thanks to the American Rescue Plan Act of March 2021— partly offset the effects of the pandemic on their income and maintained their ability to send remittances in 2020 and probably also in 2021.

As regards the short- and medium-term scenarios, three interrelated factors should be considered:

- (i) The growth scenarios of the United States economy, which have an impact on the dynamics of current remittance flows, but also on potential future flows as they attract new flows of migrants and, consequently, remittances. The dynamics of employment and occupations in the United States market play a key role in the observed trends.

- (ii) The growth scenarios of the economies of the subregion, as some better —or worse— economic conditions are factors in the pull —or push— of potential migrants in their countries of origin. In addition, other factors (such as violence, insecurity or natural disasters, to cite the most significant) have historically played a leading role in migratory flows from the subregion to the United States and, in turn, in the granting of exceptional conditions to irregular migrants from these countries in the United States —such as temporary protected status, the Deferred Action for Childhood Arrivals (DACA) programme or asylum.
- (iii) Trends in international migration from the subregion are correlated not only with the migration policies (current or expected) of the United States, but also with those of transit countries (such as Mexico).

### (e) Recovery of tourism revenues

International tourism receipts are a crucial source of foreign exchange for most countries of the subregion, which have also taken advantage of tourism as a mechanism for export promotion and territorial development. In 2019, revenues generated by international tourism accounted for 36% of total exports in the Dominican Republic, 28% in Panama, 19% in Costa Rica, 18% in El Salvador, 8% in Guatemala, 6% in Nicaragua and 5% in Honduras.

In 2020, travel services exports fell by 63% in the subregion on average, with declines of up to 75% in Guatemala and Panama. Overall, this performance continued until the first quarter of 2021, with reductions averaging 60% compared to the first quarter of 2020 (UNCTAD, 2020). However, tourist arrivals rose significantly in the second quarter of 2021. Worldwide, travel services exports grew by 67% between the second quarter of 2020 and 2021. Latin America and the Caribbean recorded the strongest growth: 588% between the second quarter of 2020 and 2021. In the subregion, data for Honduras and Mexico reflect a similar trend, with growth of 200% and 828%, respectively. Latin America and the Caribbean recovered about half of its travel services exports when comparing the second quarter of 2021 with the same period in 2019 (UNCTAD, 2021).

The prospects for recovery are determined by a number of factors. With continued travel restrictions, uncertainty about changing regulations and the pandemic's progression, along with varying vaccination rates, domestic travel is expected to continue accounting for a larger share of tourism spending than international travel. However, this trend is likely to be reversed as vaccination progresses and certainty about international travel requirements grows. Longer trips are also on the rise, both because of the need to get more out of them owing to the various restrictions and requirements, and because of an increase in hybrid leisure and work trips, favoured by changes in the world of work. Finally, secondary or less explored destinations are growing more popular, driven by the need for physical distancing and by tourists who wish to have a positive impact on the environment and communities they visit.

The first tourists to resume travel are mainly members of generations Y and Z, especially from China. These generations are digital natives, so the use of digital tools in tourist destinations will be key to attracting them and ensuring their full enjoyment. Similarly, pent-up demand appears to encourage tourists to spend more on their travels and seek luxury and tailored experiences, so luxury tourism is likely to expand, then diminish as travel returns to normal.

### (f) Economic stimulus in the United States as a source of economic growth for the countries of the subregion

The COVID-19 pandemic led to a 3.5% decline in the United States economy in 2020, resulting in huge job losses. As a result, the United States Congress passed a series of huge rescue packages which included cash payments to individuals and funds to allow companies to continue paying wages through

2020 and 2021. This economic stimulus indirectly boosted consumption (through family remittances) and exports from Mexico and Central American countries, which have close ties to the United States. Among other things, this boosted the economic recovery in the countries of the subregion in 2021.

Moreover, in November 2021, the United States Congress approved President Joe Biden's infrastructure investment plan. The objective of this US\$ 1.2 trillion project is the modernization of infrastructure linked to roads, bridges, public transport, the rail system, electric vehicles, the electric grid, drinking water and broadband Internet. Some of these investments are expected to require imports from Central American countries and Mexico and to create jobs for workers of Latin American origin, which would give some momentum to the recovery of their economies in 2022.

President Biden's administration is also promoting a plan to invest up to US\$ 4 billion over four years in Central America to improve the living conditions of its citizens and thus reduce emigration to the United States. The aid, in this case, would be dependent on the fight against corruption in the beneficiary countries and the contributions are expected to be allocated to non-governmental organizations (NGOs). Moreover, in December 2021, the Governments of Mexico and the United States announced the launch of the *Sembrando Oportunidades* initiative, a scholarship and training programme aiming to help young people from El Salvador, Guatemala and Honduras to find stable employment in their countries of origin and to curb irregular migration. In addition, with a view to fostering integration among these three economies and with south-southeast Mexico, ECLAC formulated the Comprehensive Development Plan, which seeks to make migration a choice, not an obligation.

### 3. Asymmetries in fiscal and monetary policies

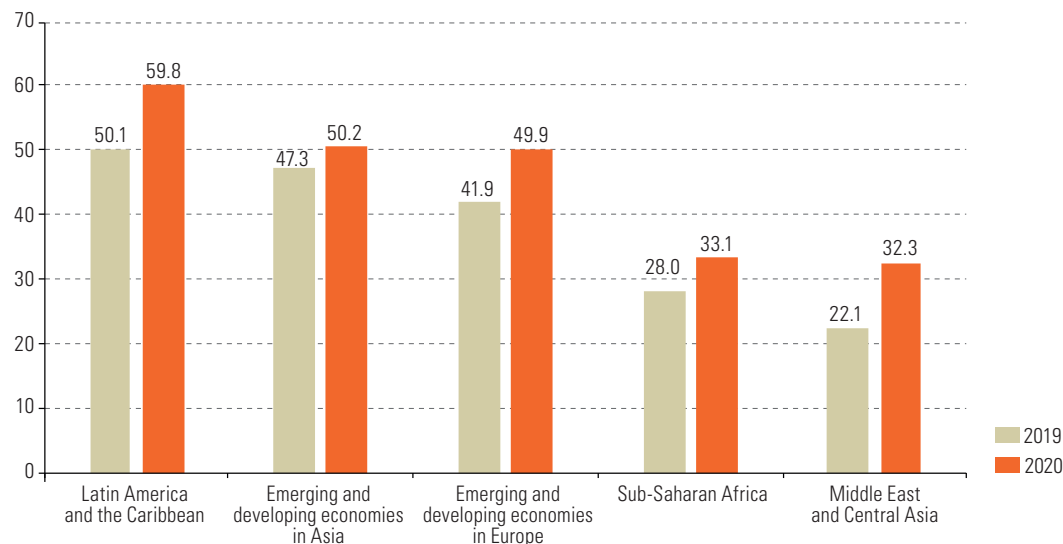
Structural asymmetries interact with asymmetries linked to the capacity to implement policies. Developed economies implemented stronger fiscal policies than developing countries in general, and Latin America and the Caribbean in particular. The United States approved multi-year fiscal spending equivalent to 18% of GDP—through the American Families Plan and the American Jobs Plan—along with a US\$ 1.2 trillion package for investments in the infrastructure needed to increase competitiveness in the leading technologies and sectors of the twenty-first century. The possibility of approving an even more ambitious social spending package, aimed at reducing inequality and poverty in the United States economy, is currently under debate. Europe, meanwhile, issued 20 billion euros in bonds to finance public investment through the NextGenerationEU fund. Between January and September 2021, advanced countries announced new measures amounting to US\$ 2.5 trillion, compared to the US\$ 275 billion announced in emerging markets. Many of the investment efforts in the central countries, while insufficient to meet the challenges posed by climate change, signal a move towards more environmentally sustainable investments.

In 2020, subsidies and current transfers were the main driver of primary current spending in Latin America and the Caribbean. Compared to 2019, they increased by 2.2 percentage points of GDP and official projections point to a reduction of 1.0 percentage points of GDP in 2021 compared to 2020, representing most of the contraction in primary current spending.

Several factors underpin the region's weaker fiscal stance. A major one is the weight of external debt in some countries of the region, especially in the Caribbean. While advanced economies are the most indebted in terms of percentages of GDP, they are not the most financially fragile. This fragility is influenced by the weight of foreign-currency-denominated debt in total debt, since it is more difficult for countries already facing current account deficit problems to honour a commitment in a currency that is not its own (a phenomenon often referred to as "original sin"). Latin America and the Caribbean is the region with the highest percentage of its goods and services export revenues committed to external debt service (59.8%, compared to approximately 50% for emerging and developing economies in

Asia and Europe) (see figure I.4). In economies that are heavily dependent on imported intermediate goods and especially imported capital goods, debt repayment exacerbates the external constraint on investment and growth.

**Figure I.4**  
**Selected regions: external debt service**  
*(As a percentage of goods and services exports)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), *World Economic Outlook*, Washington, D.C., October 2021.

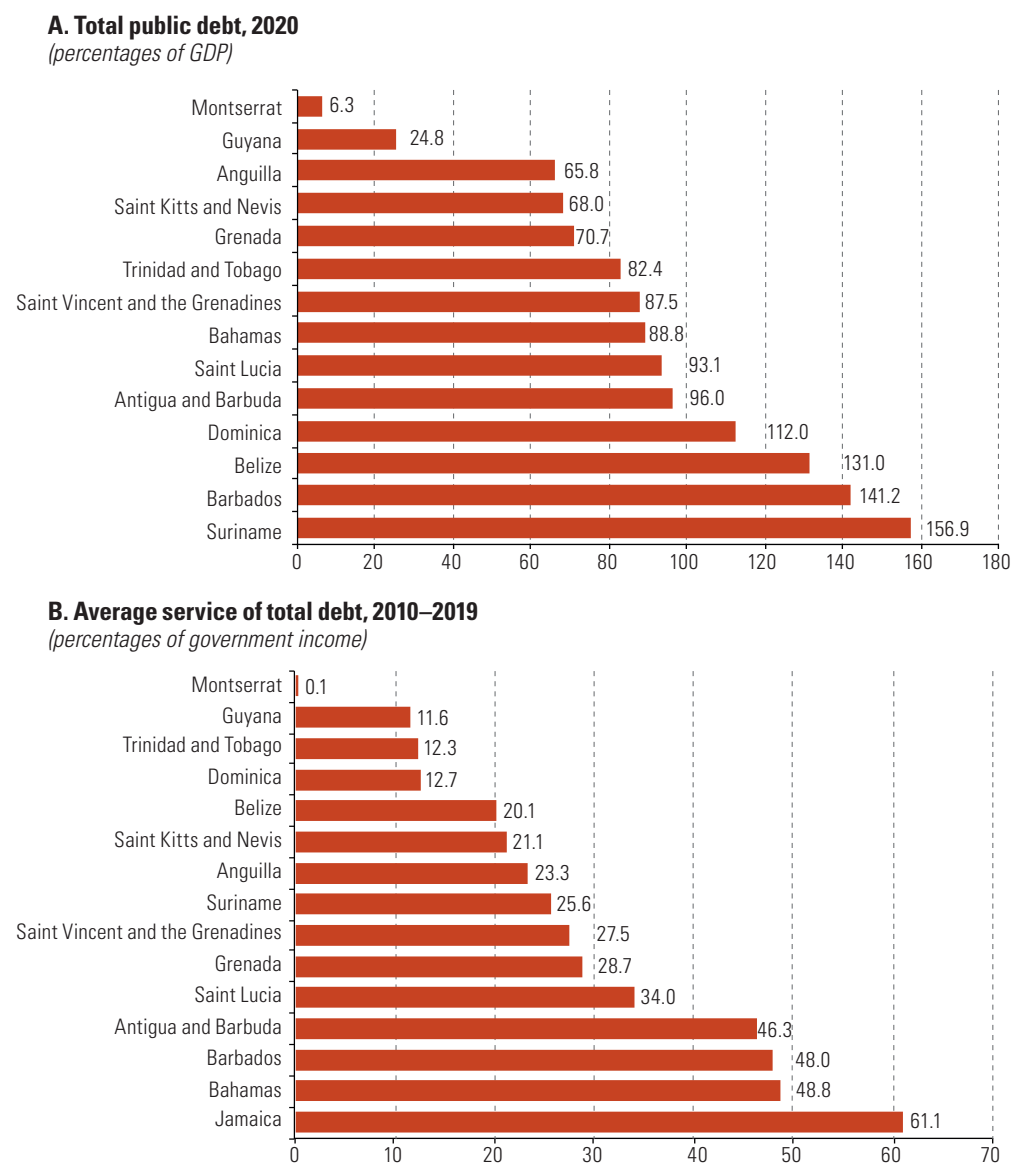
The Caribbean is especially vulnerable to external constraints, with much higher levels of debt and debt payment commitments than the global and Latin American averages. In terms of public debt, Caribbean countries' average debt-to-GDP ratio currently exceeds 80% and the debt burden of Barbados, Belize, Dominica and Suriname exceeds 100% of GDP. Figure I.5A shows the debt-to-GDP ratio for Caribbean countries at the end of 2020. Of the 14 countries for which data are available, 12 have a debt-to-GDP ratio above 60%. In countries where the debt-to-GDP ratio is above this level, public debt is costly and difficult for governments to restructure or refinance. Low credit ratings raise the borrowing costs of companies based in the region, resulting in less fiscal space for governments to prioritize and finance economic resilience to natural phenomena and economic shocks.

Figure I.5B shows that debt service in the Caribbean from 2010–2019 averaged 29.1% of government revenue, although this varies considerably. Jamaica reflects the highest debt service, averaging over 60% of total government revenue from 2010–2019. Three other countries (Antigua and Barbuda, the Bahamas and Barbados) have debt service ratios above 40% of government revenue.

Advanced countries have been more responsive in terms of implementing countercyclical monetary policies. In the major advanced economies, interest rates remain at historic lows and very few have risen. However, in emerging economies, concerns about inflation led several countries—including those in Latin America—to begin raising benchmark interest rates as early as 2021. While advanced countries have adopted cautious monetary policy responses to the threat of the return of inflation and continue to increase liquidity, Latin American and Caribbean countries have less space to implement this type of policy, adding uncertainty to growth prospects in 2022.



**Figure I.5**  
**The Caribbean: total public debt and debt service**



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

International asymmetries also exist in private sector financing and debt. While non-financial corporate sector debt has been rising in all countries, the probability of default by small and medium-sized enterprises (SMEs) is about 15 percentage points higher in emerging economies (just under 20%) than in advanced economies (just over 5%), which has negative consequences for the revival of demand and employment (IMF, 2021b).

In short, the macroeconomic situation in the region is expected to become more complex in 2022, owing to slower economic growth and employment recovery, greater inflationary pressures and high exchange-rate volatility, in addition to structural factors (weak investment and productivity and high



informality, inequality and poverty). The recovery in the second quarter of 2021 was stronger than expected, but the slowdown began earlier than expected and, with it, the return to sluggish growth. GDP has still not returned to the level seen in 2019, and this is compounded by the fact that the employment trend usually lags that of GDP. On the external front, which reflected a favourable trend in 2021—thanks to the rebound in world trade and in commodity prices, and to the high level of financial liquidity—a more complex scenario is expected, with reduced global GDP growth (especially in the cases of China and the United States, key partners for the region) and greater monetary and financial volatility and uncertainty.

## B. Social impact amplified by the inequality matrix

The unexpected health crisis and its economic and social effects have had a profound negative impact on the well-being of the population that is not likely to dissipate in the medium term. The asymmetries in this case have also played a role in the intensity and duration of the shock. On the basis of the social inequality matrix, such effects have tended to be more acute among women, children and adolescents, and among other historically excluded groups such as indigenous peoples.

### 1. The pandemic, health and vaccination: repercussions and asymmetric responses

The health crisis has been prolonged and Latin America and the Caribbean has proven particularly vulnerable to it, as levels of infection and deaths in the region have exceeded those of other regions of the world (see table I.2). At the end of October 2021, Latin America and the Caribbean had recorded the highest number of COVID-19-related deaths in the world: 28.9% of the total, although the region represents 8.4% of the global population. It is also the region with the highest number of COVID-19-related deaths per 1,000 population.

**Table I.2**  
**COVID-19 deaths reported to the World Health Organization (WHO), by region, 31 December 2021**

Region	Deaths from COVID-19	Deaths from COVID-19 (as a percentage of total COVID-19 deaths worldwide)	Population, July 2021	Deaths from COVID-19 (per 1,000 population)
Latin America and the Caribbean	1 562 845	28.90	659 743 612	2.37
Europe	1 410 425	27.12	747 747 396	1.89
Asia	1 218 214	23.42	4 679 660 580	0.26
North America <sup>a</sup>	802 899	15.44	371 107 718	2.16
Africa	219 906	4.23	1 373 486 472	0.16
Oceania	4 468	0.09	43 219 954	0.10

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Health Organization (WHO), “WHO Coronavirus (COVID-19) Dashboard”, 2021 [online] <https://covid19.who.int/> for the number of deaths, and United Nations, *World Population Prospects*, New York, 2019 [online] <https://population.un.org/wpp> for the population.

<sup>a</sup> Includes Canada and the United States.

States have implemented various public health measures, of which vaccination has proven the most effective. Initially, the implementation of physical distancing measures to control virus transmission, including the suspension of non-essential activities and the implementation of quarantines, significantly restricted and even paralysed economic activity. This began to be reversed with the vaccination roll-out. At the beginning of the crisis, priority was given to tackling the consequences of the emergency by expanding critical hospital capacities (e.g. intensive care unit (ICU) beds, ventilators and personnel). Next, greater emphasis was placed on the first level of health care with the implementation of basic public health measures associated with prevention, particularly testing, tracing and isolation.

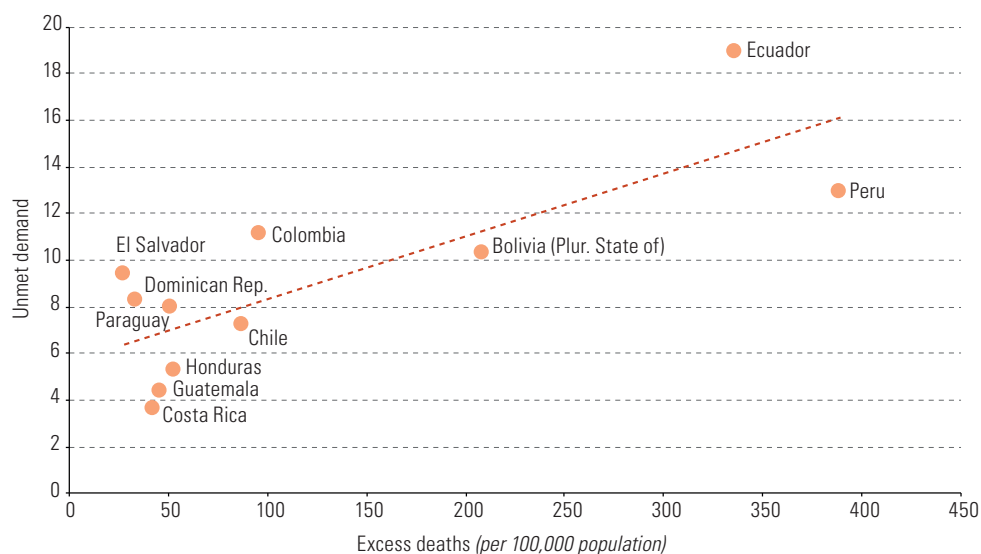
The responses have been mixed. The strictness of the policies implemented differs from one country to the next. Some adopted more stringent policies only when cases were at their peak (during the winter or when new waves of infection emerged), and others maintained stringent policies even when the number of cases remained relatively low. Some countries implemented public health measures that were relatively stricter (such as Argentina and Honduras) and for longer periods (Cuba and Peru). Others, such as Brazil, El Salvador, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia, implemented strict measures for a period of time and subsequently relaxed them, even after the emergence of big new waves of infection. Mexico and the Plurinational State of Bolivia corrected course in November 2021. Uruguay adopted stricter measures slightly later than other countries, given the low curve of infections observed in that country at the beginning of the pandemic.

As the health crisis dragged on, the need arose to act on several fronts simultaneously, such as in the implementation of the vaccination process and in the curative response or hospital treatment. To this was added the demand for health services owing to normal morbidity not linked to COVID-19, and the cumulative normal morbidity resulting from the displacement effect.

The pandemic has affected vulnerable people the most, reflecting the impact of the social inequality matrix on health in these circumstances. The highest levels of concentration of COVID-19 cases and deaths were observed in the most vulnerable neighbourhoods with the lowest educational and socioeconomic levels in Latin American cities. Municipalities with a higher proportion of persons of African descent recorded higher levels of excess mortality in 2020. Mortality in the indigenous population in Mexico was 12.3 deaths per 100 confirmed cases of COVID-19, higher than in the rest of the population (7.5 deaths per 100 confirmed cases) (Secretariat of Health of Mexico, 2021).

The health crisis also meant that many people had less access to health services. On average, 8.6% of households in the region did not have access to health care when needed, owing to a lack of medical personnel and concern or fear of COVID-19 infection, which increased excess deaths in 2020. There is a strong correlation between excess deaths and unmet health demands (see figure I.6). High levels of unmet health demand are associated with higher excess mortality in 2020. There is also the displacement effect, with more than 30% of the countries in the region reporting some degree of disruption in all types of health service. Finally, routine immunization programmes were interrupted and regular health check-ups were suspended, which may affect present and future health, especially of children.

**Figure I.6**  
**Latin America (11 countries): households with unmet health demands and the link**  
**with cumulative excess deaths per 100,000 population, 2020**  
*(Percentages)*



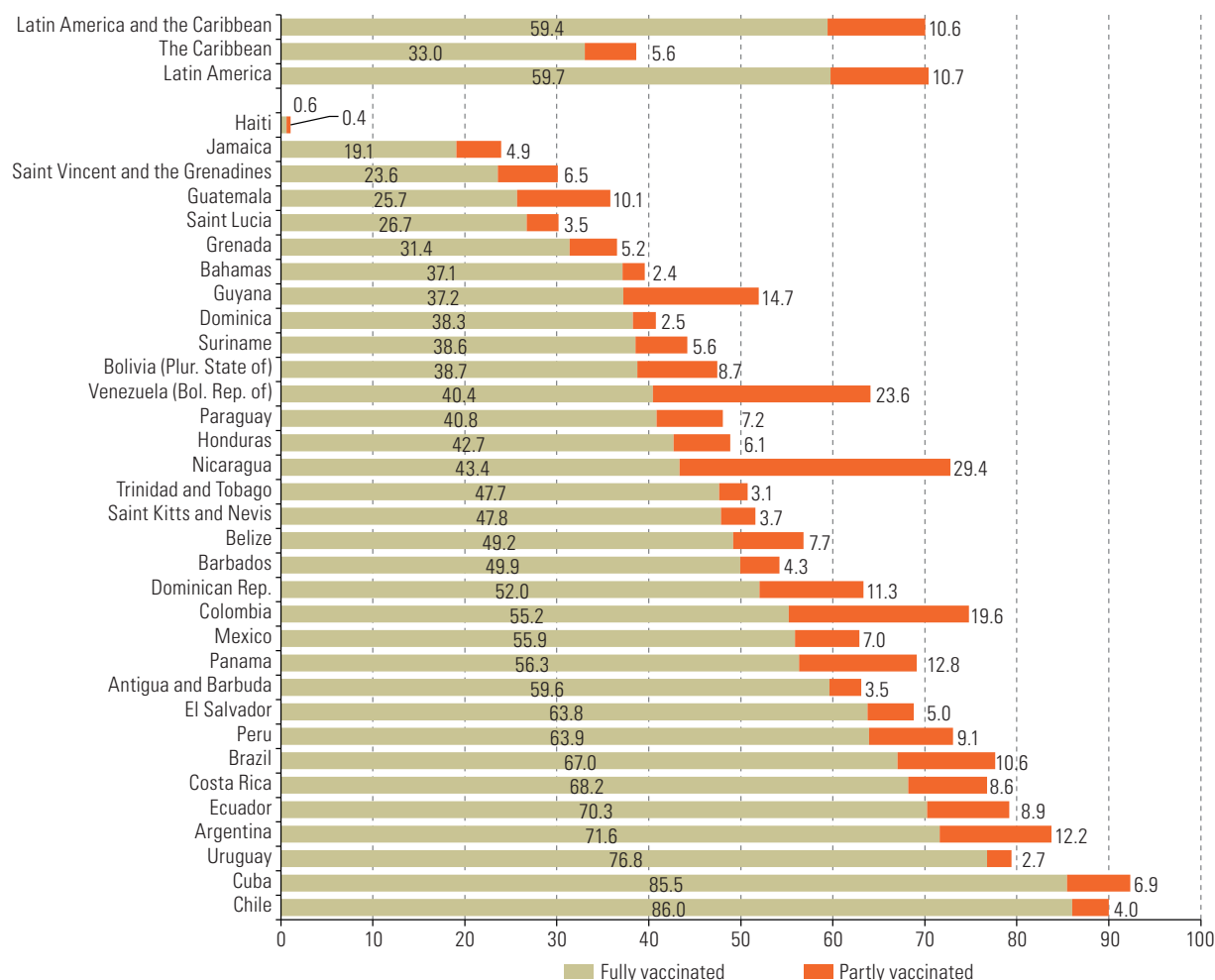
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, “COVID-19 Household Monitoring Dashboard” [online] <https://www.worldbank.org/en/data/interactive/2020/11/11/covid-19-high-frequency-monitoring-dashboard>; Institute for Health Metrics and Evaluation (IHME), “COVID-19 projections” [online] <https://covid19.healthdata.org/global?view=cumulative-deaths&tab=trend>.

**Note:** The following formula was used to calculate unmet demand for health care:  $1 - (HHs/HH)$ , where HHs are the households that received care and HH is the total number of households that required care since the beginning of the pandemic.

As COVID-19 vaccines have become increasingly available, they have become a critical tool in managing the health crisis, as well as the social and economic crises triggered by the pandemic. Despite their centrality, Latin American and Caribbean countries’ access to vaccines has been slow and marked by inequality, owing to the concentration of doses in developed countries—which, although they represent 13% of the world’s population, account for 39% of vaccine purchase commitments—and to the obstacles faced by multilateral initiatives to meet the expectations of lower-income countries. This has revealed a serious distribution problem.

As of 19 November 2021, 15.780 billion doses had been committed globally through individual contracts, group negotiations and COVID-19 Vaccine Global Access (COVAX) Facility. Although this number of doses could vaccinate the entire global population, distribution is very uneven. Vaccination has advanced at very different speeds: as of 26 November 2021, 60.6% of the population of Canada and the United States, and 66.9% of the population of the European Union had been fully vaccinated, whereas, as of November 30 of that year, the situation in the region reflected considerable inequality between the different countries. Although more than 75% of the population is already fully vaccinated in Chile, Cuba and Uruguay, most countries have been unable to vaccinate up to 50% of the population, and in countries such as Guatemala and Jamaica, less than 25% of the population is fully vaccinated. In the region, the most worrying case is Haiti (see figure I.7).

**Figure I.7**  
**Latin America and the Caribbean (33 countries): proportion of the total population fully and partially vaccinated against COVID-19, 30 November 2021**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of E. Mathieu and others, "A global database of COVID-19 vaccinations", *Nature Human Behaviour*, vol. 5, 2021 [online] <https://ourworldindata.org/covid-vaccinations-nature>.

**Note:** Fully vaccinated means that a person received all the doses required for the vaccine used (one or two), not counting booster doses.

In this scenario, if it is to vaccinate at least 70% of its population (some 460 million people) by mid-2022, Latin America and the Caribbean will have to scale up vaccination plans to ensure that health systems can effectively administer vaccines in a short period of time.

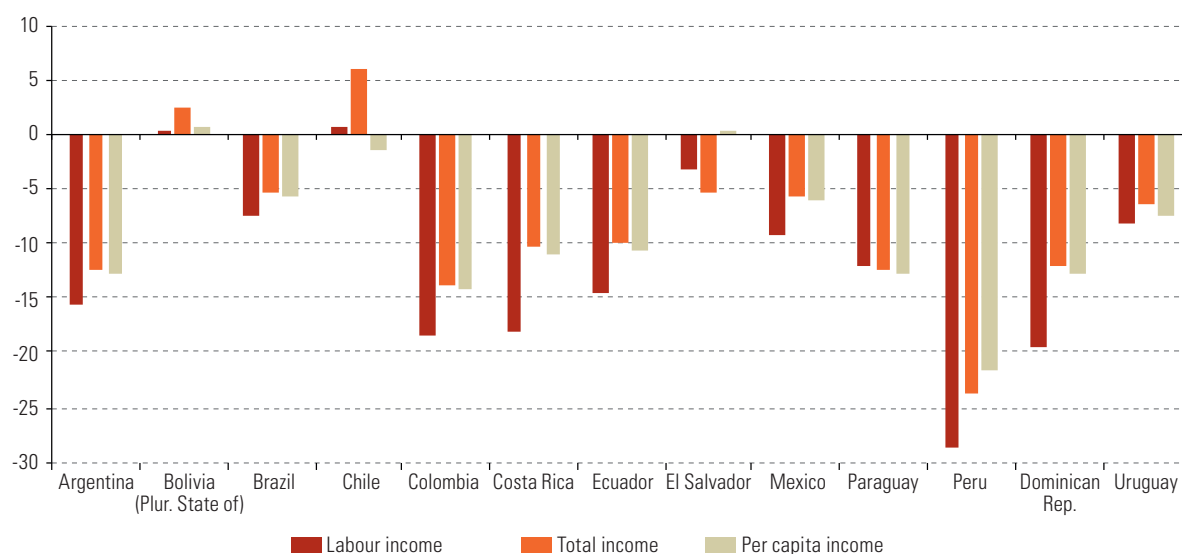
## 2. Employment, poverty and inequality: setbacks with no sign of early recovery

The health measures to contain the pandemic and the uncertainty about their duration led to paralysis in social and economic activity, followed by a period of gradual return to normal, interrupted in many cases by returns to new phases of partial or total lockdown. The immediate outcome was the massive

loss of income owing to the national and international paralysis of economic activity and the destruction of millions of jobs. In particular, in 2019–2020 the number of people who ceased economic activity was even greater than the number of unemployed persons.

Labour income was significantly affected by restrictions on employment, activity, hours worked and remote work possibilities. The poorest quintiles were the hardest hit by the decline in income, and especially by the loss of wage employment. Although transfers alleviated the contraction in income of low-income households, the balance remained extremely negative (see figure I.8).

**Figure I.8**  
**Latin America (13 countries): year-on-year change in total per capita income by income source, by quintile, 2020**  
(Percentages)



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

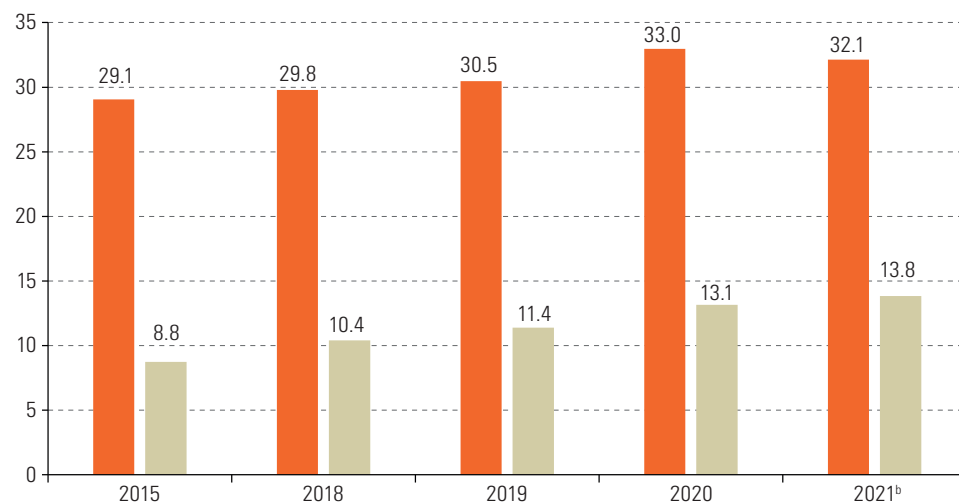
**Note:** Simple averages.

In that critical context, poverty declined marginally between 2020 and 2021 from 33.0% to 32.1% (after increasing by 2.5 points in 2019–2020), while extreme poverty continued to rise for the sixth consecutive year in all countries with available information, from 11.4% in 2019 to 13.2% in 2020 and 13.8% in 2021. In 2021, 32.4% of the population of Latin America was living in income poverty, representing approximately 202 million people. Of those, 87 million people —13.8% of the population— were living in extreme poverty. The largest increases in poverty occurred in Argentina, Colombia and Peru, at or above 7 percentage points. In 2021, the number of people living in poverty and extreme poverty is expected to remain at similar levels (see figure I.9).

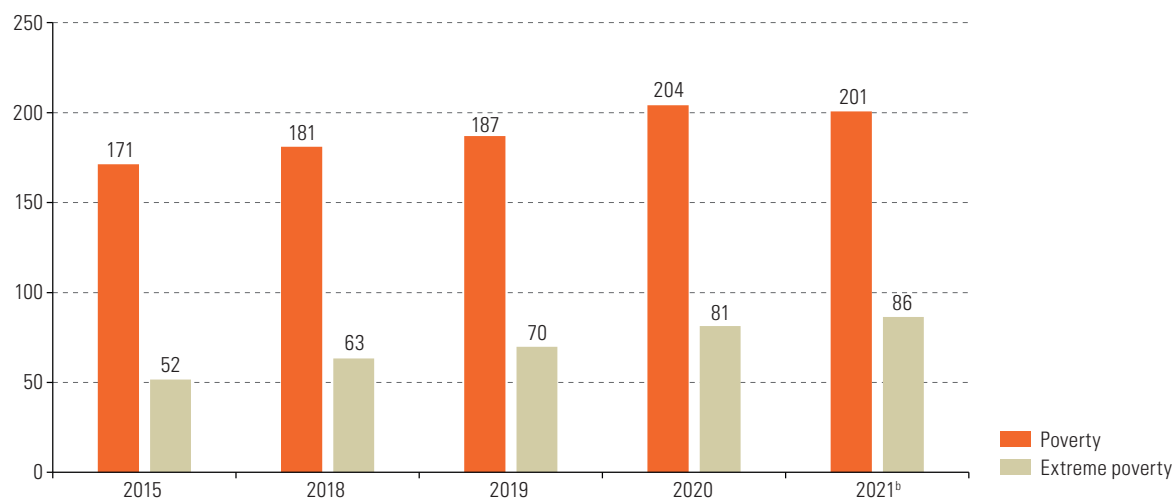
Inequality measured through the Gini coefficient, meanwhile, increased between 2019 and 2020, and the rate of change of the regional average was 0.7 (see figure I.10). The deterioration in distribution in 2019–2020 is linked to the impact of the COVID-19 pandemic. The consequences of the health crisis were not the same in all countries and in some countries there was no increase in inequality. However, in this period, households of the high- and middle-income strata fell to the low-income strata (see figure I.11). Thanks to the recovery in 2021, a slight reversal of this phenomenon is projected, but will be far from offsetting the decline in 2020.

**Figure I.9**  
**Latin America (18 countries)<sup>a</sup> : poverty and extreme poverty, 2015–2021**  
*(Percentages and millions of people)*

**A. Percentages**



**B. Millions of people**

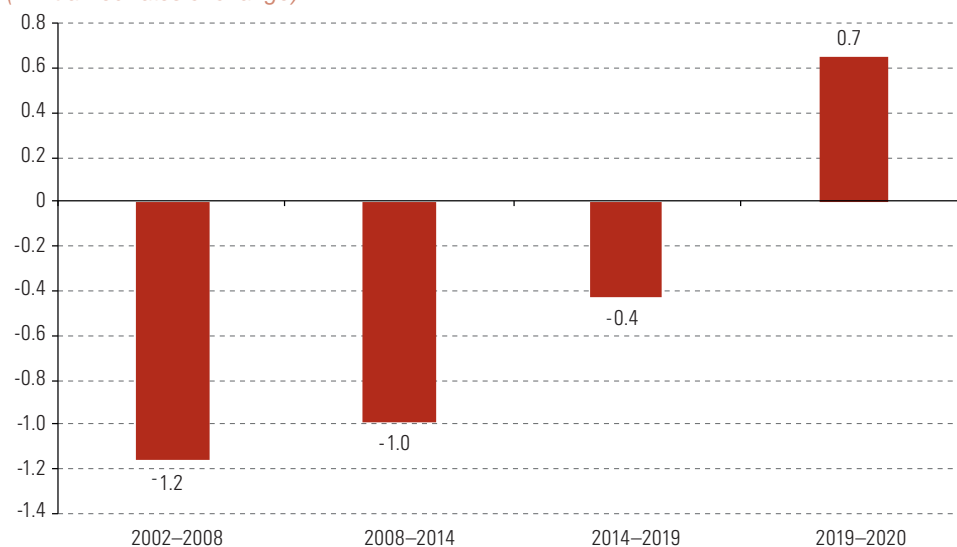


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

<sup>a</sup> Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of).

<sup>b</sup> The data for 2021 are projections.

**Figure I.10**  
**Latin America (15 countries):<sup>a</sup> change in Gini coefficient, 2002–2020**  
*(Annualized rates of change)<sup>b</sup>*

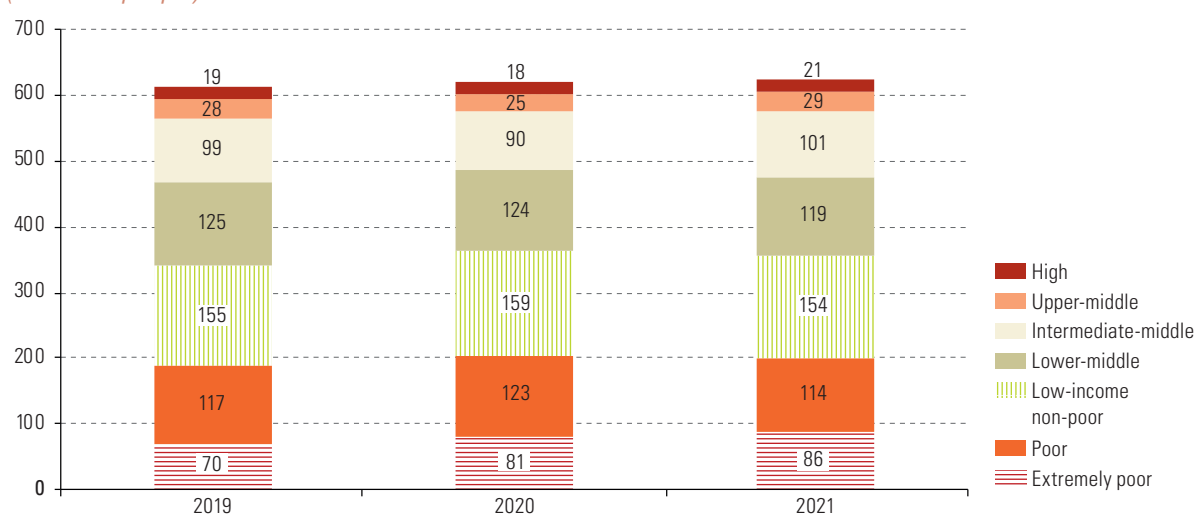


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

<sup>a</sup> Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru Uruguay.

<sup>b</sup> Simple regional average based on the data available for the most recent year for each of the 15 countries.

**Figure I.11**  
**Latin America (15 countries):<sup>a</sup> population distribution by income stratum, 2019–2021<sup>b</sup>**  
*(Millions of people)*



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

<sup>a</sup> Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru Uruguay.

<sup>b</sup> The data for 2021 are projections.

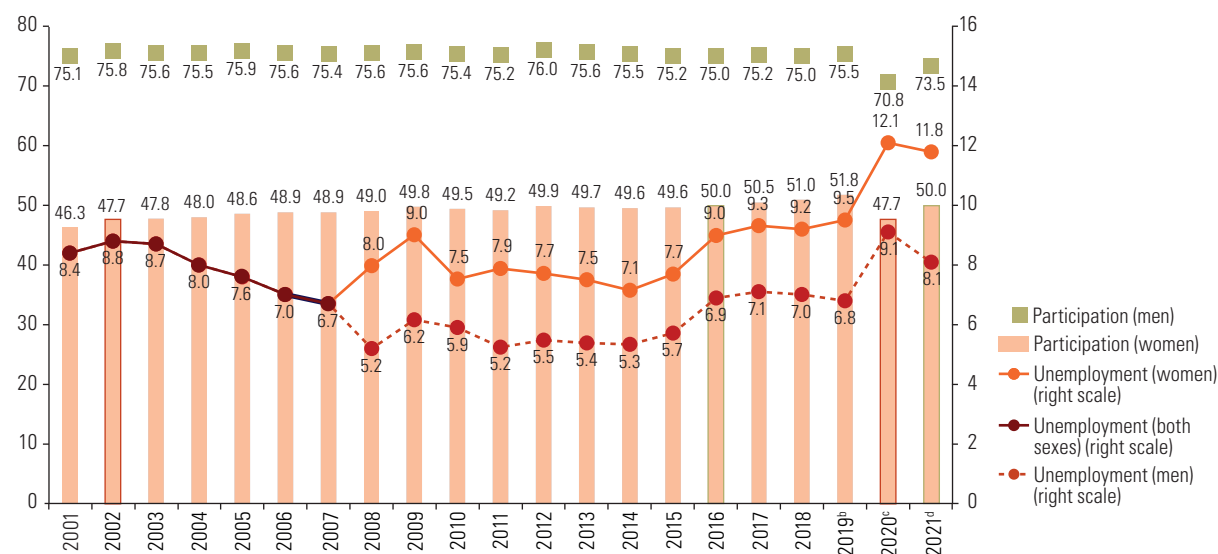
In sum, the decline in well-being associated with job losses, increasing poverty, especially extreme poverty, and inequality is a legacy that will outlive the pandemic. Returning to pre-crisis levels will require a special public policy effort, as the situation is not likely to be reversed spontaneously in the short term.

### 3. Historical deterioration in labour participation and quality of employment for women

The cost of failing to resolve asymmetries is particularly high for women in the labour market. The persistence of discrimination and inequalities in time use limits income, learning and productivity opportunities for women, and is compounded by non-material welfare costs, which are more difficult to measure, but no less significant.

The effects of the crisis on the labour market have been notable, participation and employment rates have fallen sharply and unemployment has risen more than in previous crises (ECLAC, 2021c and 2021d). In 2020, the female labour force participation rate returned to the level seen 18 years ago (see figure I.12), falling from 51.8% in 2019 to 47.7%, while the male participation rate declined from 75.5% to 70.8%. In 2021, women's participation rate is estimated to have increased to 50.0%, similar to the figure seen in 2016. This represents a return to the level seen five years previously, with 1 in 2 women out of the labour market. The crisis also resulted in an increase in unemployment, which in 2020 reached 12.1% among women and 9.1% among men. Given the slow increase in employment and higher participation rates, it is estimated that in 2021, the gap between the unemployment rates among men and women widened. Unemployment is estimated to have affected 11.8% of women, 3.7 percentage points higher than the estimated unemployment rate for men (8.1%) (ECLAC, 2022).

**Figure I.12**  
Latin America and the Caribbean (24 countries):<sup>a</sup> participation rate and unemployment rate, weighted average, by sex, 2001–2021  
(Percentages)



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

<sup>a</sup> Argentina, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

<sup>b</sup> Figures for 2019 exclude the Bolivarian Republic of Venezuela.

<sup>c</sup> The estimates for 2020 are based on data provided by the following countries: Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

<sup>d</sup> Projections for 2021.

These high unemployment rates for women are probably related, among other factors, to expected changes in labour demand associated with the need for new skills for the jobs of the future, the contraction in highly feminized sectors, the increase in digitization and the use of artificial intelligence, along with better levels of recovery in masculinized economic sectors (ECLAC, 2021c). For women, the withdrawal from the

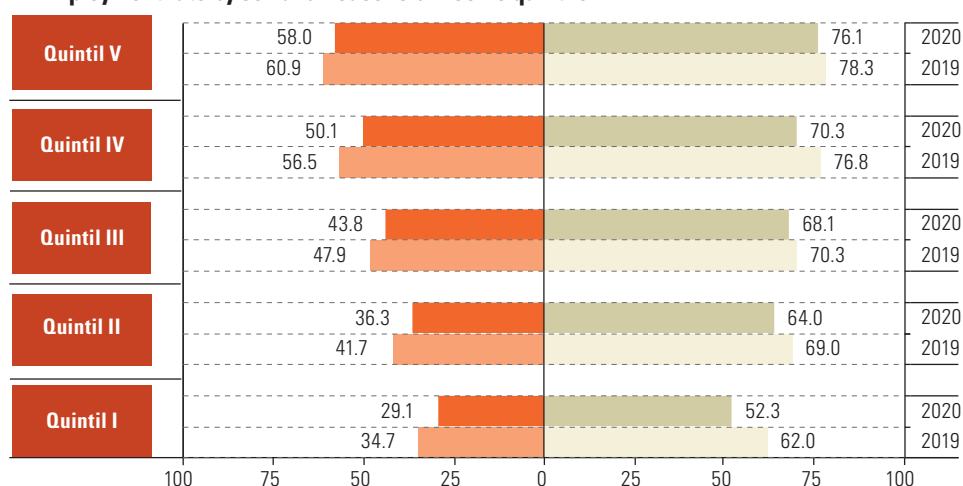


labour force in the face of the COVID-19 crisis had a greater impact than unemployment. Many wanted paid work but were unable to find it and gave up the search because of the excessive burden of care work in their households, owing to gender stereotypes that result in women primarily being allocated these tasks.

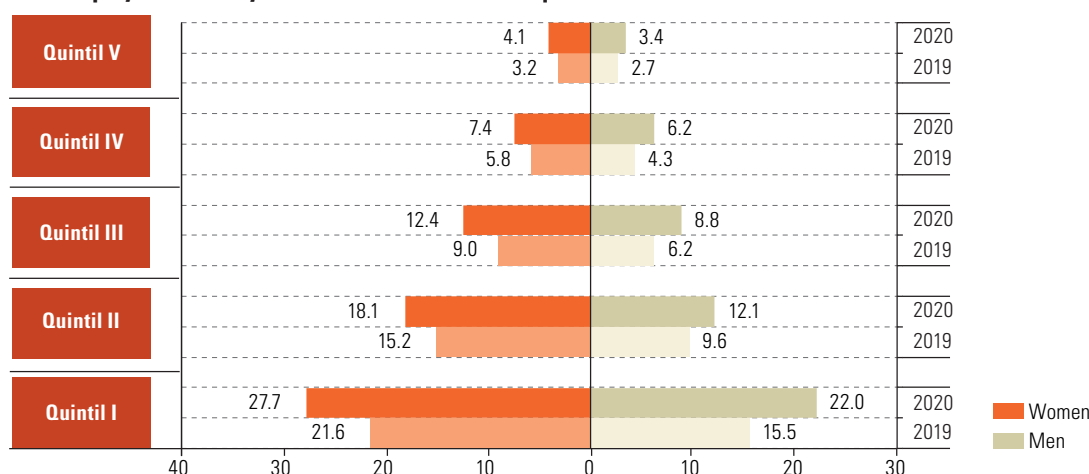
The crisis exacerbated other inequalities that were compounded by gender inequalities. Figure I.13, for example, shows that women's employment rates are lower than men's in all income quintiles (see figure I.13A), but gender gaps in employment are even wider in lower-income households (see figure I.13B). While the employment rate for women in the fifth income quintile was 58% in 2020 (compared to 76.1% for men), that for women in the first income quintile was just 29.1% (compared to 52.3% for men, only lower than the employment rates of women in higher income households).

**Figure I.13**  
**Latin America (13 countries):<sup>a</sup> employment and unemployment rates of the population aged 15 and over, by sex and income quintile, around 2019 and 2020<sup>b</sup>**  
*(Percentages)*

**A. Employment rate by sex and household income quintile**



**B. Unemployment rate by sex and household income quintile**



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

<sup>a</sup> Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

<sup>b</sup> The average figure for 2019 includes all of the countries mentioned above, with the exception of Chile and Mexico, for which data refer to 2017 and 2018, respectively.

Women from poorer households also face greater difficulties in obtaining employment. Unemployment among women in households in the first quintile came to 27.7% in 2020, while that of their male counterparts was still lower (22%), despite an increase.

Finally, there is a need to close the digital divide, a key variable for competitiveness and employment. In the region, the cost of connecting to mobile broadband services represents 14.3% of the income of a household in the first income quintile, on average. In addition, 39.1% of women in these households have no income of their own. In the 11 countries of the region with available data, 4 out of 10 women, on average, —which is equivalent to more than 89 million women— are not connected and cannot afford connectivity (ECLAC, 2021b).

The emergence of COVID-19 and the measures adopted to avoid its spread have accelerated the digital transformation of the region's societies and the link with the digital economy. If the digital commons were to be considered a global public good, as proposed by the Secretary-General of the United Nations in *Our Common Agenda. Report of the Secretary-General* (United Nations, 2021, p. 27), access to them should be a basic service available to everyone. While currently a factor that worsens inequalities, the acceleration of digitization also offers opportunities to drive structural change with a focus on gender equality and employment recovery.

## C. Global warming and the environmental vulnerability of the region

Along with the serious health, economic, social and humanitarian crisis caused by the COVID-19 pandemic, the region and the world are also experiencing a climate emergency and biodiversity loss (see WEF, 2020, 2021 and 2022). In 2020, greenhouse gas emissions were reduced, but at a very high socioeconomic cost and not as a result of the structural changes necessary for a just transition to low-carbon and sustainable economies. Owing to the contraction caused by the pandemic, most of the world's economies recorded a reduction in carbon dioxide (CO<sub>2</sub>) emissions<sup>6</sup> of between 5% and 10% in 2020 compared to 2019. However, the failure to adopt pro-sustainability policies in 2020 meant that the relaxation of restrictive measures to fight the pandemic caused a strong rebound in emissions. In fact, it is estimated that in December 2020, the level of emissions for the same month in 2019 was already exceeded and for 2021 an increase of 5.8% is forecast. These figures underscore the importance pushing for a transformative recovery as proposed by ECLAC (2020), so that short-term emergencies do not involve jeopardizing the future.

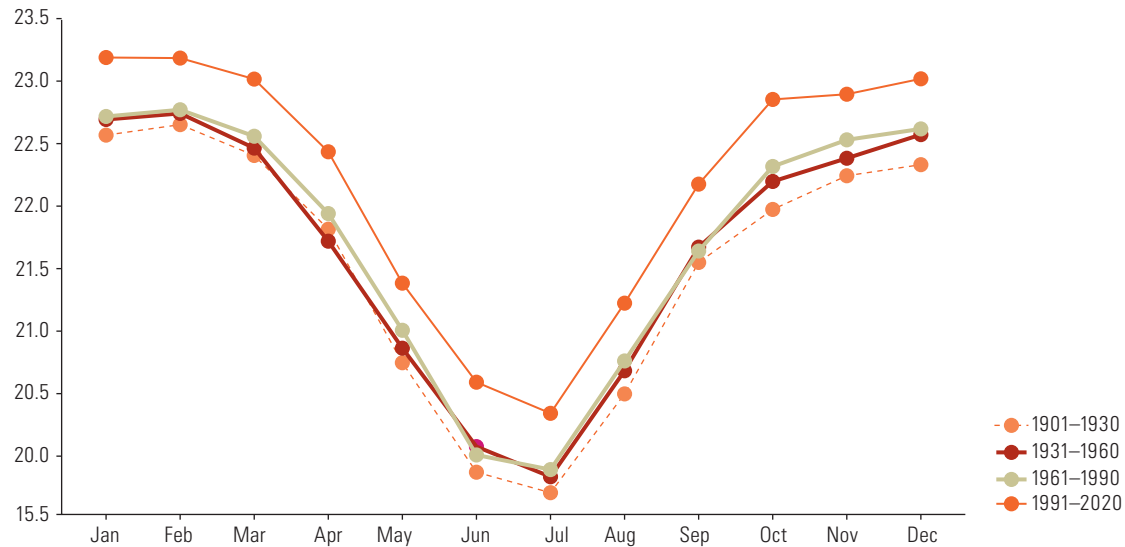
### 1. Effects of global warming: expected GDP losses

The average temperature recorded for the period 1991–2020 is more than 1 °C higher than the average for the period 1901–1930. The effects of global warming are increasingly being felt in the countries of Latin America and the Caribbean. Despite the region's limited contribution to the global problem, it is highly vulnerable to the effects. The last 30 years have been the warmest on record, with the sharpest increases in the countries located at the region's highest northern and southern latitudes. Some locations in Brazil and Paraguay, such as Cuiabá, Curitiba, Belo Horizonte and Asunción, recorded their highest temperatures ever, and the Caribbean, Central America and Mexico were affected by heat waves and extreme temperatures. Similarly, 2020 was one of the three warmest years in the Caribbean, Central America and Mexico, and the second warmest year in South America. The largest temperature increases were recorded in the Caribbean, confirming its greater vulnerability to climate change (see figure I.14).

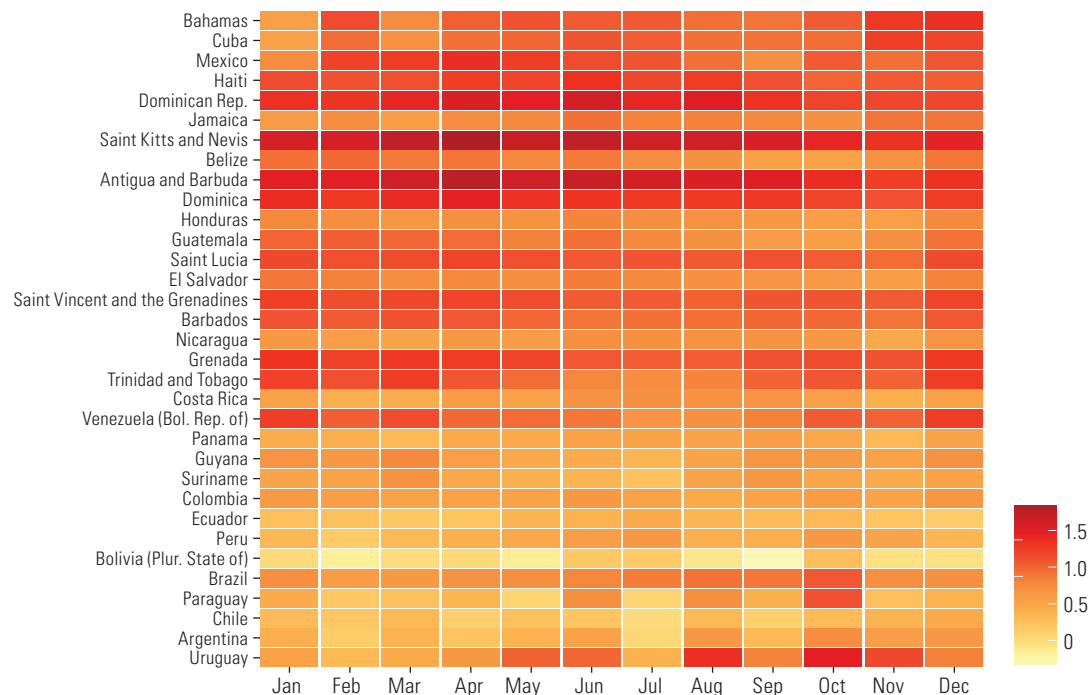
<sup>6</sup> Only energy-related emissions are included.

**Figure I.14**  
**Latin America and the Caribbean: average temperature increase, 1901–2020**  
*(Degrees Celsius)*

**A. Average monthly temperatures, 1901–2020**



**B. Temperature anomalies from 1991–2020 compared to 1901–1930**



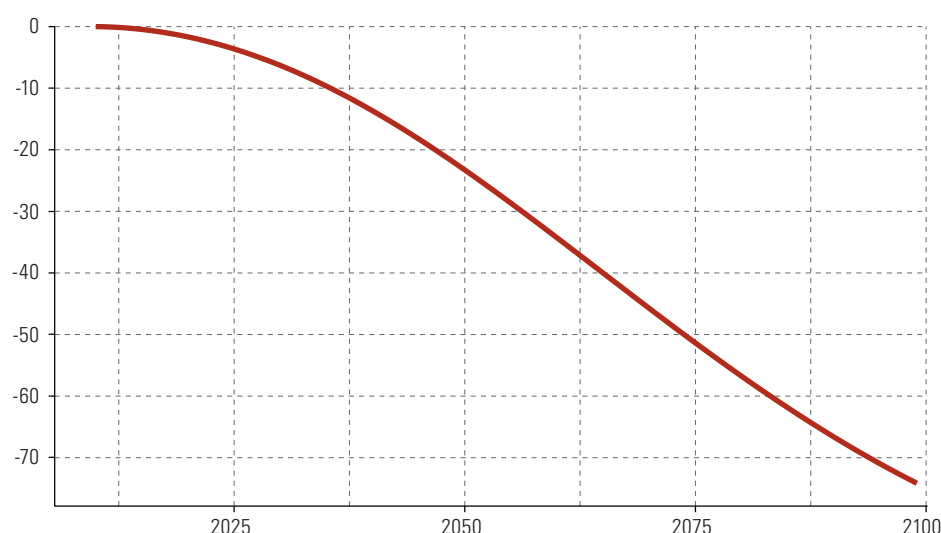
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, Climate Change Knowledge Portal [online] <https://climateknowledgeportal.worldbank.org/download-data>.

In Latin America and the Caribbean and around the world, 2020 was marked by record high temperatures and major extreme weather events, which could become more intense and frequent if global warming persists. Northern Argentina, Paraguay, Uruguay and the border areas of western Brazil were affected by drought, and most of Argentina's northern provinces experienced one of the five driest years on record. In the Caribbean, droughts occurred in the northwest of the Bolivarian Republic of Venezuela, northern Colombia, the Dominican Republic, Haiti and Panama. Rainfall in Paraguay and Uruguay was much lower than the historical average, with serious consequences for agriculture (WMO, 2021). The most intense drought in the last 60 years was also recorded in the southern Brazilian Amazon and the Pantanal, in western Brazil, and, related to this phenomenon, major forest fires occurred in Argentina, Brazil and Paraguay (WMO, 2021b). It is estimated that fire has consumed more than 20% of the Pantanal wetlands, and 2020 surpassed the 2018 and 2019 fire records in the Amazon.<sup>7</sup>

Long-lasting droughts represent one of the main effects of climate change in Latin America and the Caribbean, because they imply greater vulnerabilities relating to the external sector, food security and energy security. Greater external vulnerability is linked to the adverse effects of drought on agricultural commodities, including soybeans, coffee and cotton, which are key components of the export baskets of South American countries. In addition, some agricultural products that are central to the diet of Latin American and Caribbean people, such as maize, cassava and rice, could suffer significant losses, which would compromise nutritional security. Finally, many countries in the region are heavily dependent on hydropower generation for energy production. In Brazil, for example, two thirds of electricity generated come from this source. Prolonged droughts increase the risk of an energy crisis by reducing the availability of electricity in countries, which may have severe impacts on economic activity.

It was mentioned at the beginning of section A that the costs of inaction are cumulative and increasing. This point is clearly illustrated in figure I.15, which shows the expected effect of climate change on the region's GDP between 2010 and 2099.

**Figure I.15**  
**Latin America and the Caribbean: cumulative cost of inaction estimated as the difference between GDP with climate change and the GDP without climate change, 2010–2099**



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of M. Burke, S. M. Hsiang and E. Miguel, "Global non-linear effect of temperature on economic production", *Nature*, vol. 527, No. 7577, November 2015.

**Note:** The figure shows the difference between GDP with climate change ( $GDP_t^{CC}$ ) and GDP without climate change ( $GDP_t^{noCC}$ ) in Latin America and the Caribbean as a percentage of GDP without climate change,  $\frac{GDP_t^{CC} - GDP_t^{noCC}}{GDP_t^{noCC}} * 100$ .

<sup>7</sup> See [online] [https://queimadas.dgi.inpe.br/queimadas/portal-static/estatisticas\\_estados/](https://queimadas.dgi.inpe.br/queimadas/portal-static/estatisticas_estados/).

Figure I.15 summarizes the growing costs of inaction with a long-term perspective on environmental protection: the loss of GDP in Latin America and the Caribbean with climate change with respect to GDP without climate change increases steadily over time and implies a large cumulative loss of potential GDP. The economic loss resulting from the failure to act on climate change varies between 5% and 20% of GDP annually, while in developing countries the loss is expected to be at least 10% (Stern, 2007). This is well above the level deriving from the current crisis caused by the COVID-19 pandemic, which led to a 6.8% economic contraction in 2020 in Latin America and the Caribbean.

## 2. Extreme weather events and the vulnerability of the region

In 2021, the region experienced several extreme weather events, such as low temperatures and snowfall in southern Brazil and droughts and high temperatures in central Chile. In 2020, for the fifth consecutive year, the Atlantic hurricane season was abnormal, with 30 named storms (winds of 62 km per hour or more), 13 of which became hurricanes (winds of 118 km per hour or more), including 6 major hurricanes (winds of 179 km per hour or more). This number of storms was the largest on record — surpassing the record of 28 established in 2005, and the number of hurricanes was the second largest. Hurricanes Eta and Iota made landfall in quick succession and caused at least 400 deaths, along with damages of more than US\$ 8 billion when they passed through Central America (IDB, 2021). Hurricanes Eta and Iota also affected Colombia: Iota was the first category 5 hurricane recorded so close to Colombian national territory (WMO, 2021). Tropical storms Amanda and Cristobal caused flooding and landslides in Costa Rica, El Salvador, Guatemala and Honduras. Extreme storms also hit other areas in the region, including Brazil, which experienced a “bomb cyclone” (also known as explosive cyclogenesis) and two tornadoes in the south.

These effects of global warming are expected to intensify in the coming years and decades. Average temperatures are expected to continue rising in all Latin American and Caribbean subregions and to continue increasing at rates higher than the global average (IPCC, 2021). Glaciers continue to retreat in the Chilean and Argentine Andes, while the loss of ice mass has accelerated since 2010, representing a source of increasing water scarcity in these countries. Average rainfall is also expected to change, with increases in northwestern and southeastern South America, and decreases in the northeast and southwest.

There are other climate change effects that are likely to increase the region's vulnerability in the medium term and that will require effective adaptation measures and actions, according to the Intergovernmental Panel on Climate Change (IPCC, 2021). Over the past three decades, the speed of the mean sea level rise in the subtropical Atlantic Ocean has exceeded that of the global mean sea level, although this increase has been slower in the Pacific Ocean. The rise contributes to increased coastal flooding in low-lying areas and coastal retreat along most sandy coasts (high confidence). Marine heat waves are expected to increase in the region during the twenty-first century. Ocean acidification and warming, rising sea levels, and increased intensity and frequency of tropical storms negatively affect marine life, coastal ecosystems, and human communities that depend on marine systems, and a significant proportion of the population of Latin America and the Caribbean lives in cities and coastal areas.

Adaptation measures and multi-hazard early warning systems are not sufficiently developed. The support of governments and the scientific and technological community is essential to strengthen their development—in particular, the improvement of data collection and storage—, firmly integrate disaster risk information into development planning and ensure solid financial support to achieve these outcomes.

The climate vulnerability of the Caribbean is well documented. The subregion is particularly vulnerable to extreme weather events. The destruction caused by tropical storms and hurricanes each year underscores the urgency of improving the resilience of these countries' economies. A case in point is the devastating impact of climate-related events in Dominica between 2015 and 2017. In 2015,

Tropical storm Erika inflicted damage worth 90% of Dominica's GDP; less than two years later, in 2017, Hurricane Maria caused even worse destruction and considerable loss of life. The total cost of the damage caused by Hurricane Maria was estimated at 226% of GDP (Government of Dominica, 2015). In addition, in 2017, the estimated cost of the hurricane season in Caribbean countries was US\$ 93 billion, which includes Cuba (US\$ 13 billion) and Puerto Rico (US\$ 68 billion). ECLAC has estimated that in 2017, hurricane damage and losses in Antigua and Barbuda, the Bahamas, Dominica and Saint Kitts and Nevis exceeded US\$ 1.5 billion. In fact, the average annual damage and losses attributed to hurricanes in the Caribbean have been estimated at over US\$ 800 million and it is projected that these may increase to US\$ 22 billion by 2050 (IDB, 2021). Damage to infrastructure, agriculture, and housing owing to the eruption of the La Soufrière volcano (Saint Vincent and the Grenadines) in 2021 may result in economic losses equivalent to 30% of GDP (IMF, 2021c). Natural disasters are therefore prevalent risks in the Caribbean and have been one of the main sources of fiscal imbalance.

Reconstruction after a major natural disaster is costly, often leading to an accumulation of public debt. The history of debt restructuring in the Caribbean has shown that the problem persists because the process does not address the underlying causes of the propensity to indebtedness—such as the need to enhance the resilience of the region's economies to climate vulnerability—instead it requires fiscal adjustments that carry significant social and economic costs.

## D. Conclusions

The pandemic was a shock to both the global economy and to Latin America and the Caribbean, and had an enormous economic and social impact. This impact was uneven and reflected deep existing asymmetries in the international system and within each country.

The asymmetries in countries' technological and productive capacities explain the differences in access to vaccines and in the ability to adopt stronger fiscal and monetary policies to offset the effects of the shock. They also explain the magnitude of the shock, especially considering the weight of informality in total employment. The greater external vulnerability of peripheral economies contributed to greater exchange rate volatility and currency devaluation amid the considerable uncertainty generated by the pandemic. Public debt servicing compromised the fiscal space available to increase resilience and sustain employment during the crisis, especially in the case of debt denominated in foreign currency. The vulnerability of the Caribbean in this regard is especially significant. Within each country, structural inequalities (in the labour market, in access to public goods, in the distribution of time use) resulted in more acute income and employment losses for some groups, such as young people, women and persons of African descent. In other words, the inequality matrix amplified the regressive effects of the pandemic.

On the environmental front, the pandemic provided a very brief respite from the unsustainable trend of rising emissions. Given the fall in GDP, there was an initial reduction in emissions, but with the onset of the recovery, emissions quickly resumed their previous trajectory. Efforts to recover and offset the impact of the pandemic did not incorporate the environmental dimension. Important initiatives are under way in some countries to promote a low-carbon growth trajectory, but they are still far from sufficient in light of the severity of the environmental crisis.

The economic recovery, in an environment of uncertainty and instability, is not occurring at the same speed in the different countries. Foreign trade has recovered and commodity prices have improved, which may help many of the region's economies. But even in the event of a return to the pre-pandemic situation, trends are likely to remain weak in terms of growth and employment, and environmentally unsustainable. This idea reinforces the need for economic recovery policies that are closely linked to a long-term economic transformation project, which ensures the narrowing of technological gaps and greater inclusion. Action is needed now to ensure that the recovery also incorporates sustainable development.

This chapter has shown that the costs of failing to act with a long-term perspective are high and growing, and that some of them may be irreversible. Existing asymmetries lead to an accumulation of imbalances, the social, economic and political consequences of which are felt in both the developed world and in developing countries. As these costs become higher and more visible, society's demand for change is also growing. The response to these demands is addressed in chapter V of this paper.

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# CHAPTER II

## Trends in the Sustainable Development Goal indicators

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Introduction

A. On course, slowing progress and setbacks: mixed regional performance

B. An alternative exercise: education as a catalyst for achieving the Sustainable Development Goals

C. An overview of 2030

Bibliography

Annex II.A1



## Introduction

The 2030 Agenda for Sustainable Development sets out ambitious targets that promote sustainable development, based on a system of interrelationships that focus on the dignity and equality of people and entail a change in the development paradigm. As highlighted in chapter I, because of the new circumstances created by the coronavirus disease (COVID-19) pandemic crisis—which is not solely a health crisis but is affecting all areas of life—strategies and measures must be redesigned to meet challenges and accelerate progress towards the targets that were proposed in the 2030 Agenda in 2015. In that regard, a perspective is needed that looks ahead to the chosen time horizon of 2030, and which facilitates a future scenario that enables public policies to be implemented to strengthen current paths or to bring them back on course.

The follow-up, monitoring and forecasting mechanisms presented in this chapter are based on the indicators established by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, together with the regional complementary indicators prioritized 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, 2019a). This set of measurements can be used to quantify progress towards the established targets and to consider a 2030 scenario based on the trajectories seen to date and their relationships with a group of regressors chosen according to the robustness of the available data and the respective correlations.

### A. On course, slowing progress and setbacks: mixed regional performance

To produce regional forecasts regarding fulfilment of the commitments arising from the 2030 Agenda for Sustainable Development, this chapter presents the results of modelling historical patterns in the set of statistical series for the Sustainable Development Goals (SDGs). This exercise also provided insight into the impact of the pandemic on patterns in official SDG indicators, most of which are not yet reflecting the setbacks (or progress) caused by the pandemic, owing to the natural lag caused by processes to update the international statistical system. The available data made it possible to update and expand the analyses carried out in 2019, 2020 and 2021 on the actual and projected patterns in the set of statistical series in question (ECLAC, 2019b, 2020 and 2021).

The results of the scenario simulations and trend projections to 2030 allow the analysed series to be classified by likelihood of the targets being met on current trends, with and without policy action. Although this analysis is based on the patterns in each of the statistical series of indicators, it is proposed that the results be aggregated by indicator and target to facilitate their reading and analysis, as within each level of aggregation there are various situations with different results depending on the thresholds set in the targets.

As a result of the efforts of the national statistical systems of the Member States of the United Nations and of the international statistical community, more statistical information is available with a greater number of series and points in time, enabling broader coverage of the analysis, with more indicators and more targets. However, further improvements must be made in to fill persistent information gaps and to have reliable data for all indicators, in order to perform consistent and reliable analysis. These efforts have produced the following results for Latin America and the Caribbean:

- The number of series analysed was increased from 72 in 2020 and 177 in 2021 to 359 in 2022, expanding the analysis to 146 indicators, representing 56% of the total indicators defined in the analysis universe (26% in 2020 and 42% in 2021).

- As mentioned regarding the complementarity of the regional vision and the global SDG indicator framework, the series analysed include 193 series from the set of 150 indicators prioritized for the region. This represents 62% of the indicators in the regional framework of SDG follow-up indicators for Latin America and the Caribbean that were able to be projected with the information available.
- The exercise allowed trends to be assessed for 111 targets (74% of the total); 73 are targets covered by the indicators that have been prioritized for the region (79% of that universe).
- All SDGs are covered by at least three of the series studied. Goal 5 (gender equality) and Goal 11 (sustainable cities and communities) have the lowest numbers of series in the study (five and three series, respectively).

Fulfilment of the proposed SDGs is analysed for each series based on how close the projection is to the threshold in the respective target. To facilitate reading of the results, a traffic light system of green, yellow and red has been proposed, identifying different situations: (i) statistical series in the “green” group relate to targets that have been met or will be met by 2030 on current trends; and (ii) series in the “yellow” and “red” groups relate to targets which, on observed trends, will not be met by 2030 without public policy interventions to accelerate the pace of progress toward the target (yellow) or to reverse the observed trend (red).

As in the approach applied in previous years, an attempt has been made to include the impact of the pandemic in the projected period. Because data is not yet available for most of the indicators for 2020 onward, explanatory variables are included in the analysis model to account for this. Therefore, in addition to the GDP variation used on previous occasions,<sup>1</sup> some educational variables have been included that can support this approach, provided that the statistical assumptions of the model to be used are met and the available data allow it.

The results show an outlook up to 2030 that broadly reflects the findings of recent years, with continued marked heterogeneity at the regional level among the series analysed. Although 40% of the series analysed show a positive outlook, this percentage drops to 37% in the case of indicators and to 32% when the unit of analysis refers to the total number of targets analysed. Regardless of the metrics chosen for analysis of 2030 scenarios, it is essential to implement policy actions to achieve the targets, either because an acceleration in the observed trend is needed (in 31% of series, 40% of indicators, 46% of targets) or to reverse the observed stagnation or setback (29% of series, 23% of indicators, 22% of targets).<sup>2</sup>

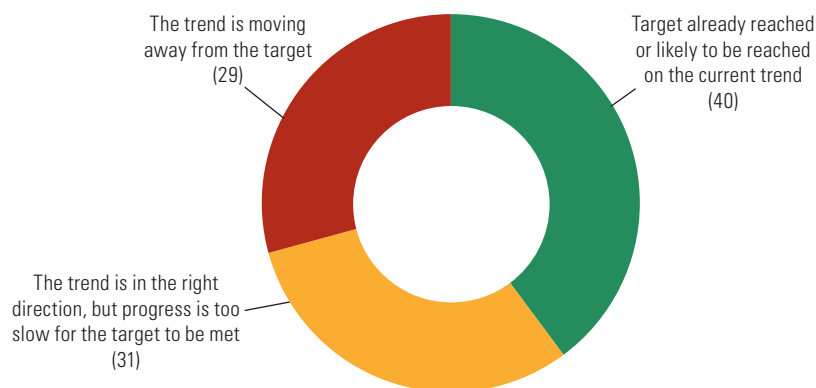
This situation is repeated looking at the results by SDG (see table II.1), albeit with trends that are more pronounced in some cases. Thus, based on the statistical series analysed for Goal 1 (no poverty), Goal 6 (clean water and sanitation), Goal 11 (sustainable cities and communities), Goal 13 (climate action) and Goal 16 (peace, justice and strong institutions) it cannot be forecasted that the desired thresholds will be met by 2030. In contrast, Goal 3 (good health and well-being), Goal 7 (affordable and clean energy), Goal 14 (life below water), Goal 15 (life on land) and Goal 17 (partnerships for the goals) show more promising situations.

<sup>1</sup> The model includes the GDP growth rate as an argument variable; this reflects the impact of the coronavirus disease (COVID-19) pandemic in the form of a contraction in economic activity of around 6.8% for 2020 and a recovery of 6.2% in 2021, with an assumed gradual adjustment is so that the level forecast is restored by 2030 (IMF, 2020).

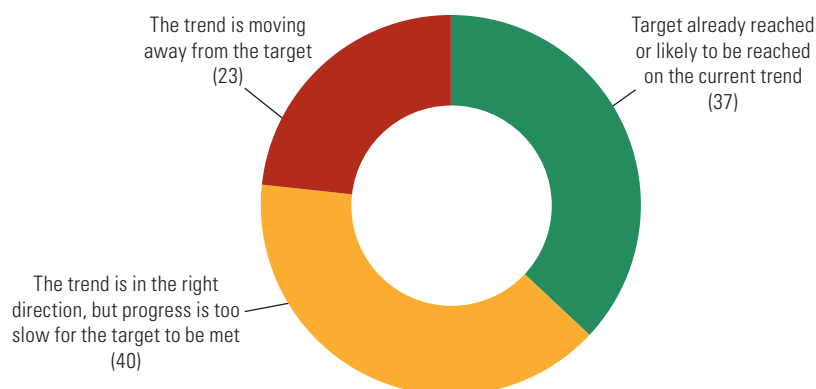
<sup>2</sup> See the list of indicators studied in annex II.A1.

**Figure II.1**  
**Latin America and the Caribbean: percentage of statistical series, indicators and targets**  
**according to likelihood of success by 2030**  
*(Percentages)*

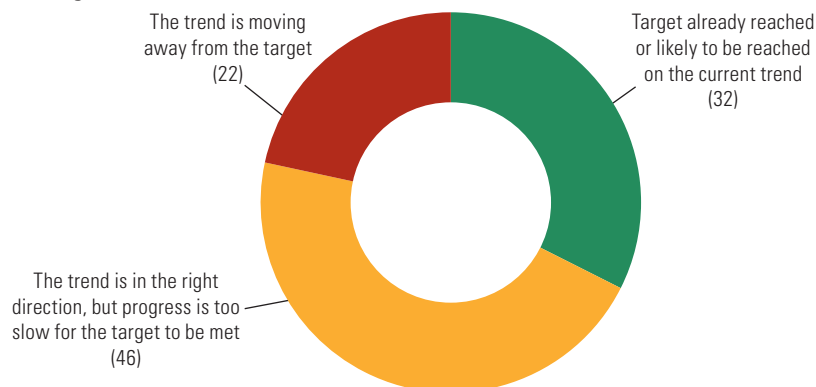
**A. Statistical series**



**B. Indicators**



**C. Targets**



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

**Table II.1**

**Latin America and the Caribbean: number of Sustainable Development Goal targets, indicators and statistical series analysed, by likelihood of the targets they refer to being met by 2030**  
(Numbers)

Goal	Total			Target already reached or likely to be reached on the current trend			Target likely to be reached only with public policy intervention					
							The trend is in the right direction, but progress is too slow for the target to be met			The trend is moving away from the target		
	Targets	Indicators	Series	Targets	Indicators	Series	Targets	Indicators	Series	Targets	Indicators	Series
1	6	8	24	0	0	0	5	5	19	1	3	5
2	7	12	20	1	2	6	2	4	4	4	6	10
3	13	26	66	7	14	37	5	9	13	1	3	16
4	8	10	34	3	4	11	4	5	17	1	1	6
5	3	4	5	0	1	2	3	3	3	0	0	0
6	6	7	28	0	1	12	4	3	10	2	3	6
7	5	6	8	3	4	6	2	2	2	0	0	0
8	9	12	27	3	4	6	3	5	6	3	3	15
9	7	9	15	3	4	8	2	1	1	2	4	6
10	8	9	37	2	2	8	4	4	14	2	3	15
11	3	3	3	0	0	0	3	3	3	0	0	0
12	5	6	28	2	2	8	1	1	2	2	3	18
13	2	2	6	0	0	0	0	0	1	2	2	5
14	4	5	7	2	3	5	2	2	2	0	0	0
15	7	11	24	5	8	19	2	3	4	0	0	1
16	7	8	33	0	0	4	4	5	15	3	3	14
17	11	13	31	5	7	18	5	5	7	1	1	6
<b>Total</b>	<b>111</b>	<b>146</b>	<b>359</b>	<b>36</b>	<b>54</b>	<b>143</b>	<b>51</b>	<b>58</b>	<b>111</b>	<b>24</b>	<b>34</b>	<b>105</b>

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

**Note:** 24 additional statistical series relating to the indicators prioritized for the region have been included. The totals do not necessarily correspond to the sum of the values, since series and indicators repeated in more than one SDG are considered only once.

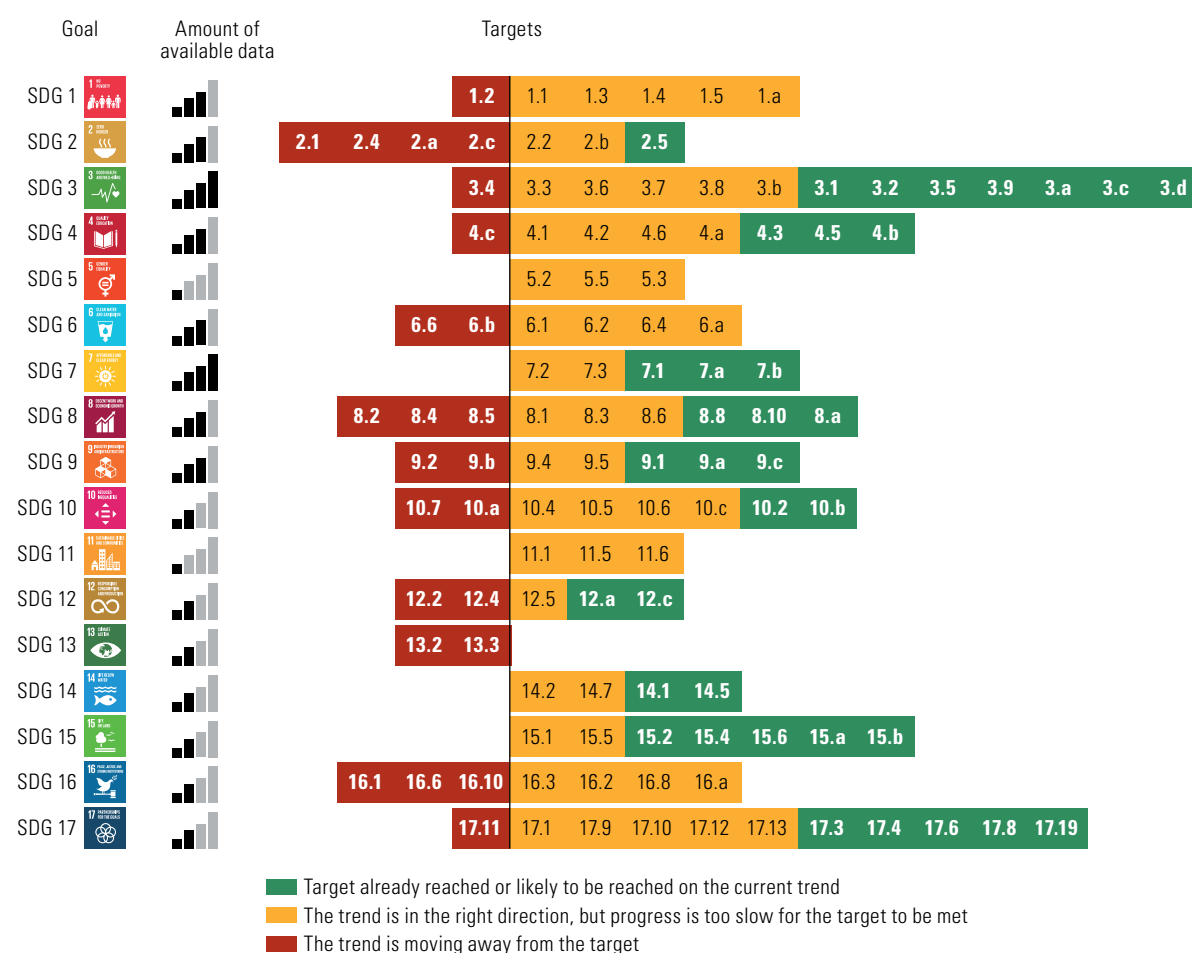
The effects of the pandemic are influencing the projections and scenarios proposed for most of the series studied and are therefore also affecting the indicators and the achievement of targets. According to the results, considering the estimated sharp decline in GDP in 2020 and its respective recovery in 2021, and the educational variables included in the explanatory model presented below, several targets show reversals or standstills in relation to the trend that would be expected.<sup>3</sup> These targets require special attention, to reverse the trends and begin to move towards the stipulated objectives. Other targets are on track and moving at the right pace, painting a promising outlook for 2030.<sup>4</sup>

<sup>3</sup> This is the case for: national poverty, undernutrition and food security, sustainable agriculture, investment in agriculture, food price volatility, non-communicable diseases and mental health, qualified teachers, water-related ecosystems, participatory water and sanitation management, economic productivity and innovation, and full employment and decent work. Added to this list are material resource efficiency, inclusive and sustainable industrialization, domestic technology development, special and differential treatment, safe migration and mobility, sustainable use of natural resources, management of chemicals and waste, climate change awareness, climate change policies, reduction in violence and related deaths, effective institutions, public access to information, and exports from developing countries.

<sup>4</sup> These are: genetic resources for agriculture, child mortality, maternal mortality, abuse of addictive substances, health impacts of pollution, tobacco control, health financing and health workers, health risk management, quality technical, vocational and tertiary education and training, equal access to education, scholarships, universal access to energy services, international cooperation on energy, investment in energy infrastructure, access to financial services, Aid for Trade, and labour rights and safe and secure working environment. The same scenario is found for access to information and communications technology (ICT) and the Internet, resilient infrastructure, infrastructure development, financial flows for development, support to developing countries on research and development for sustainable consumption, fossil-fuel subsidies, conservation of coastal and marine areas, marine pollution, sustainable forest management, conservation of mountain ecosystems, utilization of genetic resources, resources for biodiversity and ecosystems, forest management resources, additional financial resources, debt sustainability, international cooperation on science and technology, capacity-building for ICT, and statistical capacity-building.

The largest group of targets is on the right trend, but progress towards those targets is not fast enough for there to be a positive outcome by 2030. For 46% of the targets, actions are needed to move more quickly in the right direction, as the current rate of change will not ensure that they are met by 2030. Although many pre-pandemic trends are expected to resume over the coming years, this will not be enough to make up lost ground in these cases. Moreover, the various new variants and outbreaks of the disease increase uncertainty regarding the long-term impacts of the pandemic in all areas of development. Therefore, forecasts for 2030 may be affected, showing signs of deviation from the targets.<sup>5</sup>

**Figure II.2**  
**Latin America and the Caribbean: Sustainable Development Goal targets and likelihood of success by 2030**



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

The results presented in this section reveal a very varied outlook for 2030 in the universe of targets and indicators analysed. The challenges identified a year ago remain, even accounting for the economic recovery from the initial ravages of the pandemic. The statistical series studied show a short-term

<sup>5</sup> Availability of more statistical series would allow for a better quantification of each of the targets analysed and, therefore, more robust conclusions regarding achievement of the thresholds set for 2030, in some cases potentially changing the overall vision by showing less promising situations. Information is often unavailable because certain issues were not traditionally the object of concern, meaning that data collection and processing mechanisms of sufficient quality to produce more in-depth and accurate analyses are a very recent development.

reversal because of this impact, and a return to the initial path is not enough to forecast a promising and positive horizon for many of the targets and indicators. Steady progress is only being made toward one third of the targets, which have encouraging outlooks for 2030. The remaining two thirds show a need for rapid implementation of public policies to enable measures to be taken to change course, by accelerating the pace of growth in some cases or reversing trends to achieve the proposed targets.

## **B. An alternative exercise: education as a catalyst for achieving the Sustainable Development Goals**

As discussed in chapter I, the COVID-19 pandemic has hurt several areas of development and is continuing to do so, owing to large-scale lockdowns and restrictions that disrupted daily activities. Education has been one of the most negatively affected activities: school closures, resignations or dismissals of educational staff, strategies for offering educational services through different media and the lack of digital resources in homes all had a severe impact on the learning process. This widened existing gaps, increased inequality in access to quality education for all and weakened one of the most important tools for pursuing the SDGs of the 2030 Agenda (see the first section of chapter III).

Given the importance of education for the pursuit of SDGs, the following exercise includes some educational variables as regressors in the econometric models used to produce projections up to 2030 for the SDG indicators. This allows an approximate quantification of the effects of education on achievement of the general targets and its role in supporting specific sectoral public policies.

Based on the availability of data and the robustness of the models used in the analysis, it was found that it is possible to include some educational variables for the analysis of 156 series according to their statistical significance, while for 114 series per capita GDP was used as a regressor. Firstly, it can be concluded that although both variables have significant effects on the SDG series, education variables affect a larger number of series compared to GDP.

The educational variables used as regressors are gross rate of enrolment in pre-primary education, gross rate of enrolment in tertiary education, per capita education spending, education spending as a percentage of GDP, literacy rate in the adult population aged 15 and older, and proportion of children and young people with at least a minimum proficiency level in reading and mathematics, as appropriate for each of the series analysed. In addition, the educational regressors were disaggregated by sex, as appropriate and if sufficient information was available.

To simulate the possible scenarios, a larger investment in education is included through a positive shock or stress on educational variables. This simulated shock is operationalized by means of growth in the educational variables considered, which is to say that the exercise starts by analysing the effect of a percentage increase in the growth of educational variables. Evaluating different levels of percentage growth in enrolment rates, education spending, literacy rates and the proportion of people who have attained a minimum level of proficiency in reading and mathematics allows us to propose different hypothetical scenarios and analyse their effects on the various series whose proposed projection models include these variables among their regressors.

As mentioned in the previous section, and based on a baseline scenario without additional stimuli in education, 36 targets are green, 51 yellow and 24 red. Of the indicators, 54 are green, 58 are yellow and 34 are red. Of the series, 143 are green, 111 yellow and 105 red. The SDG with the most green targets is Goal 3.

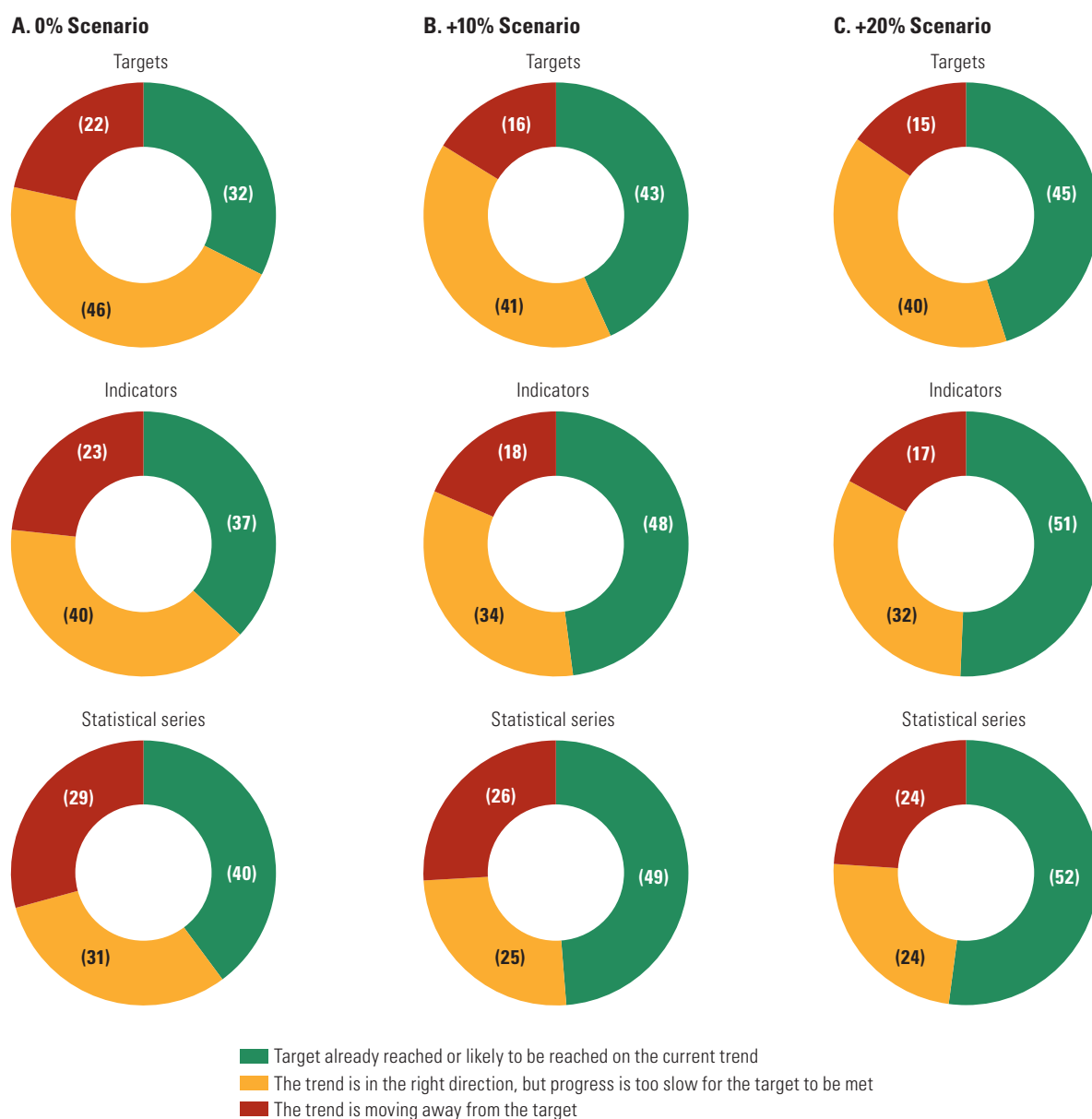
If percentage increases in the educational variables are considered as possible scenarios, the projection models show an improvement in progress towards the proposed targets, reducing the gap



with regard to the desired thresholds, which in some cases could result in an acceleration of the observed trends that may be enough to achieve the target by 2030. To this end, increases of 10% and 20% were proposed to analyse the changes they could bring about in the full set of targets being assessed.

In the first scenario, with a 10% increase, 32 statistical series, equivalent to 16 indicators and 12 targets, move from at-risk status to the “green” category. In the scenario with a 20% increase, this situation improves to 44 statistical series, 20 indicators and 14 targets.

**Figure II.3**  
**Latin America and the Caribbean: percentage of targets, indicators and statistical series according to likelihood of success by 2030 with 0%, 10% and 20% increases in educational regressor variables**  
*(Percentages)*



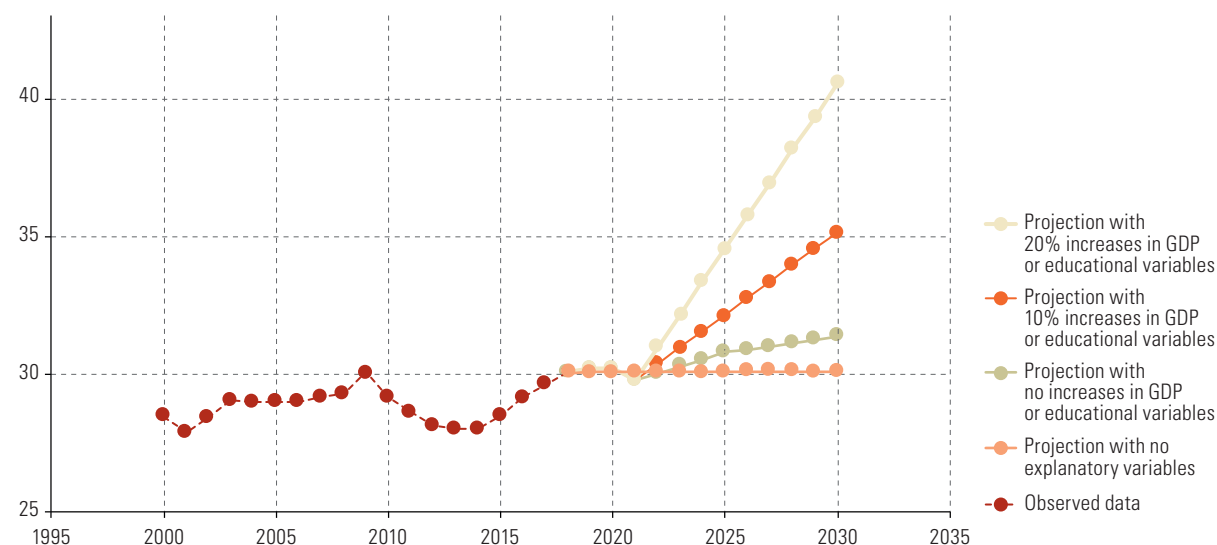
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Further hypotheses could be proposed to assess impacts on the targets and determine the increase needed to produce a projection that is near enough to the threshold to conclude that all the targets would be met; however, in this case some results of the two scenarios of increases of 10% or 20% are provided below. These scenarios quantitatively illustrate the effect of education on achievement of the targets, based on the understanding that educational improvements support and drive progress along the path to the SDGs, but in no case replace the specific public policy measures that directly determine whether there is progress, a standstill or a setback regarding each of the targets of the 2030 Agenda.

A 10% increase in educational variables has a number of positive effects: fewer traffic accidents, more women in leadership positions, more efficient use of water, increased supply of renewable energy, greater energy efficiency, higher per capita economic growth, improved social and fiscal protection policies, better housing and basic services, more sustainable use of marine resources in small island developing States, less human exploitation and trafficking, more effective institutions and improved tax collection. Thus, a small change in the growth of educational variables has positive effects on the series. In a scenario with a greater effort, result in a 20% increase, the targets for access to basic services and adult literacy are also in an optimal situation.

The three projections can be compared at the level of each statistical series. Figure II.4 shows that the gap with respect to the threshold narrows as the percentage increase in the educational variables becomes larger. As an example, the results in the three scenarios (no stress and 10% and 20% increments) are presented for the series “renewable energy share in total final energy consumption”.

**Figure II.4**  
**Latin America and the Caribbean: renewable energy share in total final energy consumption,**  
**by educational target scenario**  
*(Percentages)*



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

Once again, small changes in the growth of the included educational variables have positive effects on the series, supporting the arguments and evidence of numerous studies on the impact of education on achieving the SDGs.

## C. An overview of 2030

The available data show a diverse set of situations that characterize Latin America and the Caribbean as a region, with several positive scenarios in areas of development in which it has generally performed well, but a broad set of challenges to be addressed in the ever-shortening path to 2030, as per the commitments set out in the 2030 Agenda for Sustainable Development.

The described exercises provide insight into possible outcomes if trends are maintained and the impacts of the COVID-19 pandemic are quantified through a limited set of regressor variables, including GDP growth and educational indicators. Using these exercises to look ahead to 2030 is not intended as a deterministic reading of the future, but rather as a gauge to identify risks that could compromise results in the medium term. The exercises are therefore monitoring mechanisms to identify where to focus attention to improve performance through specific public policies.

The results indicate that one third of the targets are in an advantageous situation, showing that on average the region has implemented measures in keeping with the spirit of the 2030 Agenda. However, this commitment needs to be reinforced and expanded for the remaining two thirds of the targets, as the results also show that 46% of the targets need accelerated progress towards the agreed thresholds, while 22% need a reversal in the observed trend.

These situations differ among the SDGs, reflecting the heterogeneity of the region in relation to each of the SDGs. Goal 1 (no poverty), Goal 2 (zero hunger), Goal 5 (gender equality), Goal 6 (clean water and sanitation), Goal 11 (sustainable cities and communities), Goal 13 (climate action) and Goal 16 (peace, justice and strong institutions) are at higher risk compared to the rest of the SDGs; in contrast, according to the available data the targets are on a better course to be met in the cases of Goal 3 (good health and well-being), Goal 7 (affordable and clean energy), Goal 14 (life below water), Goal 15 (life on land) and Goal 17 (partnerships for the goals).

Some hypotheses have been included concerning the possibility of monitoring these trends through scenarios that quantify the effect that increases in some pre-selected explanatory variables may have and analyse the changes in the traffic light system proposed for the 2030 horizon. The choice of educational regressor variables offers a new perspective from which to find drivers of the expected changes, always in addition to the mechanisms needed to promote policies with the appropriate direction and pace to achieve the goals. The proposed increases in the levels of the included educational variables have a positive effect on a group of statistical series and indicators, increasing the percentage of 2030 Agenda targets that would be met to 45%.

These findings confirm the need to adopt a broader approach to sustainable development that goes beyond GDP-based measurements ("GDP+"), as seen with the projection models, where other variables (in this case education) correlate better with SDG indicators.

The inclusion of a perspective that looks beyond GDP and captures the critical factors for facilitating and enabling productive capacities, and for guaranteeing individual and social well-being (including education, physical and mental health, and gender, income and wealth equality) entails considering a set of indicators that are dependent on the analytical approach and theoretical framework used. The 2030 Agenda itself and the SDGs broaden the horizon with various axes and dimensions of analysis of the three pillars of development, focused on sustainable development, without prioritizing any of them over the rest. In this system of SDG indicators, the rate of change in GDP is 1 of 231 that make up the full measurement set.

In this regard, depending on the chosen conceptual framework of individual and social well-being, a specific set of 2030 Agenda indicators could be selected to reflect this choice. However, adopting an empirical approach to the SDG indicators that add statistical value to GDP, and with a view to including

a set of indicators that can reflect the situation of Latin American and Caribbean countries in a way that does not replicate the results of GDP patterns and comparisons of GDP among countries, this set can be identified by selecting indicators whose projection models for the 2030 estimates do not include GDP among their secondary regressor variables. This process can produce a set of indicators that —based on available and comparable data in the global SDG database— add statistical value to the patterns and analysis derived from the use of conventional GDP.

Based on the exercise outlined in this chapter, several indicators have projection models with explanatory variables in which insufficient evidence was detected to include GDP as a regressor variable of their past and therefore future behaviour. In other words, regardless of the trend and fluctuations in GDP variation, the indicators maintain their path and are unaffected.

Importantly, any monitoring process based on quantitative metrics requires robust data and statistics with sufficiently broad coverage in terms of themes, territory and time. In this regard, the availability of data in the international statistical system has increased, as a result of efforts made by the Member States of the United Nations to have healthy and productive national statistical systems. All the analyses based on SDG indicator data presented in this report enable proposed plausible scenarios to be put forward, thus contributing to fulfilment of the 2030 Agenda SDGs.

Regardless of the quantitative conjectures in the proposed hypotheses, the analysis reaffirms the need for renewed commitment to the SDGs, to ensure compliance with the targets set in 2015 and to break away from the historical inertia in some areas. This inertia, combined with the effects of the COVID-19 pandemic, calls for rapid and targeted measures through renewed public policy action with an approach that consolidates sustainable development at all levels.

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## Annex II.A1

**Table II.A1.1**  
Indicators analysed to assess the achievement of the 2030 Agenda for Sustainable Development





















Target already reached or likely to be reached on the current trend			
Target likely to be reached only with public policy intervention			
The trend is moving in the right direction			
The trend is moving in the wrong direction			
Goal	Target	Indicator	
1	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural) P-1.1.1 Proportion of population living below the regional extreme poverty line, by sex, age, employment status, geographical location (urban or rural) and ethnicity	 
1	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	1.2.1 Proportion of population living below the national poverty line, by sex and age	
1	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable	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	
1	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	1.4.1 Proportion of population living in households with access to basic services	
1	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	1.5.2 Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)	
1	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	1.a.1 Total official development assistance grants from all donors that focus on poverty reduction as a share of the recipient country's gross national income 1.a.2 Proportion of total government spending on essential services (education, health and social protection)	 
2	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	2.1.1 Prevalence of undernourishment 2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	 
2	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	2.2.1 Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age 2.2.2 Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight) 2.2.3 Prevalence of anaemia in women aged 15 to 49 years, by pregnancy status (percentage)	  
2	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	C-2.4a Intensity of fertilizer use (apparent consumption by cultivated area) C-2.4b Apparent consumption of pesticides by type (herbicides, insecticides or fungicides)	 
2	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	2.5.1 Number of (a) plant and (b) animal genetic resources for food and agriculture secured in either medium- or long-term conservation facilities	

Table II.A1.1 (continued)

Goal	Target	Indicator	
2	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	2.a.1 The agriculture orientation index for government expenditures	●
		2.a.2. Total official flows (official development assistance plus other official flows) to the agriculture sector	●
2	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	2.b.1. Agricultural export subsidies	●
2	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	2.c.1 Indicator of food price anomalies	●
3	3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births	3.1.1 Maternal mortality ratio	●
		3.1.2. Proportion of births attended by skilled health personnel	●
		C-3.1 Prenatal care coverage (at least four consultations)	●
3	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	3.2.1 Under-5 mortality rate	●
		3.2.2. Neonatal mortality rate	●
3	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	3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	●
		3.3.2. Tuberculosis incidence per 100,000 population	●
		3.3.3. Malaria incidence per 1,000 population	●
		3.3.4. Hepatitis B incidence per 100,000 population	●
		3.3.5. Number of people requiring interventions against neglected tropical diseases	●
		C-3.3a HIV/AIDS prevalence among population aged 15–49 years	●
3	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	3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease	●
		3.4.2 Suicide mortality rate	●
3	3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol	3.5.2 Alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol	●
3	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	3.6.1 Death rate due to road traffic injuries	●
3	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	3.7.1 Proportion of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods	●
		3.7.2 Adolescent birth rate (aged 10–14 years, aged 15–19 years) per 1,000 women in that age group	●
		C-3.7b Proportion of women aged 15–19 years who are mothers	●
3	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	3.8.1 Coverage of essential health services	●
		3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income	●
3	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	3.9.3 Mortality rate attributed to unintentional poisoning	●
3	3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate	3.a.1 Age-standardized prevalence of current tobacco use among persons aged 15 years and older	●

Table II.A1.1 (continued)

Goal	Target	Indicator	
3	3.b 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 TRIPS Agreement 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	3.b.1 Proportion of the target population covered by all vaccines included in their national programme 3.b.2 Total net official development assistance to medical research and basic health sectors	● ●
3	3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States	3.c.1 Health worker density and distribution	●
3	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	3.d.1 International Health Regulations (IHR) capacity and health emergency preparedness	●
4	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	4.1.1 Proportion of children and young people (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex 4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)	● ●
4	4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex	●
4	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex C-4.3 Gross enrolment ratio in tertiary education, by sex	● ●
4	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated	●
4	4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	C-4.6 Literacy rate in persons aged 15–24 years and 15 years and older, by sex	●
4	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	4.a.1 Proportion of schools with access to (a) electricity, (b) the Internet for pedagogical purposes, (c) computers for pedagogical purposes, (d) adapted infrastructure and materials for students with disabilities, (e) basic drinking water, (f) single-sex basic sanitation facilities, and (g) basic handwashing facilities (as per the WASH indicator definitions)	●
4	4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries	4.b.1. Volume of official development assistance flows for scholarships by sector and type of study	●
4	4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States	4.c.1 Proportion of teachers with the minimum required qualifications, by education level	●
5	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	C-5.2 Rates of femicide or feminicide (gender-related killings of women aged 15 years and older per 100,000 women)	●
5	5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation	5.3.1 Proportion of women aged 20–24 years who were married or in a union before age 15 and before age 18	●
5	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments 5.5.2 Proportion of women in managerial positions	● ●
6	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	6.1.1 Proportion of population using safely managed drinking water services	●



Table II.A1.1 (continued)

Goal	Target	Indicator	
6	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water	●
6	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	6.4.1 Change in water-use efficiency over time	●
		6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	●
6	6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	6.6.1 Change in the extent of water-related ecosystems over time	●
6	6.a 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	6.a.1. Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan	●
6	6.b Support and strengthen the participation of local communities in improving water and sanitation management	6.b.1 Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management	●
7	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	7.1.1 Proportion of population with access to electricity	●
		7.1.2. Proportion of population with primary reliance on clean fuels and technology	●
7	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	7.2.1. Renewable energy share in the total final energy consumption	●
7	7.3 By 2030, double the global rate of improvement in energy efficiency	7.3.1. Energy intensity measured in terms of primary energy and GDP	●
7	7.a 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	7.a.1. International financial flows to developing countries in support of clean energy research and development and renewable energy production, including in hybrid systems	●
7	7.b 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	7.b.1 Installed renewable energy-generating capacity in developing countries (in watts per capita)	●
8	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	8.1.1. Annual growth rate of real GDP per capita	●
8	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	8.2.1. Annual growth rate of real GDP per employed person	●
8	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	8.3.1 Proportion of informal employment in total employment, by sector and sex	●
8	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	8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	●
8	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	8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	●
		8.5.2 Unemployment rate, by sex, age and persons with disabilities	●
8	8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	8.6.1 Proportion of youth (aged 15–24 years) not in education, employment or training	●
		C-8.6 Proportion of youth (aged 15–24 years) not in education, employment or training, and not working exclusively in the home, by sex	●
8	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	●



Table II.A1.1 (continued)

Goal	Target	Indicator	
8	8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	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	●
		8.10.2. Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider [UGE: Favor mover a 8.10]	●
8	8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries	8.a.1 Aid for Trade commitments and disbursements	●
9	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	9.1.2 Passenger and freight volumes, by mode of transport	●
9	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	9.2.1 Manufacturing value added as a proportion of GDP and per capita	●
		9.2.2 Manufacturing employment as a proportion of total employment	●
9	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	9.4.1 CO <sub>2</sub> emission per unit of value added	●
9	9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	9.5.1. Research and development expenditure as a proportion of GDP	●
		9.5.2. Researchers (in full-time equivalent) per million inhabitants	●
9	9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States	9.a.1. Total official international support (official development assistance plus other official flows) to infrastructure	●
9	9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	9.b.1. Proportion of medium and high-tech industry value added in total value added	●
9	9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020	9.c.1 Proportion of population covered by a mobile network, by technology	●
10	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	10.2.1 Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities	●
10	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	10.4.1. Labour share of GDP, comprising wages and social protection transfers	●
10	10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	10.5.1 Financial Soundness Indicators	●
10	10.6 Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions	10.6.1 Proportion of members and voting rights of developing countries in international organizations	●
10	10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies	10.7.3 Number of people who died or disappeared in the process of migration towards an international destination	●
		10.7.4 Proportion of the population who are refugees, by country of origin	●
10	10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements	10.a.1 Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff	●
10	10.b 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	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)	●

Table II.A1.1 (continued)

Goal	Target	Indicator	
10	10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent	10.c.1 Remittance costs as a proportion of the amount remitted	●
11	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing	●
11	11.5 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	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	●
11	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	11.6.2 Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)	●
12	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	●
12	12.4 By 2020, 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	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	●
		12.4.2 (a) Hazardous waste generated per capita and (b) proportion of hazardous waste treated, by type of treatment	●
12	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	12.5.1 National recycling rate, tons of material recycled	●
12	12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	12.a.1 Installed renewable energy-generating capacity in developing countries (in watts per capita)	●
12	12.c 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	12.c.1 Amount of fossil-fuel subsidies per unit of GDP (production and consumption)	●
13	13.2 Integrate climate change measures into national policies, strategies and planning	13.2.2 Total greenhouse gas emissions per year	●
13	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	C-13.3 Greenhouse gas emissions by sector (economic activity)	●
14	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	14.1.1 (a) Index of coastal eutrophication; and (b) plastic debris density	●
14	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	C-14.2 Area of mangroves	●
14	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	14.5.1 Coverage of protected areas in relation to marine areas	●
		C-14.5 Proportion of protected marine areas in relation to total marine areas	●
14	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	14.7.1 Sustainable fisheries as a proportion of GDP in small island developing States, least developed countries and all countries	●
15	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	15.1.1 Forest area as a proportion of total land area	●
		15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type	●
		C-15.1a Coverage of protected terrestrial areas in relation to total terrestrial area	●
		C-15.1b Area of wetland included in the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention)	●

Table II.A1.1 (continued)

Goal	Target	Indicator	
15	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	15.2.1 Progress towards sustainable forest management	●
15	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	15.4.1 Coverage by protected areas of important sites for mountain biodiversity	●
		15.4.2 Mountain Green Cover Index	●
15	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	15.5.1. Red List Index	●
15	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	15.6.1 Number of countries that have adopted legislative, administrative and policy frameworks to ensure fair and equitable sharing of benefits	●
15	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems	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	●
15	15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation	15.b.1 (a) Official development assistance on conservation and sustainable use of biodiversity; and (b) revenue generated and finance mobilized from biodiversity-relevant economic instruments	●
16	16.1 Significantly reduce all forms of violence and related death rates everywhere	16.1.1 Number of victims of intentional homicide per 100,000 population, by sex and age	●
16	16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children	16.2.2 Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation	●
16	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	16.3.2 Unsentenced detainees as a proportion of overall prison population	●
		C-16.3 Prison overcrowding rate	●
16	16.6 Develop effective, accountable and transparent institutions at all levels	16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)	●
16	16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance	16.8.1 Proportion of members and voting rights of developing countries in international organizations	●
16	16.10. Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	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	●
16	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	16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principles	●
17	17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.1. Total government revenue as a proportion of GDP, by source	●
		17.1.2. Proportion of domestic budget funded by domestic taxes	●
17	17.3 Mobilize additional financial resources for developing countries from multiple sources	17.3.1. Foreign direct investment, official development assistance and South-South cooperation as a proportion of gross national income	●
		17.3.2 Volume of remittances (in United States dollars) as a proportion of total GDP	●
17	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	17.4.1. Debt service as a proportion of exports of goods and services	●
17	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 global technology facilitation mechanism	17.6.1 Fixed Internet broadband subscriptions per 100 inhabitants, by speed	●
17	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	17.8.1 Proportion of individuals using the Internet	●

Table II.A1.1 (concluded)

Goal	Target	Indicator	
17	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	17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries	●
17	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	17.10.1 Worldwide weighted tariff-average	●
17	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	17.11.1 Developing countries' and least developed countries' share of global exports	●
17	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	17.12.1 Weighted average tariffs faced by developing countries, least developed countries and small island developing States	●
17	17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence	17.13.1 Macroeconomic Dashboard	●
17	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	17.19.2 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	●

## CHAPTER III

# Progress on quality education, gender equality and marine and terrestrial ecosystems

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Introduction

A. Quality education (Goal 4)

B. Gender equality (Goal 5)

C. Life below water (Goal 14)

D. Life on land (Goal 15)

E. Conclusions

Bibliography



## Introduction

The high-level political forum on sustainable development, the main United Nations platform for review of progress on implementing the 2030 Agenda for Sustainable Development, will conduct in 2022 an in-depth review of five Sustainable Development Goals (SDGs): Goal 4 on quality education, Goal 5 on gender equality, Goal 14 on life below water, Goal 15 on life on land and Goal 17 on partnerships for the goals.

Taking into account the quantitative and analytical considerations presented in chapter II, the present chapter undertakes a more detailed review of the progress and challenges observed in the countries of Latin America and the Caribbean on quality education, gender equality and protection of life below water and on land, issues that are strongly associated with the social, environmental and institutional pillars of sustainable development. Chapter IV will analyse progress on the management of partnerships for development so that this can be integrated into a broader institutional overview.

The review in this chapter follows a two-pronged approach, including both a structural analysis, which takes a long-term view, and a look at the short-term challenges posed by the coronavirus disease (COVID-19) pandemic. Where necessary, the analyses take up issues raised in chapter I in order to place the points studied in a broader framework that includes the economic, social and environmental components of sustainable development.

## A. Quality education (Goal 4)

### 1. Education: a human right that is central to the 2030 Agenda

Taken together, the 2030 Agenda for Sustainable Development calls for complementary progress in all three dimensions of sustainable development: the social, economic and environmental dimensions. Education is a human right and a core dimension of the 2030 Agenda because of its interdependence with a number of its goals and its positive impact on the prospects for attaining them: access to decent work (Goal 8), social mobility that mitigates inequalities (Goal 10), overcoming poverty (Goal 1), empowerment to make decisions in relation to health and sexuality and to gender equality (Goals 3 and 5), acquiring the skills and knowledge needed to exercise critical, active and informed citizenship and thereby strengthen democracies and the rule of law (Goal 16), and valuing and recognizing diversity and adopting sustainable lifestyles and consumption (Goals 12 and 13). Education is fundamental for the realization of the 2030 Agenda (United Nations, 2021a).

Progress towards the education targets is vital to promote social and labour market inclusion and to reconcile economic growth with equality and participation in society. Education is also essential for the structural change required in Latin America and the Caribbean, which needs to be based on the development of capabilities (ECLAC, 2019b; ECLAC/OEI, 2020). To invest in education is to invest in human capabilities; in other words, in the most important asset that countries have to reduce inequality and achieve higher levels of development.

The 2030 Agenda takes inclusion as a guiding principle in its call to ensure that no one is left behind on the path to sustainable development. It recognizes that eradicating poverty in all its forms and dimensions, reducing inequality within and between countries, preserving the planet, generating sustained, inclusive and sustainable economic growth and fostering social inclusion are interlinked and interdependent goals (United Nations, 2021a). The Economic Commission for Latin America and the Caribbean (ECLAC) understands inclusion from a multidimensional perspective that encompasses the

realization of rights, participation in social life, access to education, health, care and basic infrastructure services, and the availability of material resources such as income and housing (ECLAC, 2019a). It refers to a process of continuous improvement in economic, social, cultural and political conditions so that people can participate fully in society.

In one of the world's most unequal regions, education is among the most powerful instruments for linking economic growth with the reduction of inequality. Gaps in educational access and quality are barriers to the dissemination of skills. Inadequate accumulation of skills among the active population is a major constraint that has consequences for productivity and social inclusion. Education is closely associated with opportunities to access better social, economic, working and cultural conditions, insofar as progress in this area is associated with greater opportunities to obtain decent work with sufficient income to ensure an adequate level of consumption and well-being, better health indicators and upward social mobility, dynamics that contribute to the reduction of poverty and inequality and to the full exercise of citizenship (ECLAC, 2018).

The dimensions making up the axes of the social inequality matrix in Latin America and the Caribbean are interlinked, interwoven and mutually reinforcing, creating larger gaps and circles of exclusion in some population groups. Thus, for example, socioeconomic and gender inequalities in access to education and time spent in the education system are frequently intertwined and interact in a mutually reinforcing way with inequalities related to ethnic and racial status, place of residence, disability status, migration status and gender identity, the same factors that determine which groups tend to be among those most affected by the crisis caused by the pandemic, the closure of schools and the rise in unemployment.

The current situation is characterized by great uncertainty in a global context of severe economic, social, health, environmental and political volatility that profoundly affects the educational and employment trajectories of new generations. It is a difficult and challenging situation, heavily influenced by the unexpected and devastating impact of the pandemic. Some uncertainty is also a consequence of the impact of the digital revolution and its application to economic activities, which have been surprising in their speed and magnitude. This impact is translating into large and rapid changes in the skills required in the world of work and into the disappearance of jobs and the creation of new ones. The impact of the digital revolution will thus depend on how well-equipped people and countries are to take advantage of the opportunities offered by the new technologies and to reorient and repurpose the skills and capabilities of those displaced from their jobs. This makes lifelong learning and training policies essential (ECLAC/OEI, 2020). The highly dynamic current context means that children, adolescents, youth and adults alike must have opportunities to acquire new skills throughout their life cycle to facilitate adaptation and inclusion in changing situations.

One of the main messages of the 2030 Agenda is the need to implement a new development model that can bring progress in building inclusive, sustainable and resilient societies. In the face of an epochal crisis, new generations need to be considered and included as leading actors of the shift from the development model and its unsustainable patterns of production and consumption. They need better training in the skills and capabilities required to prioritize green, low-carbon and people-centred solutions, as well as to adopt sustainable living practices and habits. The education of new generations must also be enhanced to promote justice and equality (United Nations, 2021a). The aftermath of the pandemic is sounding the alarm about the possibility that ground may be lost in several dimensions (including education) that are essential for the full development and rights of an entire generation of children and adolescents in the region.

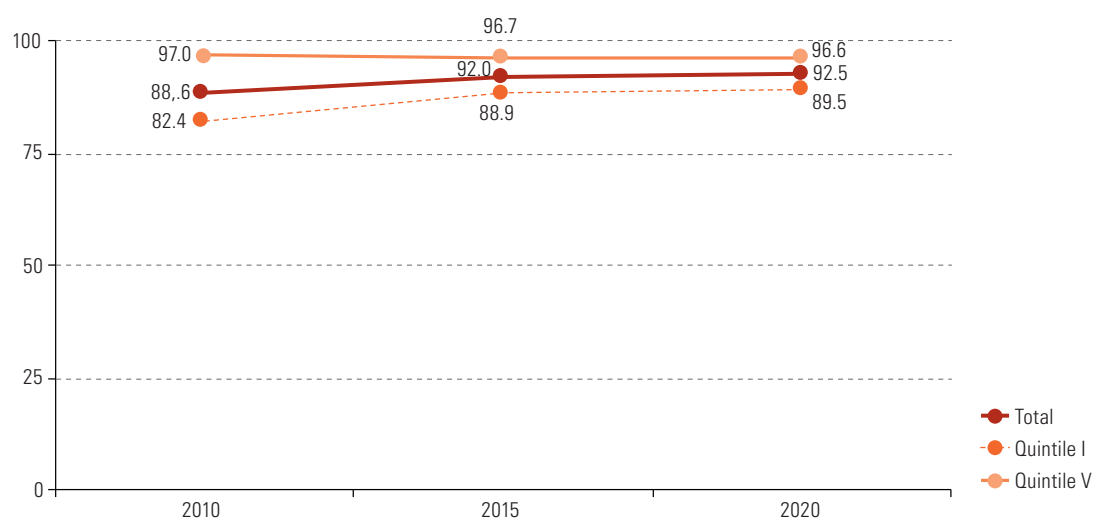


## 2. Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all: some progress and challenges related to the Goal 4 targets

This section reviews some indicators of access and completion at different levels of education up to 2020, taking into consideration that these represent the minimum conditions for fulfilment of the right to quality education. Although the region faces major challenges in terms of the quality of education provided, education systems in Latin America and the Caribbean have made substantial progress in recent decades. With some exceptions, the greatest achievements relate to the expansion of access to primary and secondary education for children and adolescents, while progress on access to early childhood education and tertiary education has been slower.

Children's access to early childhood education services in Latin America and the Caribbean has increased considerably since the beginning of the twenty-first century (SDG target 4.2). Whereas in 2010, for example, 88.6% of children in the region entered an educational institution one year before the official primary school entry age (indicator 4.2.2), this figure had increased to 92.5% by 2020. However, as figure III.1 shows, this progress has not been homogeneous across the different income levels of the population, and a gap remains between the lowest and highest income quintiles, despite a modest narrowing over the period. Moreover, enrolment has expanded too slowly to meet the targets for universal access to early childhood education by 2030 agreed within the framework of the SDGs. The challenges are particularly urgent when it comes to children's access to early childhood care and development services. Indeed, while more than 2 million children entered early childhood education in the region in 2015–2020, coverage in the population aged 0 to 2 years was still below 20% by the end of that period.

**Figure III.1**  
**Latin America (15 countries): rates of participation in organized education one year before the official starting age for primary education, 2010–2020**  
(Percentages)



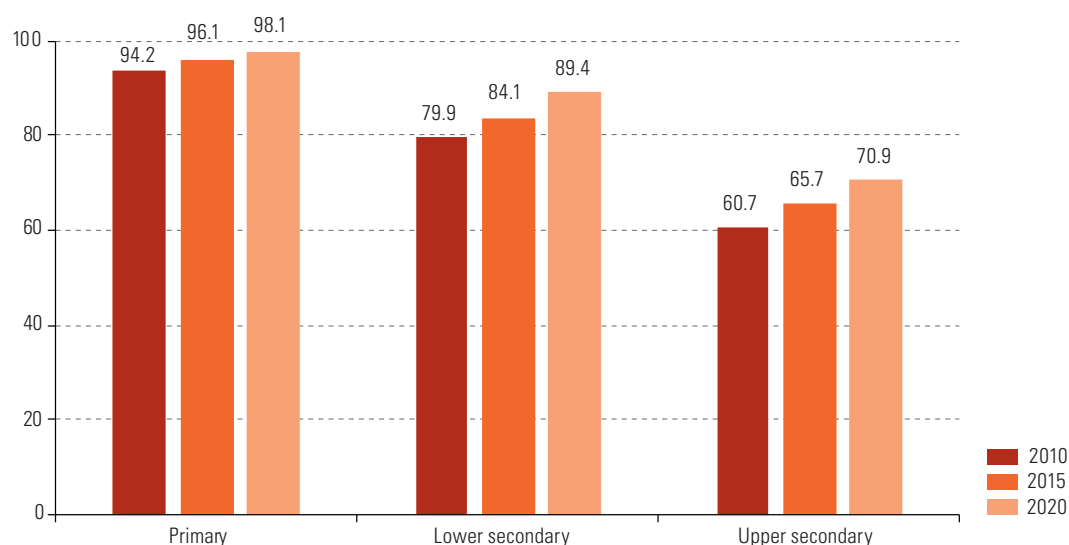
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

**Note:** The participation rates are weighted averages for the 15 countries. The countries included are: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Primary and secondary schooling is fundamental for the fulfilment of the right to education (SDG target 4.1) and constitutes the minimum necessary foundation for children and adolescents to develop the knowledge, skills and values that will enable them to live with dignity and contribute to their societies. Although access to primary education in the region has been close to universal for decades, secondary education coverage presents greater challenges. While 97% of the primary school-age population was enrolled in school in 2020, lower and upper secondary education coverage has stagnated in recent years at around 93% and 79%, respectively, with considerable gaps within countries by income level and territory of residence. Indeed, despite the expansion of education coverage in the region, a large number of children and adolescents (10.4 million, according to 2019 estimates) are still excluded from education systems at the primary and secondary levels, and exclusion worsens at higher levels of education.

School education in the region is also characterized by a “hard core” of dropout problems, high levels of underattainment and completion rates that diminish with each new level of education (see figure III.2). Children and adolescents living in rural areas and those belonging to the poorest households in the region face particularly great obstacles in their educational careers: in 2019, while 96% of children and adolescents in the fifth income quintile completed lower secondary education, the figure was almost 20 percentage points lower (77%) among children and adolescents in the first quintile. Moreover, the gap between the completion rates of these income quintiles is twice as great at the upper secondary level: that same year, 89% of adolescents belonging to the fifth quintile completed secondary education, while the proportion was only about 48% among adolescents in the first quintile. It is important to highlight that gender differences in upper secondary completion rates favour girls in most countries of the region, which is mainly explained by the fact that male students are affected by higher repetition and dropout rates throughout their educational careers. However, this differential does not translate into better labour market outcomes for women, owing to structural phenomena of segmentation, discrimination and unequal distribution of unpaid work, among other factors.

**Figure III.2**  
**Latin America (18 countries): completion rates, by education level, 2010–2020**  
(Percentages)



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

**Note:** The completion rates are weighted averages for the 18 countries. The countries included are: Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Lastly, regional progress on SDG target 4.3 concerning equal access to quality technical, vocational and tertiary education is weak. Rates of access in the region are much more modest for this level of education than for the lower levels: in 2019, only 20% of the population aged 20 to 25 years was attending tertiary education institutions, and the percentage was slightly lower for males. Territorial and income gaps are particularly large at this level: in 2019, less than 8% of the population aged between 20 and 25 living in rural areas (7.7%) or belonging to the first income quintile (7.6%) were attending tertiary education. In contrast, the percentage was more than twice as high (22.6%) for urban youth and five times as high (39%) for youth belonging to the fifth income quintile. In sum, as with other SDGs and areas, the persistent inequality that characterizes the region conspires against the possibility of attaining the SDGs and the 2030 Agenda in general.

### 3. A silent crisis: the risk of losing a generation of children and adolescents

Despite the advances mentioned in the previous section and the dynamic evinced by the official Goal 4 indicators analysed in chapter II, the protracted global health, social and economic crisis has and will continue to have devastating effects on the region. In 2020, the economy of Latin America and the Caribbean experienced the largest contraction since 1900 and was the worst performer among developing regions. The region has been one of the hardest hit by COVID-19; as of 30 September 2021, more than 1.4 million people had died from the disease in the countries of Latin America and the Caribbean (United Nations, 2021b).

The pandemic has substantially and silently affected children, adolescents and youth. This impact has been multidimensional and unequal, and it has increased the risks of child labour, domestic violence, malnutrition and poverty, as well as mental health problems. Up to 300,000 children and adolescents may have been forced to work since the onset of the pandemic (ECLAC/ILO, 2020). In turn, increases in overall poverty levels make it even more urgent to address the infantilization of poverty, a phenomenon associated with long-term consequences. In 2019, 47.2% of children and adolescents were living below the poverty line, compared to 30.5% of the total population, and the figure is estimated to have increased by up to 4 percentage points during 2020 (ECLAC/UNICEF, 2020). Furthermore, in just five countries of the region for which information is available (Argentina, Brazil, Colombia, Mexico and Peru), more than 600,000 children have lost caregivers to the pandemic (ECLAC, 2021a).

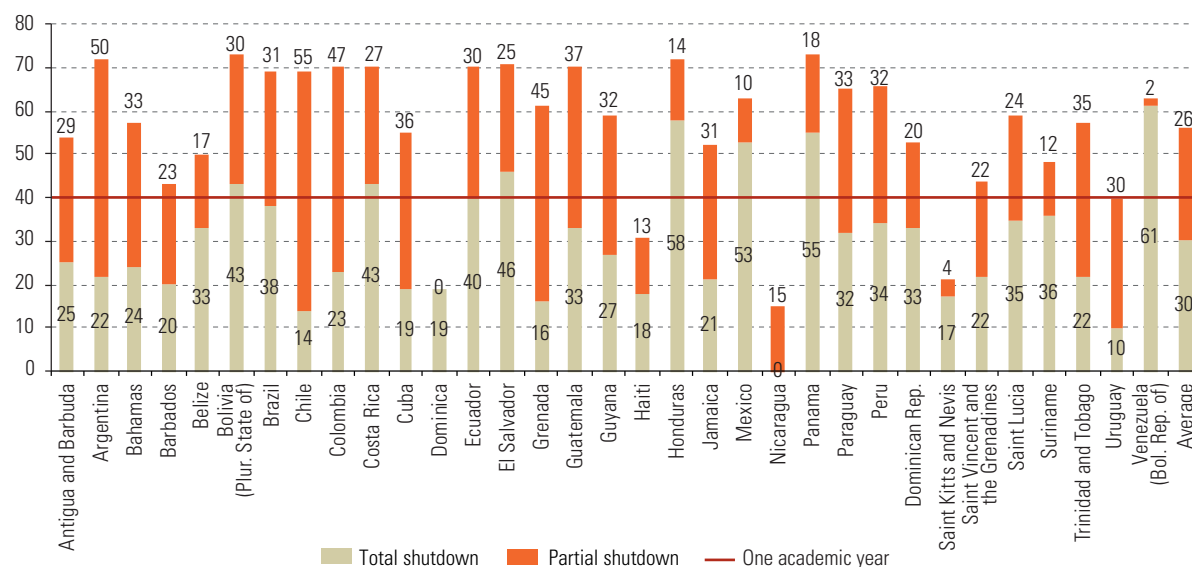
As a sanitary control measure, the region's countries partially or completely suspended face-to-face classes at all levels of education. Latin America and the Caribbean is the region with the longest period of suspension in the world (56 weeks on average as of September 2021) (ECLAC, 2022b). Countries and education communities have made major efforts to support educational continuity by means of distance learning using digital media or other more traditional distance education channels such as television or radio. But the closing down of educational institutions has exposed and exacerbated long-standing inequalities that have been reflected in gaps in access to quality alternatives for the continuation of studies, as well as in large inequalities in the availability of resources and spaces suitable for non-face-to-face learning. In particular, the gaps in access to connectivity and digital equipment and the unequal availability of domestic spaces suitable for learning represent particularly important deprivations, since 66.2 million households in the region did not have an Internet connection at the beginning of the pandemic, according to data from 14 countries (ECLAC, 2021b). In addition, school closures imposed severe restrictions on interaction among peers and with adults outside the home, holding back students' socialization and all-round development.

The switch to distance learning was abrupt and unplanned, putting students' continuity of education and the quality of content at risk. Governments adopted various measures to mitigate these inequalities, such as the provision of devices or subsidies to purchase them, the creation of virtual platforms or the provision of direct financial support to low-income households. One of the greatest risks associated with the pandemic is the loss of learning, an area in which the response of the region's countries has also been inadequate. Only 19% of the countries have conducted standardized diagnostic assessments at the national level and 8% at the subnational level. The lack of such assessments makes it difficult to understand the real extent of the pandemic's impact on learning and affects the ability of States to adopt informed recovery policies (UNESCO, 2021a).

During 2021, the situation in the region as regards the opening of schools and conditions for distance education were very similar to those in 2020. As of September 2021, educational establishments were still partially closed for face-to-face learning in 16 countries, fully closed in 8 countries and operating face-to-face classes as usual in 7 countries. School closures are estimated to have impacted more than 165 million children, adolescents and youth (ECLAC, 2022a), causing them to lose an average of more than one academic year of face-to-face classes (see figure III.3). In this situation, it is critical to prioritize the safe return of all children to school, conduct learning assessments that will provide diagnostic input for adjustments to national plans, and support teachers through the challenges ahead (UNESCO and others, 2021).

**Figure III.3**

**Latin America and the Caribbean (33 countries): duration of total and partial shutdowns of face-to-face educational activities (primary, secondary and higher education), 16 February 2020–30 September 2021**  
(Number of weeks)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Educational, Scientific and Cultural Organization (UNESCO), "Education: From disruption to recovery" [online] <https://en.unesco.org/covid19/educationresponse>.

Coupled with the economic crisis that has affected household income, all this has had a negative impact on students' motivation, socio-emotional well-being and educational attainment. In these circumstances, students will fall behind and widening gaps in learning attainment will be difficult to make up in the short term. Learning losses due to non-attendance at school are estimated at up to one year of schooling (García, 2020). The proportion of students who do not reach the minimum level of

basic cognitive skills in the region could increase by more than 20%, or about 7.6 million youth (World Bank, 2021a). Dropout rates among students will also increase, with 3.1 million youth, adolescents and children potentially being left outside education (UNESCO, 2020a). The greatest impact will be on tertiary students, owing to the opportunity cost associated with this level of education, and on pre-primary students, given the difficulty of switching to distance learning at these ages. The likelihood of completing secondary education in 18 Latin American countries is expected to fall from 56% to 42%, with adolescents from low-education families particularly affected, as their likelihood of completion is expected to fall by almost 20 percentage points (Neidhöfer, Lustig and Tommasi, 2020 and 2021; ECLAC, 2021b).

Prior to the pandemic, education systems in Latin America and the Caribbean already faced significant challenges in terms of inclusion and quality, and these have deepened in the context of the protracted crisis. As the focus of governments has been primarily on strengthening health systems and developing health strategies, and more recently on supporting the economic recovery of countries and households, education has undergone a silent crisis. It is increasingly necessary to pursue equality and inclusion in access to training and education by focusing on the most vulnerable and marginalized population groups, including indigenous peoples, Afro-descendants, refugees and migrants, the most socioeconomically disadvantaged populations and persons with disabilities, and persons with diverse sexual orientation and gender identities (ECLAC/UNESCO, 2020).

The experience of the last two years has shown that distance education programmes have their limits. The structural educational and digital divides that existed in the region before the pandemic have been exacerbated. For these reasons, the public policy agenda in the region must pursue the construction of inclusive digital societies. An essential requirement is access to high-speed broadband and devices and the skills to use them. The role of education in this area is central and goes beyond the academic sphere. Although the importance of adult support in the digital inclusion processes of the new generations is recognized (Trucco and Palma, 2020), it has become clear during the pandemic that the adults (parents and teachers) providing this support also need tools to do so. It is essential to train students, caregivers and teachers in strategies for self-care and risk management in the digital environment.

The COVID-19 pandemic has accelerated changes in consumption and production models and patterns of social interaction through digital and virtual platforms. Effective participation in the digital age requires not only connectivity but also the generation of digital skills so that it can be harnessed for social well-being and economic growth. Combined strategies are needed in the digital, social and economic spheres so that barriers and gaps are addressed from the perspective of people's rights, gender equality, intersectionality and interculturality. The role of education in an intersectoral dialogue is key to this. Progress must also be made on regulation to protect users, especially in the framework of children's rights and the responsibility of the private sector in the protection of privacy and personal data.

These regulations need to be complemented by strategies for skills training throughout the life cycle. The use of digital technologies requires basic cognitive skills such as literacy and numeracy; operational skills and more complex skills such as critical thinking and the ability to select information; and skills for self-care and ethical behaviour in the digital world. In the labour market, there is a need for skills that are easily transferable between jobs and occupations and that respond to new demands. Latin America and the Caribbean needs to take advantage of the current situation to rethink the focus of the skills that need to be prioritized for training actions.

At the same time, there has been a new appreciation of the centrality of face-to-face and peer-to-peer interaction in the teaching and training processes. Even the most advantaged population groups, which have had the opportunity to stay connected to the education system remotely, feel the absence of face-to-face interaction with their teachers and peers (ECLAC, 2021b). Returning to school is very important, especially for the most disadvantaged sectors. The school system is a central pillar in the

education and protection of children and adolescents, as well as for the communities in which they live. In addition to the right to education, schools have become places where other important rights are secured for a large proportion of the population; e.g., they provide food or can detect situations of rights violations and provide protection in cases where a student is a victim of violence, child labour or exploitation. Lastly, they are a place where social skills and socio-emotional capabilities for community living are developed (ECLAC, 2021c).

In the short term, the reopening of early childhood care centres and schools is an important measure that must be implemented in a safe manner that protects children and staff working in these centres. In fact, some countries have prioritized the vaccination of education professionals so that these measures can be taken. Other countries in the developed world have prioritized care and education centres for the youngest children in the closing and reopening process (last to close, first to open).

In addition, the resumption of face-to-face school activities facilitates the possibility of a return to the labour market, especially for women, who have been the most affected in terms of their participation in employment. Parents and caregivers have also had to deal with a particularly heavy workload with little in the way of resources to support their children in educational tasks, as they have lacked access to pedagogical or digital tools. The pandemic has highlighted the importance of caregiving tasks for the sustainability of life, as well as their unfair distribution to the detriment of women, who are assigned most of them, now including the effort to provide continuity to their children's studies.

It is therefore crucial that strategies to give continuity to the educational process and restore face-to-face activities should prioritize the socio-emotional well-being of the entire school community, not only students, but also teachers, who have been severely overburdened. International experience so far has shown how important the participation of the educational community has been in this return process. It is also recommended that selective prevention strategies be developed for the population most at risk of dropping out of school, involving the redistribution of school, psychopedagogical and psychosocial support resources and services to schools, classes and students at risk, and the provision of specialized care and assistance to at-risk groups and students. It is important to coordinate the support offered by education policies with that of household social protection, health and mental health policies for students and their families. Coordination with other policies designed to protect and guarantee children's rights and provide social protection to families with dependent children is essential if vulnerable families are to be better served.

The severity and extent of the crisis have exposed deficiencies in education system quality and equity that have long beset the region and that were constraining progress towards the SDGs. It has led to a break with certain paradigms; for example, never before in the global history of the last century had education been relocated wholesale from school buildings to the home. Such change was unimaginable. Today we see that a combination of synchronous and asynchronous education is possible, with hybrid teaching methods; these are changes that are difficult to reverse and that require systems to be restructured in ways that make them more resilient and inclusive.

This crisis is an opportunity to rebuild more inclusive education systems, something that is imperative in the aftermath of the pandemic. First, it is essential to ensure a return to face-to-face classes, increase investment in education and reorganize its institutional conditions in the interests of inclusion. At the same time, distance education during the pandemic has provided lessons that need to be learned and that can help to extend learning times and close coverage gaps. The extension of compulsory schooling in Latin America and the Caribbean over recent decades has been a necessary step, but it is not enough, since millions of children still do not have access to schooling, while those who do are unable to achieve the learning outcomes that would allow them to develop to their full potential. It is therefore essential to restore and increase investment in education and to support teachers in the introduction of digital skills and innovative pedagogical tools. It is also necessary to rethink the



organization of education systems so that they provide a service that meets the diverse needs of the region's students, without losing the focus on educational quality and equal opportunities. The way the exit from the crisis is dealt with will mark the destiny of a generation; the lessons of the crisis must therefore be transformed into active education policies to guarantee the right to education and to a full life for all children, adolescents and youth.

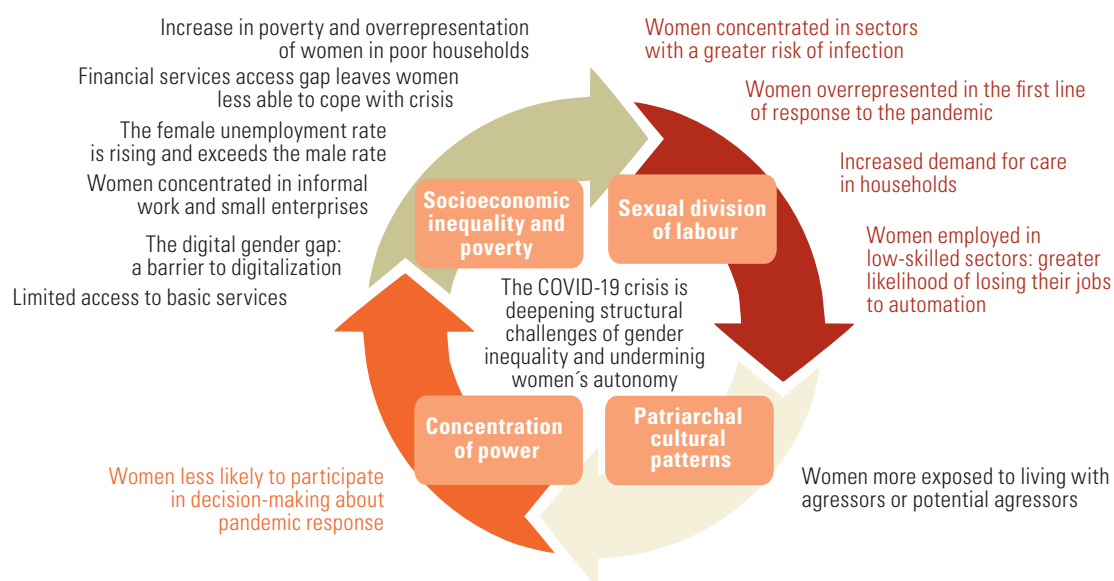
This call by ECLAC comes on top of the considerations necessitating the development of new social covenants. For its part, in November 2021 the United Nations Educational, Scientific and Cultural Organization (UNESCO) called for a new social contract for education. This should be grounded in human rights and based on principles of non-discrimination, social justice, respect for life, human dignity and cultural diversity. It must encompass an ethic of care, reciprocity, and solidarity. It must strengthen education as a public endeavour and a common good (UNESCO, 2021a).

## B. Gender equality (Goal 5)

In Latin America and the Caribbean, gender inequality is structural in nature, inseparable from the development model that produces and reproduces income inequality and limits access to rights. A comprehensive and cross-cutting approach is required to transform this reality. In 2016, the governments of the region approved the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030, which identifies four structural challenges of gender inequality: socioeconomic inequality and poverty; patriarchal, discriminatory and violent cultural patterns and the culture of privilege; the sexual division of labour and the unjust social organization of care; and the concentration of power and hierarchical relations in the public sphere. These four structural challenges, which cut across all the SDGs, limit the economic, physical and decision-making autonomy of women and girls in the region. The multiple crises generated by the COVID-19 pandemic have exacerbated the structural challenges of inequality and resulted in major setbacks that are jeopardizing attainment of the targets set in 2015 with a view to meeting the 2030 Agenda (see diagram III.1).

**Diagram III.1**

**The COVID-19 crisis is deepening structural challenges of gender inequality and undermining women's autonomy**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), "The economic autonomy of women in a sustainable recovery with equality", *COVID-19 Special Report*, No. 9, Santiago.

The world is going through an unprecedented situation in which massive and prolonged isolation has been used to prevent the spread of the virus. Households and health and educational institutions alike have had to adapt to new routines, which has severely affected the organization of daily life. As well as deepening gender inequality, the pandemic has thrown into relief the consequences of the sexual division of labour and the persistence of patriarchal cultural patterns that assign women and girls the main responsibility for domestic chores and the care of dependents at a time when these activities have multiplied. The extra time spent indoors because of lockdown measures has increased the exposure of women, girls and adolescents to situations of violence and abuse in the family environment, while restrictions on mobility have made it more difficult for them to seek help and to access protection services and networks.

Similarly, hospitals and primary health-care centres have had to give priority to preventing the spread of the virus and providing health care for people infected with different levels of severity. The difficulty of accessing relevant, timely and high-quality care means that the pandemic has widened gaps in the exercise of sexual and reproductive rights in the region (ECLAC, 2021i).

What is new about this crisis is how thoroughly it has disrupted all areas of life. It began as a health crisis that seemed to affect all humanity alike, although its differentiated impact soon became visible. It was a crisis that deepened existing inequalities: between countries, between households with more or less resources, between men and women. The rapid and profound impact it had on markets revealed that no economy was viable without the work of caring for life and that a factor arising from outside the traditional market sphere, such as human health, could have devastating effects on global markets. At the same time, it highlighted the interdependence between people and the importance of care networks for common welfare, as well as the urgent need to shift social relations and society's relationship with nature towards paradigms centred on the notions of care and sustainability (ECLAC, 2022b).

Lack of own income, job insecurity and time poverty are phenomena that have historically affected women more than men and have worsened with the COVID-19 crisis. According to assessments carried out by ECLAC and the International Labour Organization (ILO), economic sectors presented different levels of risk at the start of the pandemic in terms of output levels and job losses resulting from the measures taken to curb contagion. These assessments predicted a particularly large impact in highly feminized sectors such as commerce, manufacturing, tourism and paid domestic service. High-risk sectors accounted for about 56.9% of female employment and 40.6% of male employment in Latin America in 2019. In the Caribbean, 54.3% of female employment and 38.7% of male employment was in high-risk sectors. Some of the sectors at greatest risk were the ones that the majority of employed women in the region worked in. They were also characterized by high rates of informality, low pay and low skills (ECLAC, 2021e).

The indicators of recovery during 2021 show that the fastest-growing sectors are those in which employment is male-dominated (ECLAC, 2021b). One such is construction, a sector in which men account for more than 90% of employment in all countries of the region and which in most cases has already returned to pre-pandemic levels of activity. By contrast, recovery has been slower in paid domestic work, a highly feminized sector, with employment levels reaching between 69.0% to 89.8% of those reported in the first quarter of 2020 (ECLAC, 2022b).

In addition to suffering job losses and falling participation rates, women were at the forefront of the response to the pandemic in the health sector, where they represented 70.8% of the total number of people employed, and in education, where they accounted for 65.2% (ECLAC, 2022b). These sectors, which together with paid domestic work fall within the concept of the care economy, are essential for the construction of a new style of development that is fairer, more sustainable and more egalitarian.



Their transformative potential lies in the fact that these are sectors whose aims are to ensure healthy lives and promote well-being throughout the life cycle (Goal 3), provide education (Goal 4) and deliver the care that makes human activity possible. The care economy secures basic needs, without which there can be no economic activity.

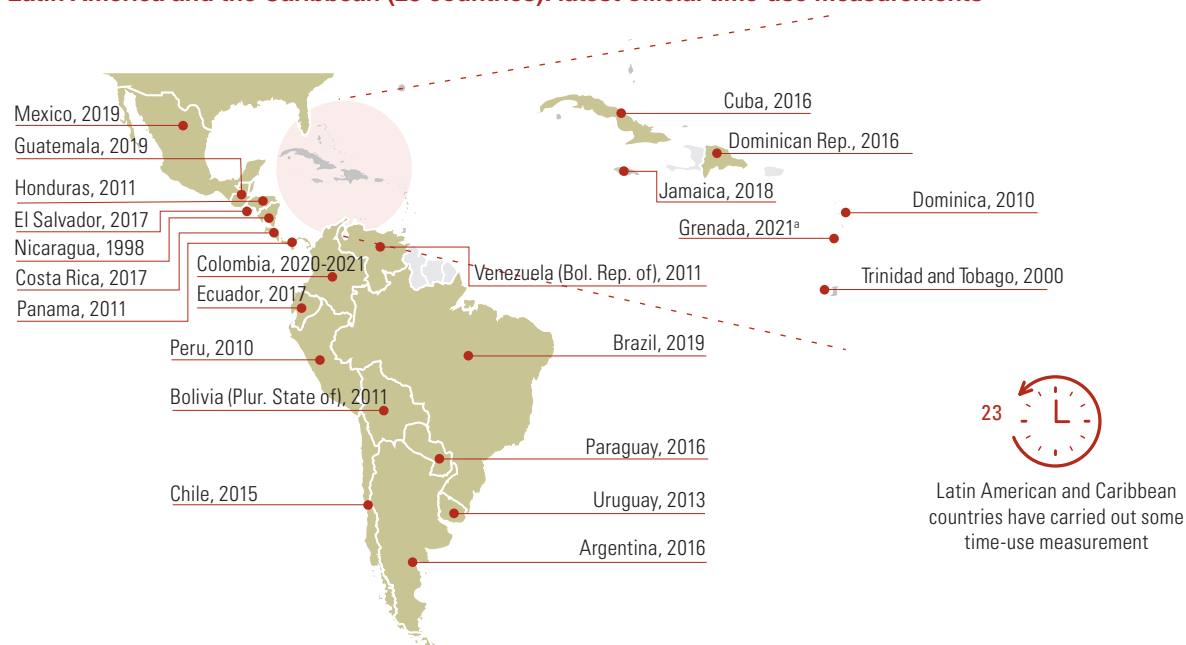
The SDGs are integrated and indivisible, and attaining them becomes even more imperative when they are considered from a gender perspective, since in the effort to eradicate poverty and implement appropriate social protection systems and measures for all (Goal 1), women's overrepresentation in poor households needs to be taken into account. It is also necessary to recognize the fundamental role of women in the effort to end hunger, achieve food security and improved nutrition and promote sustainable agriculture (Goal 2). In addition, promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Goal 8) requires measures to remedy the lack of social protection and the unemployment afflicting young women in particular and to deal with the barriers to full participation in the labour market, especially the overburden of unpaid work, that women face. Efforts to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (Goal 9), if approached from a gender perspective, must take account of the barriers to entry and discrimination faced by women in some sectors. To meet the goals of reducing inequality (Goal 10), taking urgent action to combat climate change (Goal 13), promoting peaceful and inclusive societies (Goal 16) and strengthening the means of implementation and revitalizing the Global Partnership for Sustainable Development (Goal 17), women's voices need to be heard.

## 1. Economic autonomy: the urgent need to pursue a more equal distribution of domestic and care work

The sexual division of labour and the unjust social organization of care are obstacles to economic autonomy and impede progress towards equality. Women continue to have an excessive workload despite the slow change in gender roles, the progress made in the countries of the region in publicizing information on time use and unpaid work, and policy initiatives aimed at recognizing and distributing this work. So far, 23 countries in Latin America and the Caribbean have conducted at least one measurement of the time spent on domestic and care work, while 10 have measured the economic value of unpaid work performed in households and 5 have calculated a satellite account for unpaid work in households (ECLAC, 2022a) (see map III.1).

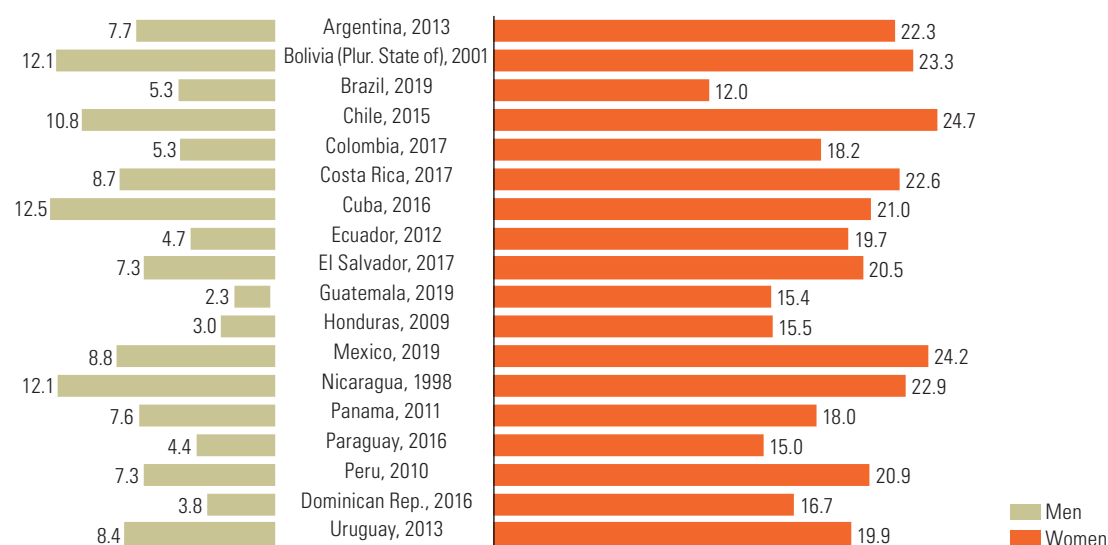
The 2030 Agenda for Sustainable Development has reinforced the need to recognize and value unpaid care work, which contributes directly to women's autonomy in public and private spheres. Target 5.4 establishes the need to “recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate” (United Nations, 2015). To monitor this target, indicator 5.4.1 (proportion of time spent on unpaid domestic and care work, by sex, age and location) has been proposed. Time-use surveys are a key tool for obtaining this information.

The results speak volumes about the unfair distribution of time spent on unpaid domestic and care work throughout the region. The latest official surveys show that while women spend between 12.0% and 24.7% of their time on these tasks, men spend between 2.3% and 12.5%. In other words, women spend three times as much time as men on unpaid domestic and care work (see figure III.4).

**Map III.1****Latin America and the Caribbean (23 countries): latest official time-use measurements**

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), "Methodological guide on time-use measurements in Latin America and the Caribbean", Santiago, 2022, in press.

<sup>a</sup> There has been no confirmation of whether official statistical use will be made of the data collected in the survey, which is therefore treated as a pilot.

**Figure III.4****Latin America (18 countries): time spent on unpaid domestic and care work, by sex, latest year with information available***(Percentages)*

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of time-use surveys from the respective countries.

**Note:** This measure is indicator 5.4.1 of the Sustainable Development Goals. Domestic and care work performed for the person's own household, other households or the community is included, as is volunteer work everywhere except Brazil, Cuba, Honduras, Guatemala, Nicaragua and the Plurinational State of Bolivia. The data are national totals for the population aged 15 and over, except in the case of Argentina, where they cover 31 urban conglomerations and the population aged 18 and over. Information updated as of 29 October 2021.

Although the pandemic has made it hard to gather statistics continuously, efforts have been made to obtain time-use information in this extraordinary context (see box III.1).

### Box III.1

#### The increase in unpaid care and domestic work during the pandemic

During the pandemic, efforts have been made in several countries of the region to collect information on the distribution of care in households as a consequence of lockdown measures. In Colombia, Mexico, Chile, Argentina and Uruguay, major efforts have been made to collect data on the dynamics that have arisen in households in relation to unpaid care work and time use in the context of the pandemic.

The National Administrative Department of Statistics (DANE) of Colombia continued the National Survey on Time Use (ENUT) during 2020 and 2021. By comparing the information from these surveys with pre-pandemic data, it is possible to identify the excess burden of domestic and care activities that the confinement measures entailed for women. While men's participation in some unpaid work grew from 60% in 2017 to 63.8% in 2021, it was women whose daily time commitment to these activities increased, especially during 2020. Between May and August 2017, men spent 4.5 hours on unpaid work, while women spent almost twice as much: 8.6 hours. In the period from September to December 2020, the time spent on this work by men decreased by 20 minutes per day, while for women it increased to 10.4 hours. In the period from May to August 2021, the time spent on it was less for both sexes than in 2020, although for women it continued to be higher than reported in 2017. The survey information also shows that 72.2% of households accessing services provided by facilities for the care of older persons or persons with disabilities or other non-residential institutions reported that they had lost access to these services.

In Mexico, the National Institute of Statistics and Geography (INEGI) conducted the COVID-19 and Labour Market Telephone Survey (ECOVID-ML) between April and July 2020 to obtain information that would supplement the Occupation and Employment Telephone Survey (ETOE), held during the most critical stages of the pandemic. Data collected in April 2020 show that women spent an average of 31.9 hours per week on unpaid work and men 11.6 hours per week. In the second quarter of 2019, these figures were 30.8 and 9.2 hours per week, respectively. As regards participation in these tasks, 91.9% of women in Mexico performed unpaid domestic or care work, while for men the proportion was 78%.

In Chile, data from the Employment-COVID-19 Longitudinal Study on participation in domestic work show that 38% of men reported not having performed these tasks during the reference week during the pandemic, compared to 14% of women. On average, after the onset of the pandemic, men spent 8.2 hours per week on these activities and women 17.8 hours per week, as compared to 6.5 and 16.4 hours per week, respectively, before the pandemic. In households with children under 14 years of age, 57% of men indicated that they had spent no time on care work in the reference week, compared to 27.6% of women.

In Argentina, the United Nations Children's Fund (UNICEF) conducted the fourth round of the COVID-19 Rapid Survey between April and May 2021, with 54% of women responding that they had felt more overburdened with tasks since the start of the pandemic. In addition, the number of situations where children in households whose adults were not teleworking were being left at home alone was found to have doubled, from 5% to 10% of cases. Similarly, the proportion of children left in the care of a sibling under the age of 18 increased from 3% to 7% over the same period. Whereas 83% reported that children were being looked after by another adult living in the household in July 2020, this percentage dropped to 64% in May 2021.

In Uruguay, the survey conducted in April 2020 can be used to compare the number of hours of paid and unpaid work per day before and after the onset of the pandemic, differentiated by sex. Women's unpaid work time increased from 6.9 to 8.1 hours per day, while men's increased from 3.9 to 4.6 hours per day, representing changes of 16% and 15%, respectively.

In an effort to generate information, the Regional Office for the Americas and the Caribbean of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) conducted rapid gender assessment. The results show that the time spent feeding, cleaning and playing with children increased by a greater proportion

## Box III.1 (concluded)

for women than for men, with a difference of 8.4 percentage points on average. Particularly striking is the increase in the time that women with dependent minors spent teaching and tutoring children as a result of school closures. A greater proportion of women than men saw their workload increase in this respect, with an average gap of 12.3 percentage points between women and men in these three countries.

While unpaid work has also increased for men and there seems to be a window of opportunity for moving towards a more equal distribution of workloads, this is happening in the context of an excessive burden on women, who have had to cope simultaneously with an increase in care work and a reduction in time spent on personal and educational activities.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Administrative Department of Statistics (DANE), “Encuesta Pulso Social 2020: resultado segunda ronda (agosto 2020)”, Bogotá, 2020; “Encuesta Pulso Social 2020: resultados - sexta ronda (diciembre de 2020)”, Bogotá, 2021; United Nations Entity for Gender Equality and the Empowerment of Women/United Nations Children’s Fund (UN-Women/UNICEF), “Encuesta sobre niñez, género y uso del tiempo en el marco de la emergencia sanitaria en Uruguay: principales resultados”, Montevideo, 2020; United Nations Children’s Fund (UNICEF), “Encuesta de percepción y actitudes de la población. Impacto de la pandemia COVID-19 y las medidas adoptadas por el gobierno sobre la vida cotidiana”, Buenos Aires, 2020; United Nations Development Programme/National Institute of Statistics/Ministry of Social Development and Family (UNDP/INE/MDSF), “Encuesta Social COVID-19”, 2020 [online] <http://observatorio.ministeriodesarrollosocial.gob.cl/encuesta-social-covid19>; D. Bravo, E. Castillo and E. Hughes, “Estudio longitudinal Empleo-COVID19: datos de empleo en tiempo real”, Santiago, Pontifical Catholic University of Chile (PUC), 2020 [online] <https://www.uc.cl/site/efs/files/11854/presentacion-estudio-longitudinal-empleo-covid19-noviembre2020.pdf>; National Institute of Statistics and Geography (INEGI), “Encuesta Telefónica sobre COVID-19 y Mercado Laboral (ECOVID-ML)”, Mexico City, 2020; “Indicadores estratégicos de ocupación de las mujeres en etapa de COVID-19, e impacto en el trabajo no remunerado”, document presented at the twenty-first International Meeting on Gender Statistics, 10 September 2020; United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), *Efectos diferenciados por género de COVID-19 en el desarrollo sostenible: análisis comparativo de las encuestas de evaluación rápida de género en Chile, Colombia y México*, Panama City, 2021.

The signs of recovery in economic activity reconfirm that the production structure of Latin America and the Caribbean is based on a sexual division of paid and unpaid work that reproduces patterns of inequality (ECLAC, 2021b). Without changes to the current development model, growth will not result in improved living conditions for women.

Despite its contribution to society and economies, care work has historically been overlooked because it does not form a central part of the measurement of gross domestic product (GDP), the main indicator of countries’ economic progress. A renewed social compact requires measures of progress that complement GDP, since GDP as currently constructed does not capture human well-being, planetary sustainability or care and services that are not provided in the market, nor does it take account of the distributional dimensions of economic activity (United Nations, 2021a). The inclusion of measures of unpaid work in the satellite accounts brings the scale of this activity to light and makes it possible to generate indicators that are useful for decision-making and the design of public policies to reduce and redistribute the burden of unpaid work. Macroeconomic policies, including fiscal and monetary policies, are not gender-neutral. It is therefore necessary to progress with the construction of indicators and measures of well-being that allow the differential effects of macroeconomic variables on men and women to be understood.

As indicated in the document *Our Common Agenda: Report of the Secretary-General*, “rethinking the care economy means valuing unpaid care work in economic models but also investing in quality paid care as part of essential public services and social protection arrangements, including by improved pay and working conditions (target 5.4 of the Sustainable Development Goals)” (United Nations, 2021a, p. 34). There is a virtuous circle between investment in care infrastructure and economic growth. First, investment boosts domestic demand for consumption and thus the level of activity. Second, it increases the potential for long-term growth and for development as women’s time is freed up and care is professionalized and regulated, which helps countries to break out of the low-growth trap (ECLAC, 2019a).

In this context, ECLAC has called for faster progress towards economic, climate and gender justice and for a shift towards a care society that prioritizes the sustainability of life and care for the planet while guaranteeing the rights of people who require care and those who provide it; one that takes account of self-care, counteracts the casualization of jobs related to the care sector and highlights the multiplier effects of the care economy in terms of well-being and as a dynamizing sector for a transformative recovery with equality and sustainability (ECLAC, 2021c).

## 2. Physical autonomy: violence against women and girls, a pandemic in the shadows

Physical lockdown and distancing measures and restrictions on mobility have increased women's and girls' exposure to situations of domestic violence, reduced their opportunities to use support networks and created additional barriers to the availability of essential services. In the face of this global emergency, 146 United Nations Member States and observer States expressed their support for the Secretary-General's appeal, made in April 2020, to ensure that prevention of and redress for violence against women and girls was a central part of national COVID-19 response plans (ECLAC, 2020b).

Data from before the COVID-19 crisis show the persistence of violence against women and girls as a global and regional “pandemic in the shadows”. On average, 1 in 3 women has been or is a victim of physical, psychological or sexual violence by a perpetrator who is her partner or ex-partner, which always carries the risk of lethal violence: femicide or feminicide. Government efforts to prevent and respond to gender-based violence have been diverse; particular mention should be made of Argentina, Colombia, the Dominican Republic, Honduras and Mexico, where all or some of the services that address violence against women have been declared essential (ECLAC, 2020b).

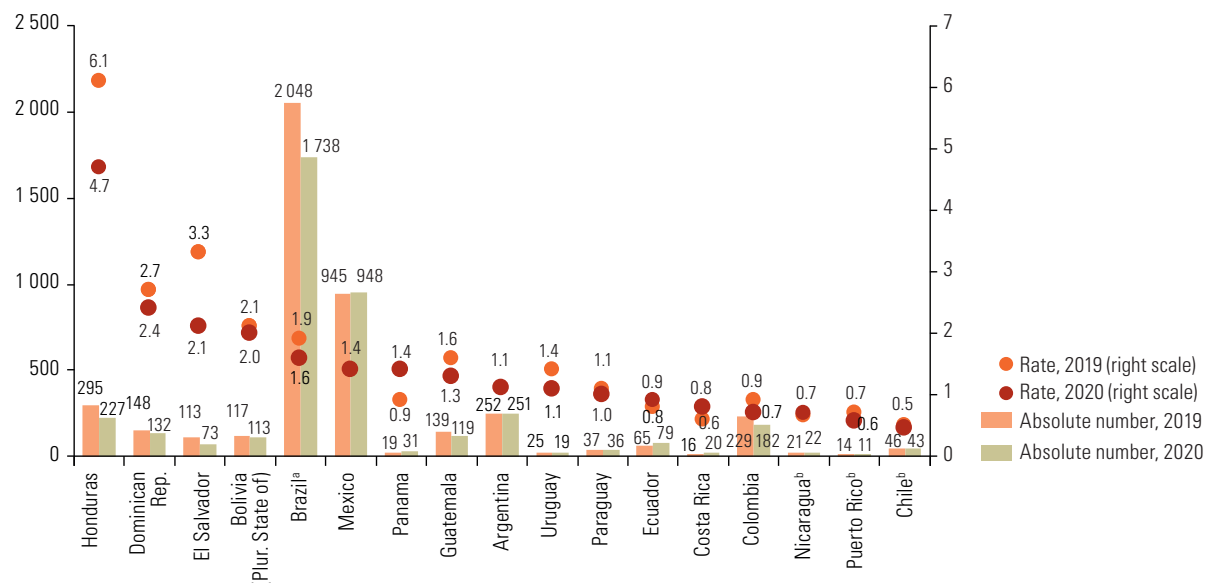
The rate of feminicides or femicides (killings of women aged 15 and over for gender-related reasons per 100,000 women) was prioritized in the framework of the Statistical Conference of the Americas of ECLAC as a supplementary regional SDG follow-up indicator to monitor target 5.2 of Goal 5: “Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation”.

According to data for 2020 from the Gender Equality Observatory for Latin America and the Caribbean, the three highest rates of femicide in the region were in Honduras (4.7 per 100,000 women), the Dominican Republic (2.4) and El Salvador (2.1). These figures, particularly those for Honduras and El Salvador, were lower than in 2019, when they stood at 6.1 and 3.3 per 100,000 women, respectively, while the decrease was less pronounced in the Dominican Republic, which had a rate of 2.7 per 100,000 women in 2019 (see figure III.5).

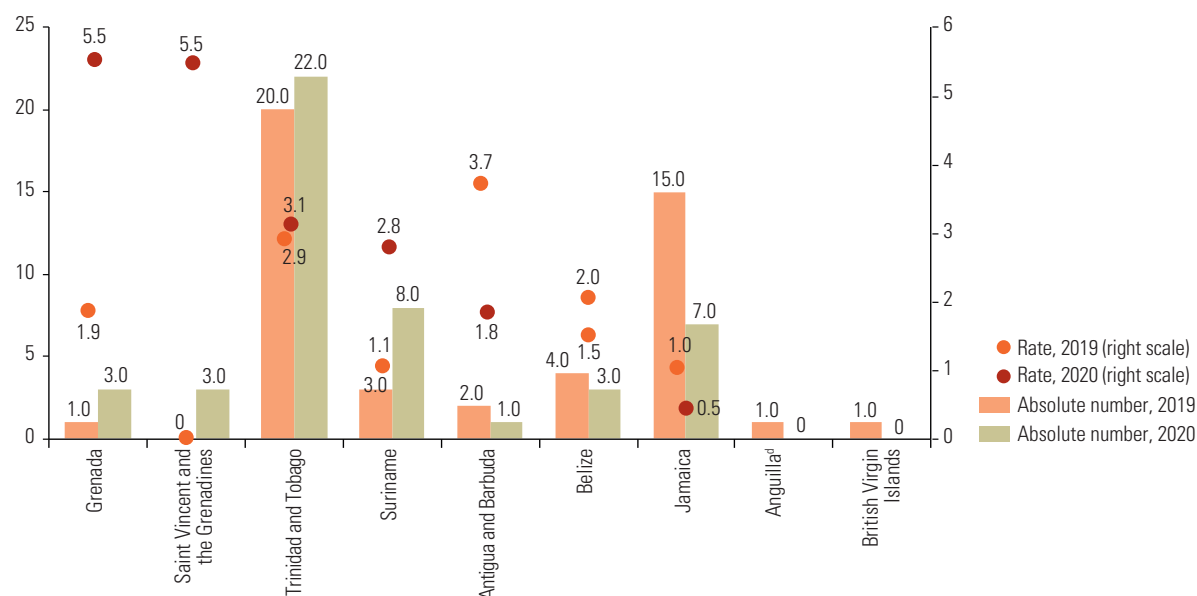
Femicide continues to be a problem throughout the region despite its increased visibility and the pressure exerted by the mass women's movements that have come out against gender violence in different countries. In addition to the design of policies relating to care, access to justice and the establishment of penalties, there needs to be emphasis on the education system and the media on the importance of overcoming the cultural patterns that underlie gender violence, acting on its transmission mechanisms and moving forward with the implementation of public policies to prevent it. Achieving a life free of violence requires the involvement of the whole range of social and community actors and the private sector, as well as a commitment by men to zero tolerance of violence against women and girls (ECLAC, 2020b).

**Figure III.5**  
**Latin America and the Caribbean (26 countries and territories): femicide or femicide, 2019 and 2020**  
*(Absolute numbers and rates per 100,000 women)*

**A. Latin America (17 countries and territories)**



**B. The Caribbean (9 countries and territories)<sup>c</sup>**



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

<sup>a</sup> Brazil does not have a single register of femicide cases. The National Justice Council only registers new cases that enter the legal system.

<sup>b</sup> Chile, Nicaragua and Puerto Rico only report cases of femicide committed by a partner or ex-partner. Chile amended its legislation in 2020 and extended the definition to the generic crime of murdering a woman because of her gender.

<sup>c</sup> Antigua and Barbuda, Belize, Grenada, Jamaica, Saint Vincent and the Grenadines and Suriname only report deaths of women caused by a partner or ex-partner. In the cases of Anguilla, the British Virgin Islands and Trinidad and Tobago, the data cover gender-related killings of women without specifying their relationship with the perpetrator.

<sup>d</sup> Anguilla and the British Virgin Islands do not have the population estimates needed to calculate the rate per 100,000 women.

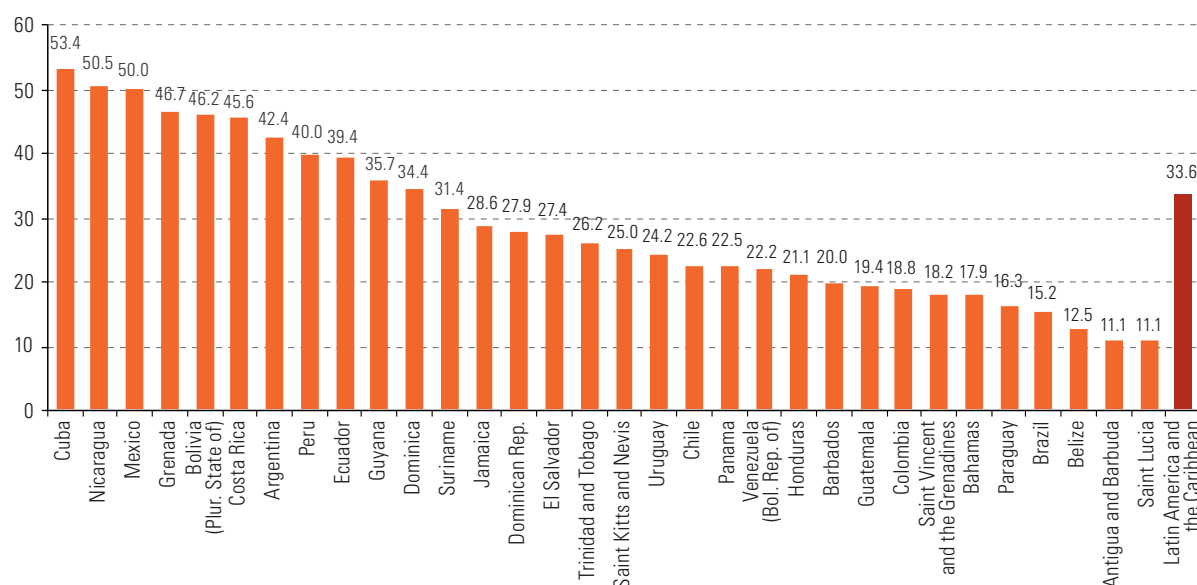
### 3. Decision-making autonomy: women's participation in decision-making processes is essential for attainment of the SDGs

In recent decades, institutional, social and cultural structures that restrict women's access to the exercise of power and decision-making processes, justice and the enforcement of their rights have remained in place in Latin America and the Caribbean despite the democratization of society. In addition, there is a tendency in some countries of the region towards the concentration of political and economic power, and there has been a resurgence of antidemocratic positions and cultures of authority and tutelage over women's bodies that limit both women's autonomy and society's development overall (ECLAC, 2017).

At the height of the COVID-19 pandemic, it was possible to observe that while women sustained essential services such as health and education and were overrepresented in the front line of the response, they were not always present in the most important spaces where decisions about dealing with the emergency were made. Today, women are still a minority in the highest positions, such as head of State or minister.

While the presence of women in the region's legislative bodies has gradually increased in recent years, these positions are still mostly held by men. In October 2021, women's share of seats in national parliaments averaged 33.6% of the total (see figure III.6).

**Figure III.6**  
**Latin America and the Caribbean (32 countries): proportion of seats held by women**  
**in national parliaments, 2021**  
*(Percentages)*



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

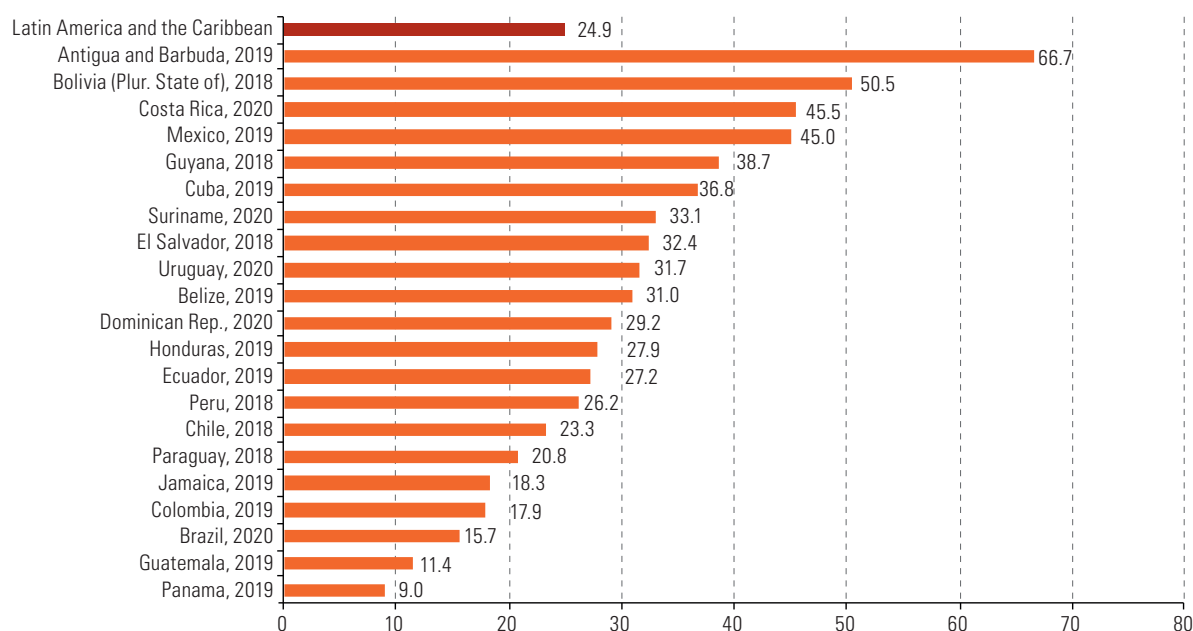
**Note:** This measure is indicator 5.5.1.a of the Sustainable Development Goals.

At the territorial level, the COVID-19 crisis had different effects, demanding special measures. The characteristics of households and their environment can lessen or exacerbate socioeconomic inequalities, time poverty and gender gaps. For this reason, it is crucial to expand women's participation in local government, in order to address the peculiarities of each territory. As part of the follow-up of



the SDGs, indicator 5.5.1.b (proportion of seats held by women in local governments) was proposed to monitor women's full and effective participation and equal opportunities for leadership at the local level. This indicator is for positions in deliberative bodies elected by universal suffrage at all levels of local government identified in national legislation (ECLAC, 2017). The indicator is compiled jointly by the ECLAC Division for Gender Affairs and UN-Women and shows that the proportion of seats held by women in local government averaged 24.9% for 21 countries in the region in 2020 (see figure III.7).

**Figure III.7**  
**Latin America and the Caribbean (21 countries): proportion of seats held by women in local government, latest period with information available**  
*(Percentages)*



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

**Note:** This measure is indicator 5.5.1.b of the Sustainable Development Goals.

Subnational or local governments are spaces that transform and organize demands specifically related to the territory in which they are circumscribed. This gives them a privileged role in the implementation of sectoral public policies. Furthermore, their field of action allows communities to participate through territorial organizations that operate on a much more direct and effective scale than the national one. Despite the progress made in recent years, mainly as a result of quota or parity laws implemented by some countries in the region, hierarchical relationships that hinder women's access to decision-making spaces are still in place. Although women participate equally in this sphere of local power in some countries, such as Antigua and Barbuda, Costa Rica, Mexico and the Plurinational State of Bolivia, they are still in the minority in most of the region.

The active and equal participation of women and girls in decision-making is a necessary condition for a true social contract able to provide the basis for a society in which gender gaps are a thing of the past.



#### 4. A comprehensive approach to gender inequality: a prerequisite for a transformative recovery with equality and sustainability

The COVID-19 pandemic has meant an unprecedented setback for the region's women in terms of economic autonomy, physical autonomy and decision-making autonomy. The structural constraints that underpin gender inequality are related to the current development model, which leaves women overrepresented in low-wage sectors with less social protection. At the same time, the sexual division of labour, particularly in domestic and care work, limits women's participation in the labour market and the public sphere and reinforces the gender stereotypes that sustain patriarchal relationships.

For this reason, gender equality can only be achieved if a profound transformation that takes account of gender gaps is envisaged in the approach to each and every SDG.

In 2020, in the declaration commemorating the seventy-fifth anniversary of the United Nations, Member States affirmed the need to address today's challenges through a revitalized multilateralism and included a focus on women and girls among the urgent efforts needed to secure the desired future: "Conflict will not be resolved and sustainable development will not occur without the equal and active participation of women at all levels. Human rights can never be fully respected unless all women and girls also enjoy them. Persistent gender inequalities and abuses, including sexual and gender-based violence, have deprived us of a better and more just world" (United Nations, 2020). Faster action is therefore needed to achieve gender equality, women's participation and the empowerment of women and girls in all spheres.

The 2021 report of the Secretary-General of the United Nations, *Our Common Agenda*, proposed a roadmap to accelerate progress towards the SDGs set out in the 2030 Agenda. The report observes that COVID-19 "had deeply gendered economic and job impacts that highlighted and exacerbated the trillions of dollars that are lost owing to billions of hours of unpaid care work performed every year" (United Nations, 2021a, p. 34). The report also states that investment in the sectors that have the greatest potential to create more and better jobs, such as the care economy, "is key and can be brought about through major public investment, along with incentive structures for long-term business investments consistent with human development and well-being" (United Nations, 2021a, p. 29).

A transformative recovery requires economic development to be geared towards the well-being of society as a whole. Accordingly, it is urgent to move towards a society that puts care for life and the planet at the centre of its concerns.

### C. Life below water (SDG 14)

Oceans cover about 72% of the planet's surface, regulate the Earth's climate and play a key role in several planetary cycles; they are the main sink for atmospheric CO<sub>2</sub> emitted as a result of human activities and connect people, continents and ecoregions (Watson and others, 2020; United Nations, n/da).

The integrity of marine ecosystems is crucial for the well-being of all human societies, whether living coastally or inland, and for the livelihoods of people settled along coasts in the form of activities such as tourism, aquaculture and fisheries. Halting the loss of marine biodiversity and restoring coastal and ocean ecosystems is necessary to secure the numerous complex environmental services they provide, as well as to preserve the physical and chemical balance of the seas, which is threatened by pollution, climate change and the presence of invasive alien species, among other problems that in many places have already overwhelmed the resilience thresholds of ecosystems. Moreover, the oceans and seas

can be the basis for a big push for sustainability in the region: for example, moving towards a circular economy in certain activities that currently affect the oceans to avoid these negative consequences is essential for a systemic change that positively affects the economy, employment and the health of the seas (see box III.2).

### Box III.2

#### A value-chain model for systemic change to address the global plastic pollution crisis

Government and private actions to tackle plastic pollution are generally focused on specific issues and are not part of a comprehensive approach. They are thus inadequate to significantly curb the projected growth of unsustainable plastic production, which means that they reinforce the status quo. This complex crisis needs to be addressed immediately and systemically, with well-identified components and actors. The comprehensive interventions prior to consumption (such as the redesign of materials and the reduction and replacement of plastic) and subsequent to it (recycling and disposal) proposed in a global analysis by The Pew Charitable Trusts and SYSTEMIQ (2020) would result in a US\$ 70 billion reduction in the total cost to governments of maintaining business as usual by 2040, a US\$ 1.3 trillion reduction in the cost to business, the creation of 1 million jobs and a reduction of 500 million tons of carbon dioxide equivalent (tCO<sub>2</sub>eq) in greenhouse gas emissions. Moreover, annual rates of waste leakage into the oceans would be reduced by about 80%, with all the beneficial effects this would have for ecosystem and human health. Conversely, applying the tools non-comprehensively would only reduce expected leakage by 7% compared to a business-as-usual scenario.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of The Pew Charitable Trusts/SYSTEMIQ, *Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution*, Philadelphia, 2020.

## 1. Sustainable use and conservation of oceans, seas and coasts

### (a) Plastic and other chemical pollution

Marine pollution by plastics and discharges of organic pollutants from sewage and industrial wastewaters, such as fertilizer residues, is a major problem in the region that needs to be addressed comprehensively, considering the actions taken inland in river basins.

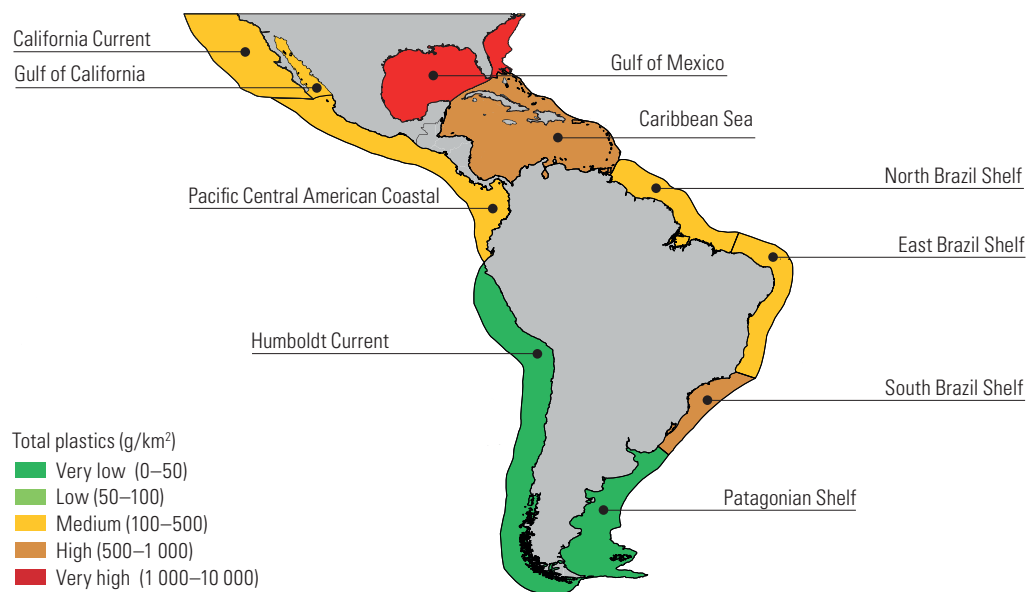
Marine pollution is caused by a combination of waste and chemicals, most of which come from land-based sources and are dumped or discharged into the oceans and on coasts and beaches. Pollution is a significant threat to marine and coastal ecosystems and species, coastal communities, small-scale fishermen's livelihoods and the ocean economy. It is important to address both nutrient pollution, which is less well known, and marine litter, about which greater public awareness has been achieved.

Chemical and nutrient pollution is mainly generated by the excessive farm use of fertilizers that are disposed of in watercourses flowing into the sea. Excess nutrients often cause harmful algal blooms that consume oxygen, producing areas of eutrophication or even oxygen depletion, which result in coastal "dead zones" stretching for hundreds or thousands of kilometres. In the region, there are 31 areas with eutrophication and 19 areas with hypoxia (termed "dead" because oxygen deficiency has destroyed local biodiversity), with a higher concentration in the Atlantic than in the Pacific. The northern Gulf of Mexico is the world's worst-affected region because of excessive dumping of pollutants from the United States, with the hypoxic area there increasing from 9,500 km<sup>2</sup> in the early 1990s to 22,000 km<sup>2</sup> in 2008. Modelling of a combined nutrient indicator suggests that the northern shelf of Brazil has very high nutrient pollution values and that, unless the trend changes, the Caribbean Large Marine Ecosystem will reach high values by 2030 (Tambutti and Gómez, 2020).

Plastics are the main pollutant in the region's marine waters, damaging ecosystems and species. In 2016 and 2018, Latin America and the Caribbean was the region whose beaches had the most litter per square kilometre, followed by South-East Asia (the ranking was reversed in 2017). Since 2016, however,

extensive beach clean-up campaigns have had an effect, and in 2017 the regional figure for litter per square kilometre fell by 30%, followed by a further slight decrease in 2018 (United Nations, 2021c, p. 165). Map III.2 shows the pattern of plastic density (macro- and microplastics) for the region's large marine ecosystems. The areas of greatest concern are again the Gulf of Mexico and wider Caribbean region and the southern Brazilian shelf. Microplastics are already found in the remotest and deepest places, even at the poles, as well as in many species that are part of the human diet.

**Map III.2**  
**Latin America and the Caribbean: density distribution model for microplastics and macroplastics (combined), by major marine ecosystem**



**Source:** M. Tambutti and J. Gómez (eds.), "The outlook for oceans, seas and marine resources in Latin America and the Caribbean: conservation, sustainable development and climate change mitigation", *Project Documents* (LC/TS.2020/167), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020; based on L. Talaue-McManus (ed.), *Transboundary Waters: A Global Compendium. Water System Information Sheets: Northern America. Volume 6. Annex A, B and C*, Nairobi, United Nations Environment Programme (UNEP), 2016.

The annual flow of plastic into the oceans worldwide may triple by 2040 to an average of 50 kg of plastic per metre of coastline, with the amount accumulated in the ocean increasing to more than four times the current level, if action is not taken to move away from the business-as-usual scenario (The Pew Charitable Trusts/SYSTEMIQ, 2020). Owing to the cross-border implications, progress on this issue requires international collaboration. For example, the wider Caribbean subregion has pursued the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (known as the Cartagena Convention). This includes three protocols, among them the Protocol concerning Pollution from Land-Based Sources and Activities, which needs to be strengthened as it is the one to which the fewest member countries have acceded.

## (b) The destruction of mangroves and coral reefs

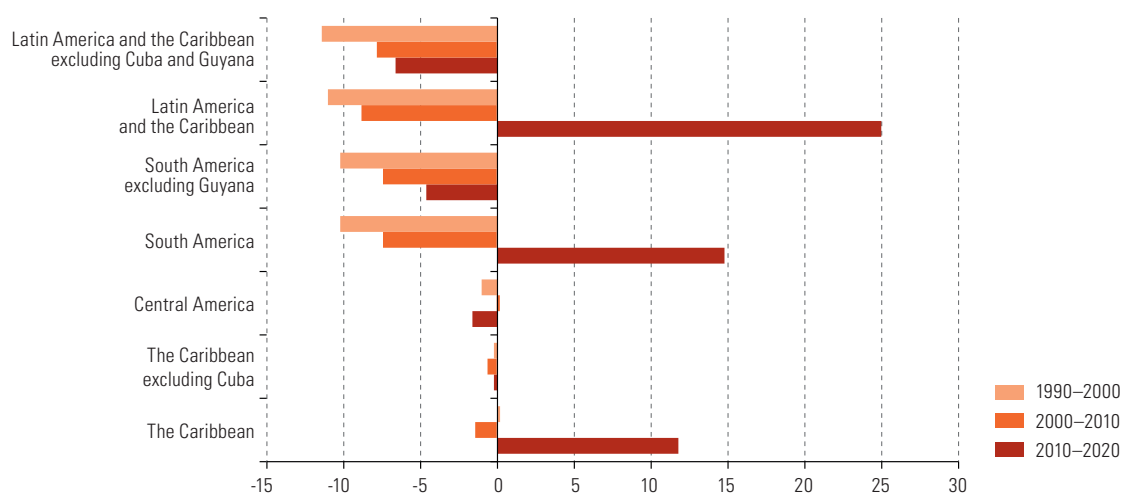
Mangroves along tropical coasts are crucial for terrestrial and marine life. They are an essential ecosystem in the life cycles of numerous coastal species such as shrimps, snappers and crabs; they absorb 90% of storm surge energy and provide protection from storms, giving security to coastal populations; they are very effective carbon sinks; and they provide space for recreation and ecotourism. Mangroves

play an active role in the carbon cycle and a particularly important one in carbon sequestration; they store an average of 937 tonnes of CO<sub>2</sub>/ha, almost three times the amount stored in temperate forests (Alongi, 2014). For example, in the desert zone of north-west Mexico, mangroves along the coasts of the Baja California peninsula and the states of Sonora and Sinaloa, with less than 1% of the area of that zone, store about 28% of the total carbon held in the mud or subsoil (Ezcurra and others, 2016). Consequently, protecting mangroves enhances the region's capacity as a carbon sink and destroying them increases emissions much more than deforestation in other biomes.

Mangroves play an important role in mitigating the effects of hurricanes and storms in the Caribbean, reducing their cost in human lives, infrastructure damage and financial impacts. The region is home to almost a quarter of the world's mangroves, about 35,000 km<sup>2</sup>, distributed mainly in coastal areas of its intertropical zone (FAO, 2020). Two of the four countries with the largest mangrove areas in the world are Brazil and Mexico, with 9% and 6%, respectively, of the global area. For these reasons, in 2020 the mangrove area was defined as a priority SDG indicator for the region (United Nations, n/db). However, this resource has been undervalued and is at risk globally because of large losses in South and South-East Asia particularly, but also in Latin America and the Caribbean. Globally, annual mangrove loss halved between 1990 and 2020 from an area of 46,700 ha/year between 1990 and 2000 to an area of 21,200 ha/year in 2020 (FAO, 2020).

Official country data show that annual losses in the region of 11,000 ha/year between 1990 and 2000 were reduced to 8,800 ha/year between 2000 and 2010. Subsequently, the trend of area loss reversed and there was an increase (24,800 ha/year) between 2010 and 2020 (see figure III.8). Data reported by Cuba and Guyana show the efforts of national mangrove reforestation plans, although changes in measurement methodology mean that their figures are not strictly comparable over time. Excluding these two countries, the trend of mangrove area change in the region remains negative, with a rate of loss of 6,700 ha/year between 2010 and 2020, mainly owing to land-use change. The largest countries in the region explain the trend: Brazil and Mexico lost 900 ha/year and 300 ha/year between 2010 and 2020, respectively, while the Bolivarian Republic of Venezuela reports losses of 5,700 ha/year (FAO, 2020).

**Figure III.8**  
**Latin America and the Caribbean: net annual changes in mangrove area, 1990–2020**  
(Thousands of ha/year)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), *Global Forest Resources Assessment 2020: Main Report*, Rome, 2020.

The study and reporting of mangrove-covered areas is incipient and underdeveloped; there are differences between official estimates by global initiatives and national estimates. For example, Spalding and Maricé (2021) estimate that 11,000 ha/year of mangroves were lost in the Americas between 1996 and 2016 (36.2% of global net losses), which is higher than the estimates based on national reports compiled by the Food and Agriculture Organization of the United Nations (FAO). Ensuring mangrove conservation must involve consolidation of methods for consistent and accurate monitoring. Thus, while the capacity to observe and measure mangroves by remote and satellite sensing is incipient, it is very important for ensuring the comparability of future indicators and analyses.

Coral reefs and ecosystems in the Caribbean and Mesoamerica, which are vital for biodiversity, human livelihoods and tourism activities, are seriously threatened by acidification, rising sea temperatures and increasing pollution. Between 2014 and 2017, the world's longest, most widespread and most damaging coral bleaching event on record took place. Bleaching is the process of coral degradation by which corals lose the symbiotic algae that give them their characteristic colours and are their main source of energy, and it occurs when corals have difficulty in forming their calcium carbonate structures owing to the acidity of the ocean. The increase in atmospheric CO<sub>2</sub> concentration caused by climate change is leading to increased absorption of CO<sub>2</sub> by the oceans, resulting in a change in the pH of seawater and a consequent alteration in carbonate chemistry, a phenomenon called "ocean acidification". Some corals may die, while others are weakened and become susceptible to disease, which increases their mortality rate. First observed in the early 1980s, this phenomenon has become one of the most significant forms of marine ecological impact because of the persistent rise in ocean temperatures, which affects different types of organisms with calcium carbonate structures. Even under favourable conditions, severely bleached reefs can take decades to recover and, if they do, it is often with reduced species diversity and a loss of important reef-building species (Eakin, Sweatman and Brainard, 2019).

The health of the Mesoamerican Reef System is of particular concern: net erosion due to acidification is 37% and other threats such as the introduction of invasive alien species and coral diseases place it at even higher risk. Currently, the lowest surface pH values in the world are found in the Eastern Tropical Pacific, which encompasses the Pacific Ocean coasts of Mexico and those of Central America down to the coastal areas of Ecuador (Tambutti and Gómez, 2020). Another problem resulting in coral death is increased nitrogen along coasts owing to untreated or undertreated sewage discharges (mainly originating from tourism, coastal populations and agriculture), which causes an imbalance in the phosphorus needed by stony corals and lowers their temperature threshold for bleaching (Lapointe and others, 2019).

Nutrient overloading is also one of the causes of the massive arrival of sargassum algae on the coasts, which has generated a serious eutrophication problem and affected coastal health and tourism development. Although nitrogen imbalance is one of the major problems associated with planetary limits, it does not usually feature highly in social awareness or public policy. In the wider Caribbean region, practically all the countries are parties to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region and its three protocols. All the country parties have ratified or acceded to the Protocol concerning Co-operation in Combating Oil Spills in the Wider Caribbean Region, but only 13 of the 24 countries have ratified or acceded to the Protocol concerning Pollution from Land-Based Sources and Activities. It would therefore be a step forward if these countries were to make this multilateral commitment and address the challenges posed by the multiple threats to reefs in a comprehensive manner (Tambutti and Gómez, 2020).

### (c) Marine protected areas

Marine protected areas are a conservation and sustainable use instrument whose application has increased sharply in Latin America and the Caribbean over the last decade. The respective target (target 14.5) is the only global SDG target for oceans, seas and marine resources (Goal 14) that the region and the world have met. Moreover, it is the only 2020 target that has been met (and surpassed) in the two SDGs on biodiversity (Goals 14 and 15).

The region has a particularly high proportion of marine protected areas, representing more than double the target committed to for 2020 (ECLAC, 2021i). Some of its countries have also played a leading role in the conservation of oceans and seas (see box III.3). There has been a markedly positive trend in this indicator at the global and regional levels; globally, the increase was from 1.6% in 2000 to 17.7% in 2020, while in the region it was from 1.4% to 23.6% (see figure III.9) (United Nations, 2021c). However, the average for the region is determined by the few countries (such as Chile, Brazil and Mexico) that have large proportions of their exclusive economic zone (EEZ) protected, while 23 countries protect less than 10% of their EEZ. Moreover, 13 of them have less than 1% under protection. There is great heterogeneity between subregions: South America has high levels of protection, while only three countries in Central America and the Caribbean have more than 10% protection.<sup>1</sup>

#### Box III.3

##### The new Eastern Tropical Pacific Marine Corridor: a showcase for regional leadership in ocean conservation

The announcement by Colombia, Costa Rica, Ecuador and Panama at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 26), held in Glasgow in November 2021, of an expansion in their marine protected areas to create the Eastern Tropical Pacific Marine Corridor has now been put into effect. The Corridor will link the Galapagos Islands in Ecuador and the Cocos Islands in Costa Rica and include Panamanian waters, connecting the Cordillera de Coiba in Panama with the Malpelo Fauna and Flora Sanctuary and the Gorgona National Natural Park in Colombia, which covers more than half a million square kilometres, to protect one of the most important migratory routes for whales, turtles, sharks and manta rays from fishing fleets.

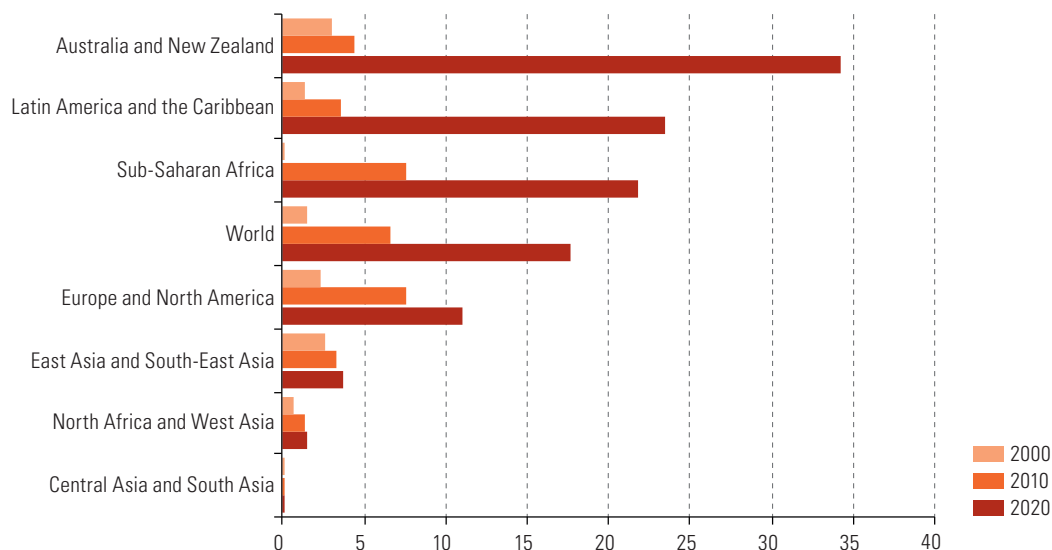
Ecuador is expanding its marine protected areas by a further 60,000 km<sup>2</sup> in the Pacific Ocean near the Galapagos Islands, where there were already 138,000 km<sup>2</sup>. Costa Rica is expanding the Coco Island National Park from 2,034 km<sup>2</sup> to 54,844 km<sup>2</sup> and the Bicentennial Marine Management Area from 9,649 km<sup>2</sup> to 106,285.56 km<sup>2</sup>. Panama added 50,519 km<sup>2</sup> to the Cordillera de Coiba Marine Protected Area, bringing it up to a total of 98,228 km<sup>2</sup>, while Colombia is adding 160,000 km<sup>2</sup> to its existing national total of 120,000 km<sup>2</sup>. The four countries are part of the High Ambition Coalition for Nature and People, an intergovernmental group of more than 50 countries, co-chaired by Costa Rica and France, which aims to protect and conserve 30% of the world's land and oceans by 2030. Ecuador named its new protected area "Hermandad" in symbolic reference to the brotherhood or sisterhood that needs to exist between the Earth and its peoples, and between nations, to ensure the conservation of the planet for the present and for future generations.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Ministry of the Environment, "Con base en la ciencia, Panamá expande los límites del área protegida de Coiba", 2021 [online] <https://www.miambiente.gob.pa/con-base-en-la-ciencia-panama-expande-los-limites-del-area-protegida-de-coiba/>; E. Hoffner, "Ecuador to announce creation of Hermandad Marine Reserve off Galapagos (commentary)", *Mongabay*, 13 January 2022 [online] <https://news.mongabay.com/2022/01/ecuador-to-announce-creation-of-hermandad-marine-reserve-off-galapagos-commentary/>; D. Collyns, "Latin American countries join reserves to create vast marine protected area", *The Guardian*, 2 November 2021 [online] <https://www.theguardian.com/environment/2021/nov/02/four-latin-american-countries-join-protected-marine-reserves-to-create-mega-mpa>.

<sup>1</sup> See Protected Planet, World Database on Protected Areas (WDPA) [online] [www.protectedplanet.net](http://www.protectedplanet.net).



**Figure III.9**  
**Coverage of marine protected areas relative to exclusive economic zones, 2000, 2010 and 2020**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *Progress towards the Sustainable Development Goals: Report of the Secretary General. Supplementary Information*, New York, 2021.

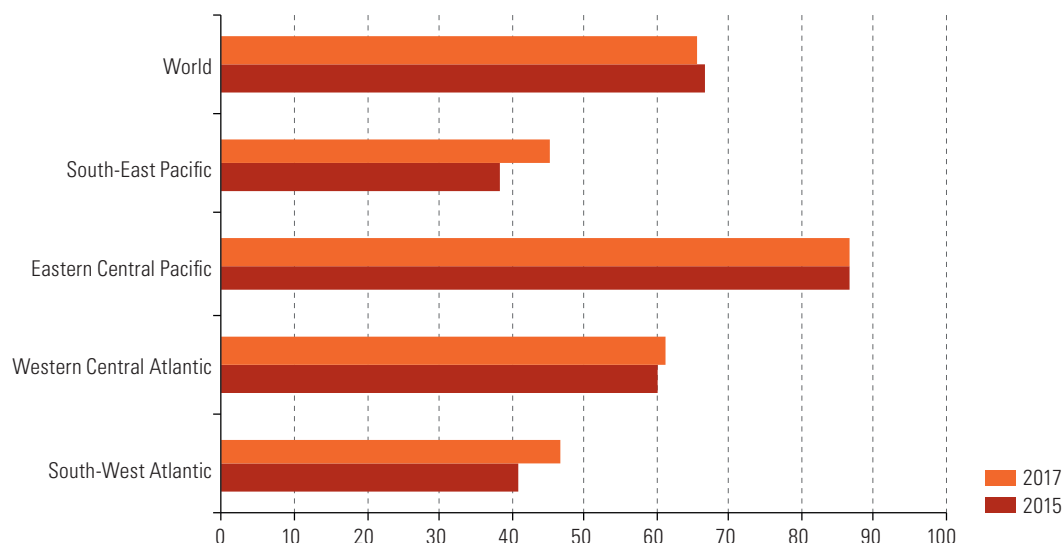
#### (d) Unsustainable fishing

A high proportion of unsustainable fishing is practised in the region, compromising economic activity, food security and the livelihoods of coastal communities. According to FAO statistics, 34.2% of the world's marine fish stocks were overfished in 2017, while 65.8% were within biologically sustainable levels (United Nations, 2021c). This shows a clear deterioration compared to figures from 1974, when only 10% were estimated to be overfished, with 90% at sustainable levels. The effect of overfishing on average annual production from the 1980s to the 2010s was a reduction of 23.1 million tonnes in the south-eastern Pacific and 26.9 million tonnes in the western central Atlantic (Tambutti and Gómez, 2020).

FAO has established major ocean areas, four of which cover coasts in the region: the South-West Atlantic, the Western Central Atlantic, the Eastern Central Pacific and the South-East Pacific. A review of the proportion of fish stocks within biologically sustainable levels by area shows that in 2015 and in 2017 two of the three areas with the lowest proportions at sustainable levels touched the coasts of Latin America and the Caribbean: the South-East Pacific, with 38.5% and 45.5%, respectively, and the South-West Atlantic, with 41.2% and 46.7%, respectively, these levels being well below the global averages (66.7% and 65.8%). Despite this, there was a positive trend in terms of biological sustainability in the two areas adjoining the region's coasts, as the percentages within sustainable levels increased between those two years, in contrast to the global total, which evinced lower sustainability in 2017 than in 2015 (see figure III.10). For all these reasons, greater efforts must be made to effectively regulate and police fisheries exploitation.

Latin America and the Caribbean has a low proportion of harmful fishing subsidies compared to the rest of the world. Instead, it is affected by fishing carried out by distant-water fleets in its own regional waters, which means that the worldwide elimination of subsidies that contribute to overfishing and illegal, unreported and unregulated (IUU) fishing (the target set for 2020) would benefit the region. Distant-water fleets from a few countries conduct fishing activities within the boundaries of the exclusive economic zones of countries in the region (with or without permits), supported by enormous subsidies that contribute to overexploitation and negatively affect the fishing economy, the livelihoods of coastal communities and marine biodiversity (Gilbert, 2021; Cisneros-Montemayor and others, 2020).

**Figure III.10**  
**Latin America and the Caribbean and global average: proportion of fish stocks within biologically sustainable levels, by Food and Agriculture Organization of the United Nations (FAO) fishing area, 2015 and 2017**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *Progress towards the Sustainable Development Goals: Report of the Secretary General. Supplementary Information*, New York, 2021.

Thus, there is a need for strengthened and solid multilateral action to combat IUU fishing and harmful subsidies. This is an area where there is much room for improvement in Latin America and the Caribbean, and which represents a great opportunity to pursue sustainable, inclusive, transparent and fair growth models based on technical and scientific information.

Given that, as mentioned, 34.2% of marine stocks are overexploited and 65.8% fully exploited globally, boosting fishing capacity would be detrimental to the economic, social and environmental sustainability of the activity. The World Trade Organization (WTO) has the only global treaty on subsidies, the Agreement on Subsidies and Countervailing Measures, which provided the starting point for negotiations on fisheries subsidies at the Fourth WTO Ministerial Conference, held in Doha in 2001, to mitigate the impacts of harmful subsidies on commercial fish stocks. According to WTO, a subsidy is a “financial contribution” whereby a government or any public entity confers a “benefit” on the private sector through the transfer of funds.

There are three categories of fisheries subsidies: beneficial, ambiguous and harmful. Harmful subsidies, which are the vast majority, are worth an estimated \$22 billion a year. By reducing the cost of fishing, these subsidies have ultimately reduced the catch of marine resources per unit of fishing effort (stocks are at their limit and shrinking). They increase fishing effort, contribute to overfishing, worsen pollution, can increase inequity and unfair competition between fleets, communities and nations, are not very transparent and often end up supporting illegal economic activities. The most common of the harmful subsidies is the group of fuel subsidies in developed countries (22% of total global subsidies), which result in distortions in the sector, as without them 54% of distant-water fleets would be unprofitable. Globally, it is estimated that about \$83 billion per year in income is forgone through overfishing (Cisneros-Montemayor and others, 2020; Cisneros-Montemayor, 2021; Sumaila and others, 2019; Gilbert, 2021).

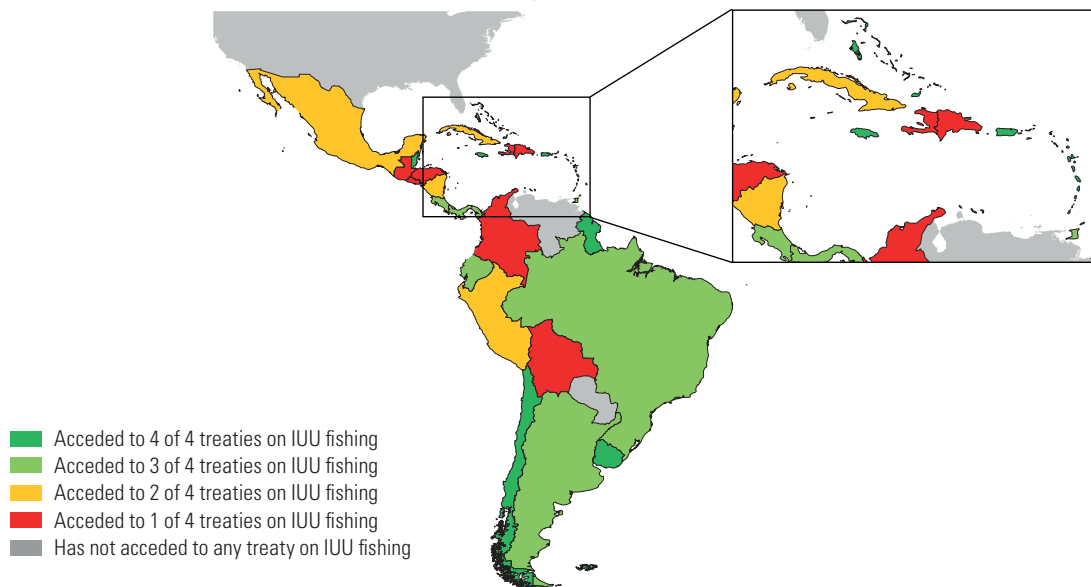


The bulk of fisheries subsidies are accounted for by 10 countries and groupings in the world,<sup>2</sup> with 84% going to large-scale fleets and 40% to fleets operating in foreign waters or on the high seas, while only 16% supports small-scale fisheries. Of the global total, between 2013 and 2019<sup>3</sup> the region (excluding Mexico) accounted for only 5% of fisheries subsidies, while the top five economies or groupings (China, the European Union, the United States, the Republic of Korea and Japan) accounted for 58% (Sumaila and others, 2019). Of the subsidies applied in the region (excluding Mexico), only 25% are clearly beneficial and 42% are ambiguous, while those that increase fishing capacity account for 33% (Tambutti and Gómez, 2020).

There are four multilateral treaties to combat illegal, unreported and unregulated (IUU) fishing, which complement the commitments of SDG target 14.6 (on ending subsidies that contribute to overfishing) and the WTO negotiations. These are: (i) the 1982 United Nations Convention on the Law of the Sea; (ii) the 1995 United Nations Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks; (iii) the 2009 Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing; and (iv) the 1993 Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas. In Latin America and the Caribbean, however, only five countries have acceded to all four treaties: Barbados, Chile, Saint Kitts and Nevis, Trinidad and Tobago and Uruguay (see map III.3).

### Map III.3

**Latin America and the Caribbean: accession to the international framework for combating illegal, unreported and unregulated (IUU) fishing, by country, 2020**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *United Nations Convention on the Law of the Sea*, New York, 1982; *Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks*, New York, 1995; Food and Agriculture Organization of the United Nations (FAO), *Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing*, Rome, 2009; *Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas*, Rome, 1993.

**Note:** Paraguay and the Plurinational State of Bolivia have acceded to the United Nations Convention on the Law of the Sea.

<sup>2</sup> China, the European Union, the United States, the Republic of Korea, Japan, the Russian Federation, Thailand, Indonesia, Canada and Norway.

<sup>3</sup> Sumaila and others (2019) stated that over half their data had been collected since 2018.

## 2. Actions to conserve oceans, seas and coasts

In the case of SDG Goal 14, half the targets were to be met before 2030. Ambitious though it is, it is one of the SDGs for which the least information and monitoring is available. Of the four targets set for 2020, Latin America and the Caribbean has only met and surpassed target 14.5 (conservation of coastal and marine areas). The other three, namely targets 14.2 (protection and restoration of ecosystems), 14.4 (sustainable fisheries) and 14.6 (end subsidies that contribute to overfishing) are far from being met, as is target 14.1 (reduction of marine pollution), whose deadline is 2025.

Although 23.6% of marine ecosystems in the region's exclusive economic zone (EEZ) were protected in 2020, the management and monitoring of marine areas requires a great deal of resources, and countries with large marine protected areas have the challenge of establishing management plans, employing rangers and other officials to look after marine areas and applying monitoring measures. At the same time, it is necessary for countries with less than 10% of their EEZ covered by protection regimes to strengthen measures geared towards reaching the target and to maintain efforts to secure effective long-term protection of the areas that are already under protection. The recommendation here is to follow the Green List Standard of the International Union for Conservation of Nature (IUCN). Other parameters to be attended to are prioritization of the areas of greatest importance for biodiversity and ecosystem services, representativeness and ecological connectivity and, in general, the parameters envisaged by target 11 of the Aichi Biodiversity Targets.

Although the marine protected area target has been exceeded overall, this is not enough to ensure the health and well-being of marine ecosystems and coastal human populations. The conservation and sustainable use of marine-coastal resources requires direct threat drivers such as pollution, deforestation and species and population decline and indirect ones such as harmful incentives that promote overfishing and IUU fishing to be addressed in tandem.

Mangrove protection and restoration, which has been considered a regional priority, could benefit from support to establish a regional information system that generated robust, consistent and transparent indicators and from the inclusion of mangroves and other marine ecosystems as an objective of programmes providing payment for the environmental services they provide. Recovery efforts have been undertaken in a number of countries, and there are examples of success reinforced by the action agendas for water (Goal 6 has specific indicators for mangroves) and the climate. But there is still a need in the region to strengthen governance, overcome barriers to regulatory compliance and harmonize economic incentives. Gender-sensitive participation by local communities is essential for the geohydrological integrity of ecosystems to be restored and for innovative financial mechanisms to be put in place.

Restoring overexploited fisheries and keeping those that are being fully worked at sustainable levels is essential for the health of the oceans and for the well-being of the more than 27% of the population of Latin America and the Caribbean living in coastal areas. Sustainable fisheries and environmentally friendly aquaculture have essential roles to play in this. For less developed countries, marine resources are of great importance for food security and livelihoods. Although, as mentioned, the region has seen change in the right direction as regards the proportion of fish stocks with biologically sustainable populations, and efforts are going in that direction (the region has two of the three fishing areas with the lowest proportion of fish stocks at sustainable levels in the world, according to FAO zoning), these are insufficient. Capacity-building is therefore essential with a view to preparing management plans based on population studies and ecosystems that follow the principles of the FAO Code of Conduct for Responsible Fisheries to regulate catches. There is also a need to facilitate and promote responsible voluntary mechanisms, such as fishery improvement projects and certification, and to encourage innovation in fishing technology with a view to creating fishing systems (nets and practices) that do away with catching methods harmful to ecosystems and species.

Although not part of Goal 14, an important aspect of the simultaneous quest for sustainability and the reduction of inequality is to ensure access to coastal marine resources for indigenous peoples and local communities and to support cooperatives in efforts to improve fisheries management. In Chile, for example, granting exclusive rights to small-scale fishing cooperatives within the framework of sustainable management plans has boosted members' incomes by an average of 20% (Romero and Melo, 2021).

The global abolition of harmful fisheries subsidies would be beneficial for the region, considering what a low proportion of these are provided by Latin American and Caribbean countries compared to the rest of the world. It is also a great opportunity to redirect funds towards measures aimed at improving sustainability and benefiting those who need it most in pursuit of a fair and transparent transition, and to adopt and implement international agreements designed to combat IUU fishing (the United Nations Convention on the Law of the Sea, the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, the United Nations Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks and the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas), which complement the harmful incentive reduction goals.

The river basin approach could be an effective option for addressing both the problem of chemical pollutants (especially nitrogenous pollutants from land-based sources) and that of plastics. It is essential for the Caribbean countries to ratify the Protocol concerning Pollution from Land-Based Sources and Activities of the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region and to accelerate the actions of the Regional Action Plan on Marine Litter Management for the Wider Caribbean Region (RAPMaLi). In the rest of the region, it is necessary to develop protocols, actions and programmes similar to the Protocol concerning Pollution from Land-Based Sources and Activities and RAPMaLi. Accordingly, saving the oceans implies renewed regional multilateral coordination since, to a very marked degree, the interconnectivity between ecosystems and the effects of pressure transcend boundaries.

## **D. Life on land (Goal 15)**

### **1. Using and conserving terrestrial ecosystems and their natural resources**

Ecosystems are home to a wide variety of processes from which people benefit directly or indirectly to meet basic and cultural needs; these processes have been dubbed environmental goods and services, ecosystem services and, more recently, nature's contributions to people. Ecosystems provide inputs to both local subsistence economies and market-based economic production, while also receiving the waste, residues and pollutants that the latter generates, which they degrade and absorb and whose nutrients they recycle, depending on the relative scale and strength of the economic flow and ecosystem resilience.

Natural ecosystems are the first filter for human and natural waste and protect water and air quality; they are the main basis for food, energy, medicines, raw materials, natural resources, jobs and production chains. Numerous industries depend on them directly, such as nature tourism, agriculture and fisheries. Through processes such as water infiltration into the soil (in which plants play a role through their roots) and evapotranspiration (evaporation from the soil and plant transpiration), biodiversity is involved in the hydrological cycle and is at the heart of the water, energy and food nexus (see diagram III.2). Well-conserved biodiversity provides jobs, livelihoods, food, medicine and fuel for almost half the human population worldwide (UNDP, 2016).

**Diagram III.2**  
**Biodiversity and the water, energy, land and food nexus**



**Source:** A. Stehr, "Efectos del represamiento de ríos en los países de América Latina y el Caribe sobre la biodiversidad, el agua, la alimentación y la energía", Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020 [online] [https://www.cepal.org/sites/default/files/events/files/presentacion\\_sra.\\_alejandra\\_stehr.pdf](https://www.cepal.org/sites/default/files/events/files/presentacion_sra._alejandra_stehr.pdf).

Pressure (much of it illegal) on natural resources and the extraction or generation of certain commodities have increased during the pandemic, with negative consequences for environmental endowments and integrity, a process in which environmental services vital to society and the economy have been compromised. The pandemic and the climate emergency have exacerbated the structural weaknesses of the environmental sector: too little power, a lack of political commitment and a paucity of financial and human resources and institutional capacities. In this context, biodiversity is seen as exogenous or becomes "invisible" to the economy and institutions (Dasgupta, 2021). This is compounded by the cumulative effect of consecutive budget reductions in several countries, something that prevents them from properly carrying out all functions and implementing environmental and biodiversity programmes, and especially surveillance and monitoring programmes, which require large investments.

The region is faced with the crisis of numerous environmental conflicts, some of which have led to the murder of environmental defenders (two thirds of all such recorded murders worldwide have occurred in Latin America and the Caribbean), and the pandemic has not stemmed the tide of violence (Global Witness, 2020). The roots of this situation can be traced back to decades of armed conflict, illegal groups and corruption, as well as mismanagement and overexploitation of natural resources, combined with deep social, economic and political inequalities. The increase in illegality, especially illicit crops and their routes, illegal mining and timber theft, are due to the action of land traffickers and what are usually armed groups that have taken advantage of the pandemic to make forays into indigenous territories and protected areas and carry out their illicit deforestation activities there, as reported in the case of five South American countries (Mongabay Latam, 2021). The rate of deforestation resulting from illegal mining increased by more than 90% from 2017 to 2020, reaching 101.7 km<sup>2</sup> in 2020, as compared to 52.9 km<sup>2</sup> in 2017. As prices for some minerals,

such as gold, have risen, deforestation due to illegal mining is likely to continue to increase in the coming years (Siqueira-Gay and Sánchez, 2021). This is compounded by the existence of markets for illegal exploitation of natural goods; e.g., there are alleged to be links between the growth rate of the construction sector in Mexico and the increase in the volume of illegal logging, which may even be as large as the volume in the legal market (Torres-Rojo, 2021).

In contrast to this, encouragement can be taken from the entry into force in April 2021 of the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement), the region's first binding treaty on access to information, public participation and access to justice in environmental matters and the first treaty in the world to guarantee the rights of environmental defenders, which represents a decisive commitment to addressing environmental conflicts as a State problem.

The ambitious goals of “building back better” and “green reconstruction”, mainly in the world's largest economies, have not materialized: the reality lags far behind the declarations. Resources announced specifically for the “natural capital” category by the world's 50 largest economies in 2020 were \$56.3 billion, a tiny fraction (less than 0.4%) of the \$14.6 trillion in fiscal measures announced overall (O’Callaghan and Murdock, 2021). The fact is that there has been no departure from business as usual. These announcements have not changed the tendency to disregard biodiversity protection as an enabler of sustainable development.

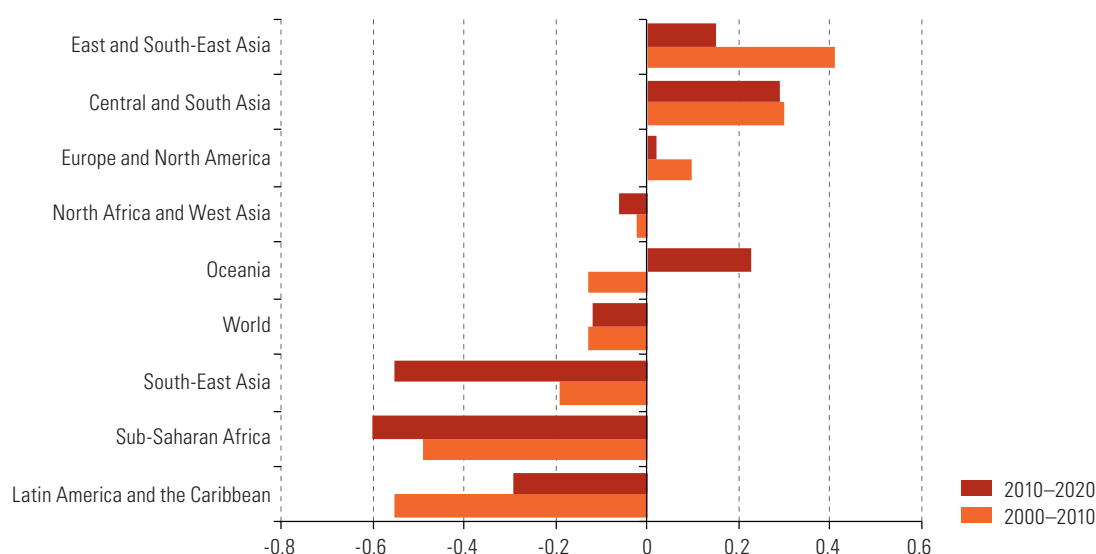
### (a) Deforestation

The initial findings of a global study conducted by FAO on the basis of satellite images confirmed a decrease in the rate of deforestation (which remains high, however) and showed that the impact of expanding agricultural systems in forested areas was even greater than had previously been estimated from national reports (70%). These systems were estimated to be the drivers of 89.8% of global deforestation between 2000 and 2018, especially in the tropics (FAO, 2021). In the case of Latin America and the Caribbean, agricultural systems aimed primarily at production for export were behind the loss and degradation of the Amazon (which historically has also been affected by mineral and oil extraction), without these activities generally having benefited the more than 6,000 indigenous territories in the Amazon basin, which are continually threatened by the expansion of the agricultural frontier. The Amazon is currently at a critical point of stress that may affect its resilience, so it is not only necessary to reduce deforestation to zero by 2030, but also to restore and rehabilitate degraded ecosystems (SPA, 2021).

Although deforestation rates have slowed in the region, forests remain at risk: deforestation increased in 15 countries in the last decade. Latin America and the Caribbean is known worldwide for its natural diversity and biocultural wealth. Indigenous peoples occupy one fifth of the territory (404 million ha), and more than 80% of the area occupied by them is forested. The forest area of Latin America and the Caribbean is 23% of the world's total (on just 8% of the planet's emerged land surface), representing 46.7% of the region's territory. No other region in the world has a higher average of tons of biomass per hectare (178 t/ha) (United Nations, 2021c). This is 50% higher than the global average and shows the high quality of the region's forests, which usually have a multi-layered structure and enormous biodiversity of species and life forms; they are also exceptional for their important role as a carbon sink and their role in stabilizing the world's climate and hydrological cycles, among many other ecosystem services. However, this area has decreased by 138 million hectares in the last 30 years, which is equivalent, for example, to more than half Argentina's land area (ECLAC, 2022b). This loss of natural heritage compromises the capacity of future generations to achieve economic growth and meet their human needs.

The annual rate of deforestation has almost halved this century in Latin America and the Caribbean, which makes the region a global outlier compared, for example, to South-East Asia or sub-Saharan Africa (see figure III.11). Despite this progress, the region leads the world in net forest loss, with 15 countries and territories in the region having a higher rate of deforestation in 2010–2020 than in the first decade of the century.<sup>4</sup> Although the area of forest plantations has practically tripled in these three decades, the greatest change has been due to the expansion of the agricultural and livestock frontier (ECLAC, 2022b). The net annual change in the region's forest cover is -0.3%, a trend that, if sustained, would mean the loss of an additional 77 million ha of forest by 2050.

**Figure III.11**  
**Net annual changes in global forest area, 2000–2020**  
 (Percentages)



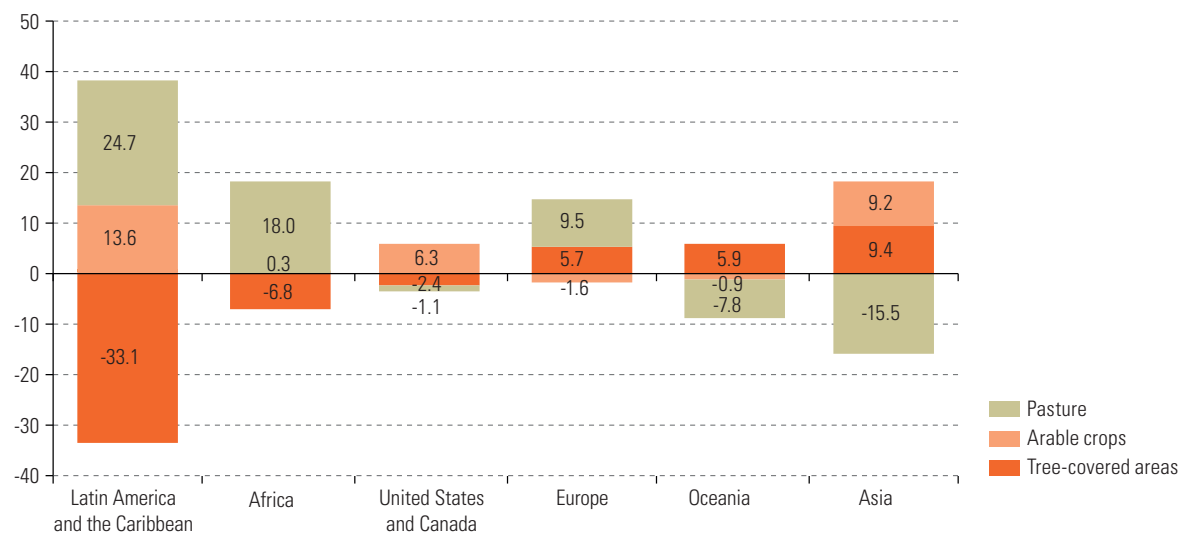
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *Progress towards the Sustainable Development Goals: Report of the Secretary General. Supplementary Information*, New York, 2021.

Latin America and the Caribbean has led the world in three major converging trends in recent decades: forest loss, increase in land under arable crops and increase in land under pasture crops (see figure III.12). Two agricultural chains, namely soybeans and livestock, are associated with deforestation, mainly because of the high rents associated with their production and export, and generate large negative social and environmental externalities.

Between 2000 and 2020, 8 of the 20 countries in the world that lost the largest areas of forest were in Latin America and the Caribbean: Brazil, Paraguay, Argentina, the Plurinational State of Bolivia, Colombia, the Bolivarian Republic of Venezuela, Peru and Mexico (see figure III.13). Brazil alone lost almost 55 million ha, an area equivalent to the size of France. In contrast, six countries added forest area during the period: Chile, Costa Rica, Cuba, the Dominican Republic, Jamaica and Uruguay.

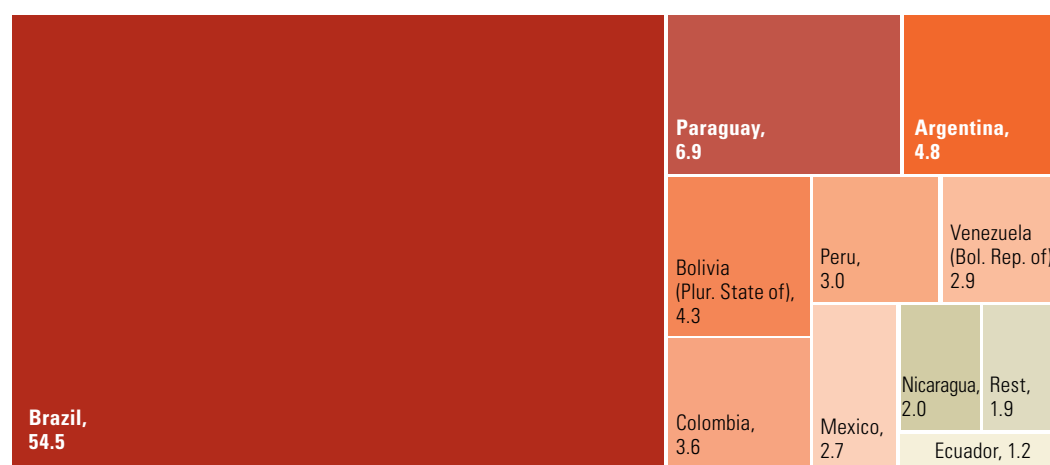
<sup>4</sup> These countries are: Antigua and Barbuda, Belize, the Dominican Republic, El Salvador, Guyana, Haiti, Honduras, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Puerto Rico, Suriname and Trinidad and Tobago.

**Figure III.12**  
**Net changes in land cover by category and world region, 2001–2019**  
*(Millions of hectares)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online database] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>; Food and Agriculture Organization of the United Nations (FAO), FAOSTAT [online database] <https://www.fao.org/faostat/en/#home>.

**Figure III.13**  
**Latin America and the Caribbean: the 10 countries with the greatest losses of forest, between 2000 and 2020**  
*(Millions of hectares)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), FAOSTAT [online database] <https://www.fao.org/faostat/en/#home>.



Of particular concern are changes related to the loss of Amazonian forests due to deforestation and the effects of climate change, which has increased dry season water stress, fire occurrence and carbon emissions. As a result, the eastern Amazon in Brazil is currently showing a tendency to act as a carbon emitter rather than a carbon sink (Gatti and others, 2021). Another crisis is currently taking place in the Colombian Amazon, where increasing lawlessness has come into conflict with environmental campaigners: in 2020, more human rights and environmental campaigners were killed in Colombia than anywhere else in the world; at the same time, its current rate of deforestation is the highest in history (FIP/Adelphi/WWF, 2021). Since the signing of the Final Agreement for the Termination of the Conflict and the Construction of a Stable and Lasting Peace between the Government of Colombia and the Revolutionary Armed Forces of Colombia-People's Army (FARC-EP) in 2016, deforestation rates have increased. At the same time, the government has sponsored scientific expeditions to explore biodiversity in territories formerly occupied by the FARC, seeking to strengthen the link between peace and science.

The region has the structural and biocultural characteristics necessary to enhance the conservation and sustainable use of forests, while simultaneously addressing poverty and marginalization.

One of the region's strongest and longest-standing approaches to protecting its ecosystems has been the creation of protected areas. The proportion of forest area within protected areas in Latin America and the Caribbean rose from 25% in 2000 to 31.3% in 2020, making it one of the regions with the highest proportion of protected forest areas in the world. Only South-East Asia, with 38.8%, and West Asia, with 33%, exceed the Latin American and Caribbean proportion, while the global average is 17.8%, Europe has only 6.5% and North America has the even lower proportion of 4.5% (United Nations, 2021c). While the region has a high proportion of protected areas, the rate of creation of new areas has declined over the last decade, and it only increased by 0.8% from 2015 to 2020 (United Nations, 2021c).

Protected areas in the region have the world's highest percentage of land with governance systems participated in by indigenous peoples and local communities (9%), while in other regions of the world the proportion is less than 3% (UNDP and others, 2018). There is a growing body of evidence that indigenous peoples and local communities have an essential role to play in the stewardship and conservation of biodiversity, as well as in combating deforestation, a role that has gone virtually unrecognized (Secretariat of the Convention on Biological Diversity, 2020; FAO, 2021; ICCA Consortium, 2021). To this must be added the role they played in supplying wild foods and sustainable firewood to cities in the Peruvian Amazon during the most difficult periods of the crisis resulting from the COVID-19 pandemic, when shortages were critical.<sup>5</sup> Globally, in 2020 an average of 43% of each terrestrial key biodiversity area, 42% of each freshwater key biodiversity area and 41% of each mountain key biodiversity area were within protected areas (United Nations, 2021b, p. 23).

A substantial proportion of protected areas have been decreed in places that are not necessarily threatened or are not of high priority in terms of biodiversity. Moreover, not all ecosystems are protected or well represented in the coverage of protected areas, which is why efforts need to be made to ensure that all ecosystems are represented and that protected areas are interconnected in the interests of the safe movement or migration of species that require it.

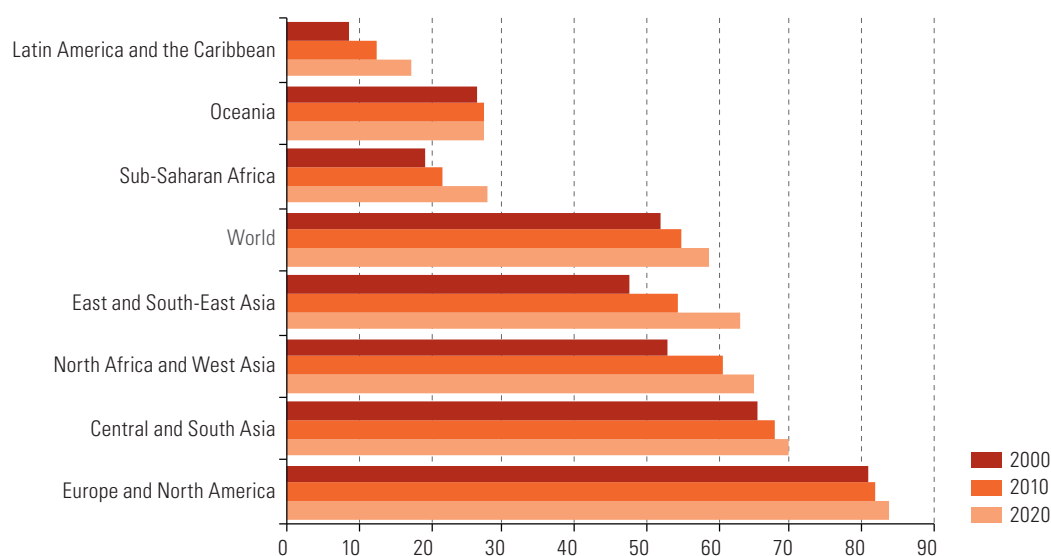
Paradoxically, while conditions in the region are excellent for implementing conservation through the sustainable use of forests under long-term management plans, only 17.1% of its forest areas are under long-term management (see figure III.14), in contrast to a world average of 58.3%. However, Latin America and the Caribbean is one of the world's regions that have most expanded the forest area under long-term management, more than doubling the proportion (which was 8.3% in 2000). It also presents the largest increase in the forest area covered by certification or verification systems, which has now reached almost 20 million ha (United Nations, 2021c). Although there are many success stories

<sup>5</sup> See, for example, Escobar (2021).



in the region, little has been done to publicize them, which reduces the incentive for replication (see box III.4). Steady support for sustainable forest management with resources and technical training for diversification, aimed especially at vulnerable groups, would target support on those who really need it and would be environmentally responsible. In turn, it would provide an opportunity to address deep inequalities in land ownership and strengthen the food and energy security of communities, as well as the health security of all humanity (by avoiding deforestation, which is a risk factor in the spread of zoonotic diseases). This should be one of the main channels of social protection to reach indigenous and rural communities, which in Latin America and the Caribbean are not sufficiently protected by the State.

**Figure III.14**  
**Proportion of forest area under long-term management plans, 2000, 2010 and 2020**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *Progress towards the Sustainable Development Goals: Report of the Secretary General. Supplementary Information*, New York, 2021.

#### Box III.4

##### Best practices in the integration of biodiversity into forest management at subnational level

The region has positive experiences that, with the right support, can be replicated and scaled up. An example at the local scale is the Fund for the Protection of Water (FONAG) in Quito, which has developed a diversified and adaptable mechanism for mobilizing financial resources to restore and conserve water supply areas for the provision of more than 80% of the city's drinking water. The mechanism is managed through participatory governance involving local and subnational government entities, the private sector and local communities, including campesinos, indigenous peoples, women and producers at different scales. Biodiversity mainstreaming actions are reflected in the recognition of the value of ecosystem services and the risks associated with their loss, through planning, financing and implementation of conservation, restoration, sustainable use, research and environmental education agreements. The consolidation of the fund has resulted in processes of reciprocal coordination with economic, financial, forestry, infrastructure, tourism, social, environmental and climate agendas. More than 20,000 ha have been conserved and an additional 13,000 ha have been recovered and restored in Andean moorlands and forests, which has had a positive impact on job opportunities for women in the management of forest nurseries and work with emblematic species.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Fund for the Protection of Water (FONAG).

The region has almost 20 million hectares under certified forest management (United Nations, 2021c); however, certification is not necessarily granted for the management of forests with native species, and often is granted to large-scale plantations with alien species that disrupt the natural dynamics of the watershed or micro watershed. One of the main findings of the 2020 Global Forest Resources Assessment (FAO, 2020) was that North and Central America had 59% of their forest area under long-term management, while South America had only 17%, the lowest proportion in the world. The latter subregion also has by far the world's highest proportion of introduced alien species in forest plantations (97%, whereas in North America and Central America, the subregions with the highest proportions of native species, the ratio is almost the reverse, with 96% of the area given over to native species and 4% to alien species).

Biodiversity can be conserved and used sustainably even while the productivity, stability and resilience of economic and production systems increase, as long as modes of production, distribution and consumption change. There are many examples at different scales in the region to show that this is possible and that it brings numerous social benefits and improvements in welfare and justice, which are a further incentive to seek out alternative paths more consistent with the worldview of traditional cultures.

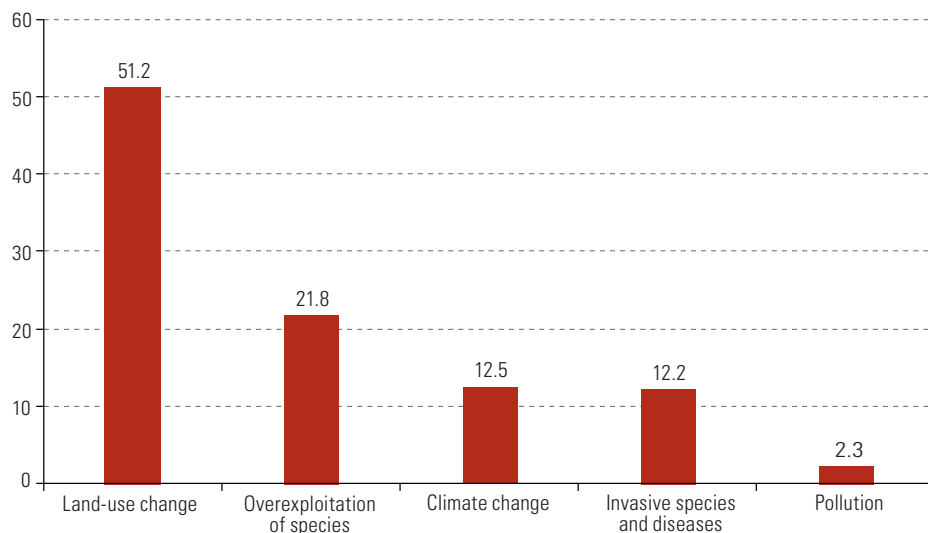
## (b) Endangered species

For groups of vertebrate animals (birds, mammals, amphibians, reptiles and fish), the Living Planet Index, developed by the World Wildlife Fund (WWF),<sup>6</sup> estimates the risk of extinction in each of the planet's regions or biogeographic regions by monitoring average changes in the density of populations between 1970 and 2016 (decreases in population size are closely related to the risk of extinction). The results are critical for Latin America and the Caribbean, which is the region presenting the largest decline (-94%) in the Living Planet Index (WWF, 2020). The greatest overall threat to the vertebrate populations analysed in the region is land-use change as natural ecosystems are turned into monocultures, pastures, highways, new urban areas or mining sites, among other things, with these accounting for 51.2% of change. Overexploitation of species is the second-largest cause (21.8%), while in third and fourth places, very close to each other in terms of their impact, are climate change (12.5%) and invasive alien species (commonly introduced by anthropogenic actions), at 12.2%. In the last place is pollution (2.3%) (see figure III.15) (WWF, 2020). In the case of fish, the greatest threat comes from overexploitation (60%) (WWF, 2018). These five threats, which cause biodiversity loss and degradation, are interconnected in a multivariate way, which makes it difficult to predict their impacts.

The loss of species and ecosystems is one of the documented causes underlying the increased risk of new outbreaks of zoonotic diseases and pandemics (70% of emerging diseases and almost all known pandemics, such as HIV/AIDS, swine flu and avian influenza, are zoonotic), as ecosystems with high diversity provide the ecosystem service of decreasing the possibility of disease transmission to humans (ECLAC, 2020a; Rubio, Ávila-Flores and Suzán, 2014; Mendoza and others, 2020; IPBES, 2020). Land-use change is a driver of more than 30% of new diseases reported since 1960. Thus, ecosystem health is directly related to the health security of humanity, and the more the wild ecosystem frontier is degraded, the greater the risk. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has warned that without action to halt biodiversity loss, humanity may enter an "era of pandemics", as vaccines are not designed to tackle the root of the problem (IPBES, 2020).

<sup>6</sup> The official aggregate indicator used to measure species extinction risk, the Red List Index, measures changes in species groups including cycads and corals, which do not have a global distribution. For this reason, the Living Planet Index is used in this document.

**Figure III.15**  
**Latin America and the Caribbean: impact of the threats assessed in the 2020 Living Planet Index**  
**on the decline of average vertebrate populations, 1970–2016**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Wildlife Fund (WWF), *Living Planet Report 2020: Bending the Curve of Biodiversity Loss*, R. Almond, M. Grooten and T. Petersen (eds.), Gland, 2020.

**Note:** The threats are those to the Neotropical biogeographic region, to which Latin America and the Caribbean belongs almost in its entirety (part of Mexico is in the Nearctic biogeographic region).

## 2. Implementation measures for the conservation of terrestrial ecosystems

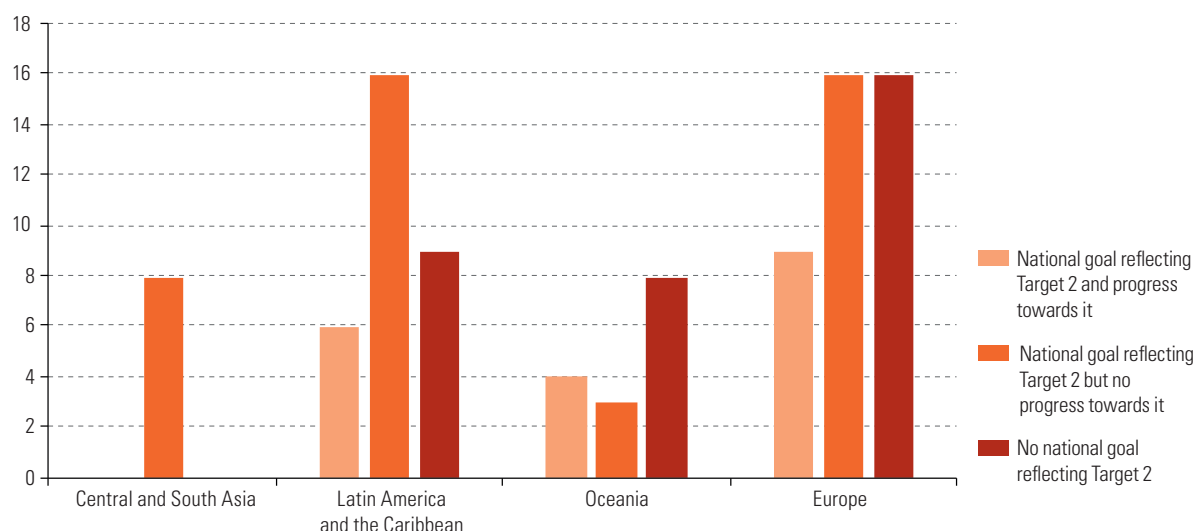
The lack of implementation arrangements for policies aimed at halting biodiversity degradation and loss has been recognized as one of the major obstacles to efforts to achieve the Aichi Biodiversity Targets, which were based on an analysis of the benefits that nature provides to human well-being and thus transcend the conservation of biological diversity alone. These targets present the connecting links between biodiversity and sustainable development, on the basis of which the region can take a leap towards mainstreaming biodiversity in planning if it progresses with the implementation of its policies and strategies.

The contribution of ecosystem services to human well-being and the economy remains poorly understood, something that is reinforced by a negative cycle in which the value of nature remains invisible in decision-making at all levels. For example, the development metrics that usually guide governments, such as GDP, do not include environmental variables or dimensions (such as environmental services, degradation costs or defensive spending). Integrating the dimensions of ecosystems, biodiversity and their multiple environmental services into national and local planning, development processes and strategies must be part of an essential process to break the inertia of this negative cycle. Indicators and environmental economic accounting are important tools for this purpose.

Six countries in Latin America and the Caribbean have reported having established national goals or targets that mainstream biodiversity and having progressed towards them thanks to their national biodiversity strategies and action plans. Another 16 countries have reported the existence of at least one national target, but inadequate progress towards it (see figure III.16). This process is crucial to

increase consistency between policies linking the short and long term, reduce fragmentation and enhance coordination between different sectors of government and in public-private governance. It is thus an implementation method that contributes to the big push for sustainability, and while it is challenging to put into effect, the region, like Europe, shows a strong interest in pursuing it. Mainstreaming biodiversity for well-being was the theme of the thirteenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 13), chaired by Mexico in 2016, which addressed issues relating to the agriculture, forestry, fisheries and aquaculture, and tourism sectors, as well as other cross-cutting issues such as health. Something similar happened at the fourteenth meeting of the Conference of the Parties, chaired by Egypt in 2018, with regard to the energy, mining, infrastructure, manufacturing and processing sectors. These efforts to mainstream biodiversity can mark a turning point that is indispensable for green recovery and the transition to sustainable development.

**Figure III.16**  
**Number of countries that have established national targets in line with Aichi Target 2 in their national biodiversity strategies and action plans, by region, to 2020**  
*(Numbers)*



**Source:** United Nations, *Progress towards the Sustainable Development Goals: Report of the Secretary-General. Supplementary information* (E/2021/58), New York, 2021 [online] <https://unstats.un.org/sdgs/files/report/2021/secretary-general-sdg-report-2021-Statistical-Annex.pdf>.

**Note:** Aichi Biodiversity Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.

The crisis caused by the COVID-19 pandemic worsened the negative trend in the average central government environmental budgets of a group of countries in the region<sup>7</sup> in the period 2016–2020, with a 35% reduction between 2019 and 2020 (ECLAC, 2021b).

The flow of official development assistance (ODA) for biodiversity globally was US\$ 6.6 billion in 2019, 14% lower in real terms than in 2018 (United Nations, 2021b). ODA for biodiversity in the region was less than US\$ 500 million a year during the first decade of this century, but it increased significantly, albeit very variably, from 2010. Despite being the most biodiverse region in the world, Latin America and the Caribbean was the third-largest recipient of such support in 2018 (US\$ 984 million), after Africa and Asia. Support for the region peaked in 2017, when it received US\$ 1.55 billion, a figure that declined by

<sup>7</sup> Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Honduras, Mexico, Peru and Uruguay.

36.5% the following year. The South American subregion receives the largest share of ODA, followed by Central America and the Caribbean; in 2018, South America received 78% of ODA for biodiversity, while Central America and the Caribbean received only 14% and 8%, respectively.

For its part, the financial sector has yet to play a leading role in promoting intersectoral actions for biodiversity mainstreaming, although there is an incipient trend towards the implementation of financial mechanisms for biodiversity. Multiple tools and strategies are being pursued in the region, supported by the Biodiversity Finance Initiative (BIOFIN) of the United Nations Development Programme (UNDP), which are innovative but require political will (see box III.5). Governments should use their coordinating, fiscal and legislative capacity to promote sustainable actions and effective partnerships that generate positive synergies with the financial sector.

### Box III.5

#### Innovation in biodiversity financing strategies supported by the Biodiversity Finance Initiative (BIOFIN) of the United Nations Development Programme (UNDP)

In order to close the biodiversity financing gap, the UNDP Biodiversity Finance Initiative (BIOFIN), a programme implemented in 40 countries, has developed a methodology with interdisciplinary national teams to adapt it to national contexts, designing prioritized financial strategies and solutions. In Latin America and the Caribbean, the methodology is applied in Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Mexico, Panama and Peru. The methodology has generated 28 innovative practices and instruments for resource mobilization in these countries, ranging from positive subsidies and debt, equity and risk management instruments to fiscal, market and regulatory instruments. Examples include: (i) thematic bonds that help protected areas in Costa Rica; (ii) Belize's Biodiversity Impact Investment Tracking Tool; (iii) the ways in which Colombia leverages mining royalties to help protect nature; (iv) debt swaps in Ecuador and Belize; and (v) tax-financed biodiversity infrastructure works in Peru.

Source: Biodiversity Finance Initiative (BIOFIN), "BIOFIN Around the World" [online] <https://www.biofin.org/index.php/biofin-around-world>.

Under scenarios of partial ecosystem collapse, all projections for global GDP growth to 2030 decline (projected drops of 10% in low-income countries and 7.3% in lower middle-income countries) (World Bank, 2021b). In contrast, combining policies such as the reorientation and elimination of harmful subsidies to farmers, global and local forest carbon payments, and public investments in research and development can avert up to 50% of natural land conversion and increase real global GDP by US\$ 50 to US\$ 150 billion by 2030 (World Bank, 2021b).

A comprehensive transformation is required in everything from the financial systems and incentives that promote unsustainable agriculture, the governance of institutions associated with agricultural systems, and agricultural innovation, technification and diversification, especially when carried out in pursuit of nature-based solutions, to the way progress in integrating the contributions of nature is measured, considering well-being in a multidimensional way. At the United Nations Food Systems Summit in 2021, the importance of nature-based solutions in driving nature-friendly agriculture was highlighted. In the context of that event, public and private action commitments were made in relation to several groups of solutions, in areas such as agroecology, agrobiodiversity, sustainable livestock, innovation, soils, deforestation- and conversion-free food supply chains, the nexus between land and fresh water, and repurposing of public support for food and agriculture (United Nations, 2021d). These efforts must be combined with the transformation of consumption and production patterns, involving regulation of and encouragement for the provision of information on the effects products have on nature and local communities, and traceability systems so that consumers can accelerate change.

## E. Conclusions

A review of Goals 4 and 5 provides a basis for combined analysis of two sets of targets which, although belonging to the same pillar of the 2030 Agenda for Sustainable Development, the social pillar, have clearly different approaches, since quality education is an eminently sectoral goal that contrasts with a cross-cutting one such as gender equality. In both cases, the picture is very mixed, with substantial progress in the early years of implementation of the 2030 Agenda on aspects such as educational coverage at the primary and secondary levels and efforts at the pre-primary and tertiary levels (albeit with problems of inclusion and quality), as well as in aspects such as the integration of women into the labour market with a view to greater economic participation, contrasting with a slackening and even reversal of this progress as a result of the COVID-19 pandemic.

In this context, the two population groups associated with Goals 4 and 5, students and women, have suffered some of the greatest indirect effects of social distancing measures, which have been very unequal, insofar as they have replicated the axes of the social inequality matrix. Moreover, these effects have been significantly greater for excluded groups (people living in poverty, migrants, persons with disabilities, indigenous people, Afro-descendants and rural dwellers, among others). Among the student population, different effects have been observed as a result of the closure of classrooms and the need to resort to tele-education, which cannot be carried out adequately when there is insufficient access to connectivity, equipment, appropriate spaces and the skills essential for the efficient use of this technology.

In the case of women, the effects have become apparent on several fronts, starting with the loss of paid employment and the shift towards a greater burden of unpaid domestic and care work, and indeed paid work in the health sector. In this sector, women are clearly overrepresented in the front line of the response to the pandemic, which has led to a return to a patriarchal view of the sexual distribution of work, accompanied by an increase in other risks such as greater exposure to violence and abuse in the family.

It is important to address these problems, given the empowering role of gender equality and quality education in social inclusion processes that in turn are conducive to fulfilment of other SDGs in the comprehensive vision of the 2030 Agenda. This is particularly important when it comes to breaking vicious circles of poverty and boosting participation in the labour market and economy on better terms, which in the long term affects access to a higher level of well-being in other areas included in the 2030 Agenda for Sustainable Development.

In both cases, the challenges of sustaining efforts to support access to quality education and gender equality in the face of the pandemic entailed a learning process in several areas, as a wide range of public policy actions were implemented in a very short time to mitigate the negative effects of the restrictions imposed in response to the pandemic. It is important for this response to the situation to be translated into a structural strategy, e.g., by institutionalizing innovative strategies in areas such as tele-education or distance support for students and women, which in turn could foster standardization of education quality and greater effective coverage of services in both areas.

Where Goals 14 and 15 are concerned, the challenges that can be observed relate more to a structural approach. Although efforts in these areas have not been immune to the indirect effects of the pandemic (mainly in the form of budgetary constraints resulting from the stagnation of economies, which have negatively affected the ODA resources available, and the reorientation of public spending to address other urgent items and the increased illegal exploitation of natural resources), it is in the



long-term vision that the most important challenges still lie. Moreover, difficulties in communication and in the face-to-face operation of government agencies weakened enforcement mechanisms, resulting, for example, in an increase in illegal logging and mining.

These challenges are manifested in the undervaluing of ecosystem services (which benefit people by contributing to the meeting of basic and cultural needs) because they are either poorly understood or not prioritized, which leads to limited coordination of economic and social policies with environmental issues. This is reflected, for example, in inadequate environmental protection regulations or in the implementation of economic and social policies that are inconsistent with sustainable use of natural assets, such as subsidies that encourage overfishing and illegal, unreported and unregulated fishing or incentives to overexploit resources in areas of high social deprivation.

There are more challenges than progress on goals associated with marine ecosystem protection. Furthermore, there is still no clear vision of the importance of conserving the integrity of the oceans, seas and marine resources because of the role they play and the utility they represent for people via the economic activities of sustainable fishing and tourism, and because of their contribution to disaster risk protection, as in the case of mangroves. This is reflected in the inadequacy of the actions taken, for example, to reverse marine pollution by plastics or polluting discharges, to conserve marine protected areas and mangroves, or to reverse the overexploitation of some species. In these areas, there is still much to be done in the region.

While substantial advances have been made on preservation of terrestrial ecosystems, they have nonetheless been insufficient to create a path of real progress towards targets for reducing deforestation, sustainably conserving forests and protecting species threatened by land-use change and overexploitation. Limited progress reflects insufficient availability of the implementation resources required to halt biodiversity degradation and loss, since fiscal and legislative tools are proving too weak to incentivize the actions needed to meet the targets for these SDGs. In contrast, global flows of incentives for production and economic activities that are potentially damaging to biodiversity are five to six times as great and have existed or been provided for much longer.

The problems of addressing the loss and degradation of ecosystems and their resources are complex because of an interdependence that transcends politically defined territorial boundaries, the cumulative nature of impacts on biodiversity, imperfect knowledge of the threshold of shocks that ecosystems can process, differences in response times, and in many cases a lack of information when it comes to monitoring their evolution. This contrasts with the growing consensus that implementing the necessary changes in this decade is vital to the planet; failure to do so could make the current path ecologically irreversible or prohibitively costly from an economic and social point of view.

In short, the effects of the pandemic on economic growth, employment and poverty are compounded by three major silent crises: the loss of at least one year of education for a generation of students, the increase in gender-based violence and abuse, and the difficulty of halting the loss and degradation of biodiversity and monitoring actions to enable it to be used sustainably, thus guaranteeing the welfare of present and future generations. These three crises have created new obstacles along the already difficult path towards attainment of the SDGs by 2030.



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## CHAPTER IV

# Institutional progress on the means of implementation of the 2030 Agenda for Sustainable Development

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Introduction

A. Mechanisms for the implementation and monitoring of the 2030 Agenda for Sustainable Development

B. Civil society participation

C. Private sector contributions to implementation of the 2030 Agenda

D. Subsidiary bodies and intergovernmental meetings of ECLAC

E. Lessons from institutional progress

Bibliography

Annex IV.A1



## Introduction

The previous chapters described the effects of the coronavirus disease pandemic (COVID-19) in Latin America and the Caribbean. It highlighted the economic, social and environmental setbacks that have occurred; and it emphasized the need to redouble efforts to achieve a sustainable recovery. It also analysed progress made towards achieving the Sustainable Development Goals (SDGs) by 2030, both from a comprehensive standpoint, encompassing all 17 Goals, and through detailed analyses of the central issues of education, gender equality and biodiversity conservation.

This chapter reviews institutional developments relative to the means of implementation of the 2030 Agenda for Sustainable Development. In particular, it analyses the status of the mechanisms for the implementation of the 2030 Agenda and its follow-up in the region, paying special attention to participation by civil society, and to the contributions made by the private sector and the subsidiary bodies and intergovernmental meetings of the Economic Commission for Latin America and the Caribbean (ECLAC). The chapter also contains a section that highlights lessons learned in terms of institutional progress and, among other issues, describes the fundamental role of local and subnational governments and the contributions of the Community of Practice on voluntary national reviews. Lastly, the chapter acknowledges the commitment that the countries of the region have shown towards the 2030 Agenda in the midst of the pandemic, through the voluntary national reviews; and it notes the challenges faced by Caribbean small island developing States in achieving the Goals.

### A. Mechanisms for the implementation and monitoring of the 2030 Agenda for Sustainable Development

Strengthening the means of implementation of the 2030 Agenda for Sustainable Development entails forging global partnerships for sustainable development with all stakeholders. It also requires the creation and development of institutional mechanisms to ensure all of the Sustainable Development Goals (SDGs) are achieved, thereby fully implementing the 2030 Agenda (SDG 17). As indicated in the fourth report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean, *Building forward better: action to strengthen the 2030 Agenda for Sustainable Development* (ECLAC, 2021a), the countries of the region have acted in two areas: (i) the creation or upgrading of institutional arrangements for the implementation and monitoring of the 2030 Agenda; and (ii) the mainstreaming of SDGs in national development plans, or the alignment of those plans with the Goals. As of 2019, 27 of the region's 33 countries had either created an institutional mechanism for implementing and monitoring the 2030 Agenda, or else had delegated that task to an existing institution. In November 2021, the mechanisms remained as reported in 2020 (see map IV.1 and table IV.A1.1 of the annex).

**Map IV.1****Latin America and the Caribbean: coordination mechanisms for the implementation and monitoring of the 2030 Agenda for Sustainable Development, November 2021**

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

Since its inception, the 2030 Agenda has underscored that the Sustainable Development Goals cannot be achieved by central governments alone. As noted in most of the voluntary national reviews of Latin American and Caribbean countries submitted to the high-level political forum on sustainable development, subnational and local governments at all levels must be involved (ECLAC, 2019a),<sup>1</sup> together with all relevant stakeholders for sustainable development. For this reason, the Sustainable Development Goals promote the participation of society as a whole, through alliances, platforms and transnational networks: civil society, the private sector, academia, trade unions, political parties, international bodies, associations and faith-based organizations (ECLAC, 2019a).<sup>2</sup>

<sup>1</sup> See United Nations (2015), paragraphs 79, 80 and 84.

<sup>2</sup> See target 17.17: Encourage and promote effective partnerships in the public, public-private and civil society spheres, building on the experience and resourcing strategies of partnerships.



## B. Civil society participation

The 2030 Agenda proposes a “revitalized Global Partnership” to ensure the fulfilment of the Sustainable Development Goals (United Nations, 2015, paragraph 39) and states that, “Our journey will involve Governments as well as parliaments, the United Nations system and other international institutions, local authorities, indigenous peoples, civil society, business and the private sector, the scientific and academic community—and all people.” (United Nations, 2015, paragraph 52).

The 2030 Agenda stresses that SDG follow-up and review processes at all levels will be “open, inclusive, participatory and transparent for all people and will support reporting by all relevant stakeholders” (United Nations, 2015, paragraph 74(d)). In this framework, at the regional level, in Latin America and the Caribbean, the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, and the subsidiary bodies and the intergovernmental meetings of the Economic Commission for Latin America and the Caribbean (ECLAC), are seen as key mechanisms for the inclusion of civil society. These have promoted and forged important multi-actor institutional agreements, such as those achieved in the framework of the Regional Conference on Women in Latin America and the Caribbean, and the Regional Agreement on Access to Information, Public Participation and Access to Justice in Environmental Matters in Latin America and the Caribbean (the Escazú Agreement).

### 1. Mechanism for participation in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development

The Mechanism for Civil Society Participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development originated in the meeting of legislators, civil society representatives and experts from Latin America and the Caribbean, which was convened by ECLAC and the Secretariat of Foreign Affairs of Mexico, on the occasion of the first meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development (Mexico City, 2017). On that occasion, representatives of civil society organizations launched an autonomous deliberation process with the aim of agreeing on an institutional mechanism for dialogue with governments and other stakeholders in the region. In the period prior to the second meeting of the Forum, modalities of civil society participation were formulated and proposed; and a transitional commission was created to coordinate the process. At the civil society meeting held during the second meeting of the Forum (Santiago, 2018), the structure of the mechanism and its operating dynamics were agreed upon and adopted; and these were finally approved by the participants in the civil society meeting of the third meeting of the Forum, held in Santiago, Chile, in 2019 (see table IV.1).<sup>3</sup>

The Mechanism for Civil Society Participation is constructed autonomously at civil society level, drawing on examples that include the Asia and Pacific Regional Mechanism for Civil Society Participation and the experiences of some of the subsidiary bodies and intergovernmental meetings of ECLAC.<sup>4</sup> Its main objective is to contribute to guaranteeing the right to participation in a meaningful, democratic, systematic, broad, diverse and sustained manner; and to uphold the right of organized civil society to information on the implementation, monitoring, reporting and evaluation of the Sustainable Development Agenda in the region and related platforms, under human rights, gender equality and environmental sustainability criteria (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2018).

<sup>3</sup> See ECLAC, “Civil society” [online] <https://foroalc2030.cepal.org/2021/en/stakeholders/civil-society>.

<sup>4</sup> See “Asia Pacific Regional CSO Engagement Mechanism” [online] <http://asiapacificrcem.org/>.

**Table IV.1**  
**Participation in the Forum of the Countries of Latin America and the Caribbean**  
**on Sustainable Development**

Meetings of the Forum	Participation
First, 2017, Mexico City	<ul style="list-style-type: none"> <li>- 789 participants</li> <li>- 31 of the 33 Forum member countries</li> <li>- 208 government delegates (one vice-president, ministers and authorities) and the President of the United Nations Economic and Social Council (ECOSOC)</li> <li>- 157 delegates from 39 intergovernmental organizations (27 from the United Nations system and 12 intergovernmental agencies)</li> <li>- 288 representatives of 198 civil society organizations</li> <li>- Special guests from the World Economic Forum, the Global Compact Local Network and private sector organizations</li> </ul>
Second, 2018, Santiago	<ul style="list-style-type: none"> <li>- 1 000 participants</li> <li>- 28 of the 33 Forum member countries</li> <li>- 166 government delegates (ministers and relevant authorities)</li> <li>- 13 associate members</li> <li>- 119 delegates from intergovernmental organizations (United Nations system and other agencies)</li> <li>- 230 representatives of 179 civil society organizations</li> <li>- Special guests from the World Bank, the Global Compact Local Network and private sector organizations</li> </ul>
Third, 2019, Santiago	<ul style="list-style-type: none"> <li>- 1 180 participants</li> <li>- 25 of the 33 Forum member countries</li> <li>- 11 countries as observers</li> <li>- 153 government delegates (ministers and authorities from various levels of government)</li> <li>- 38 delegates from intergovernmental organizations (United Nations system and other agencies)</li> <li>- 230 representatives of 179 civil society organizations</li> <li>- Special guests and private sector organizations</li> </ul>
Fourth, 2021, virtual	<ul style="list-style-type: none"> <li>- 1 368 participants</li> <li>- All 33 Forum member countries</li> <li>- 24 intergovernmental organizations</li> <li>- 21 financial institutions in the region</li> <li>- 118 representatives of the academic sector</li> <li>- 38 private sector representatives</li> <li>- 440 representatives of the region's civil society, parliaments and local authorities</li> </ul>

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

According to its operating rules,<sup>5</sup> the Mechanism is open to organizations, autonomous collective entities, social movements and local, national and regional networks working for social, economic and environmental justice, and in any of the three dimensions of sustainable development” (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2018). No certification is required from organizations and actors, only adherence to the commitment to advance the agenda under the principles of progressivity of human rights and interdependence of the three dimensions of development (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2018), by signing a document approved at the first meeting of the Forum.

Twenty working groups were formed under the Mechanism (see table IV.2). Every two or three years, each of these working groups elects a focal point, with an alternate, to form the Mechanism's Liaison Committee, with objectives that include ensuring “that civil society from the region is present in all the relevant regional spaces related to the follow-up of the 2030 Agenda, through communication with ECLAC, member States and the Forum's Chair” (ECLAC, undated).

<sup>5</sup> See the terms of reference of the Liaison Committee [online] [https://foroalc2030.cepal.org/2019/sites/foro2019/files/tor-liaisoncommittee\\_0.pdf](https://foroalc2030.cepal.org/2019/sites/foro2019/files/tor-liaisoncommittee_0.pdf).

**Table IV.2**  
**Civil society working groups in Latin America and the Caribbean, 2018**

<b>Subregional groups</b>
Central America, the Spanish-speaking Caribbean and Mexico
The English- and French-speaking Caribbean
Andean Zone
Southern Cone
<b>Stakeholder groups</b>
Children, adolescents and young people
Women
Persons of African descent
Older adults
Persons engaged in small-scale farming activities, living in rural and coastal areas
Persons with disability
Persons with HIV and persons affected by HIV
Human rights and territory defenders
Lesbian, gay, bisexual, transgender and intersex persons (LGTBI)
Migrants and persons displaced by disasters or conflicts
Indigenous peoples
Networks, collectives, organizations and platforms of non-governmental organizations (NGOs)
Trade unions and working people, domestic workers and female sex workers
<b>Thematic groups</b>
Social and solidarity economies
Education, academia, science and technology
Ecological and environmental justice

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “Valorización de los procesos de participación de la sociedad civil en las reuniones de los órganos subsidiarios de la CEPAL y el Foro de los Países de América Latina y el Caribe sobre el Desarrollo Sostenible”, 2020, in press.

Since the first meeting of the Forum in 2017, and throughout the other meetings held by the Governments of the region to monitor and review the Sustainable Development Goals, civil society organizations have shown an active commitment and interest, as evidenced by declarations made in the framework of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development.<sup>6</sup>

In the Latin America and the Caribbean Civil Society Declaration: Towards the High-Level Political Forum 2019, the civil society organizations of the Mechanism recognize their heterogeneous nature and decide to speak with a single voice in pursuit of shared objectives. They note that they are groups and collectives with diverse interests and differences that assemble to find the common denominators that allow us to act in unison, without losing our identity and enhancing our knowledge, achieving a collective, consistent and complete contribution (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2019a). The Mechanism embraces a wide diversity of organizations, ideas and orientations, which poses constant challenges to maintain ways of representing its multiple expressions (see table IV.3).

As part of the aforementioned expression of diversity and the shared deliberation exercise, the 2017 declaration of the Mechanism alludes to ethnic-racial, territorial and gender inequalities, as well as economic and class disparities (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2017). The 2018 declaration again emphasizes economic and social

<sup>6</sup> See “Declarations of civil society of Latin America and the Caribbean in the Forum” [online] <https://foroalc2030.cepal.org/2021/en/stakeholders/civil-society>.

inequality, as well as rights violations that mainly affect originating and indigenous peoples, persons of African descent, women, girls, boys, adolescents, lesbian, gay, bisexual, transgender, and intersex youth, but also domestic workers and those living in rural areas, among others (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2018). The 2019 declaration mentions social, environmental, economic and gender justice, the absence of which is reflected in high rates of violence and rights violations, in all areas affecting certain populations and their multiple identities (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2019).

**Table IV.3**

**Classification of organizations of the Mechanism for the Participation of Civil Society in the Sustainable Development Agenda and in the Forum of Latin American and Caribbean Countries on Sustainable Development by type of group and orientations, 2020**

<b>Identity orientation</b>
Children, adolescents and young people
Women
Persons of African descent
Older adults
Persons with disability
Persons with HIV and people affected by HIV
Lesbian, gay, bisexual, transgender and intersex persons (LGTBI)
Migrants and people displaced by disasters or conflicts
Indigenous persons
<b>Territorial orientation</b>
Persons engaged in small-scale farming activities, living in rural and coastal areas.
Human rights and territory defenders
<b>Socioeconomic orientation</b>
Trade unions and working people, domestic workers and female sex workers
<b>Functional orientation</b>
Networks, collectives, organizations and platforms of non-governmental organizations (NGOs)

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “Valorización de los procesos de participación de la sociedad civil en las reuniones de los órganos subsidiarios de la CEPAL y el Foro de los Países de América Latina y el Caribe sobre el Desarrollo Sostenible”, 2020, in press.

Structural positions that seek to change the region’s development style also permeate the declarations. For example, the first declaration notes that the region is witnessing an extractive development model based on the exploitation of people, territories and natural assets (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2017). Subsequent declarations refer to increasing privatization processes, austerity policies and public indebtedness (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2018), and the conservative, fundamentalist, privatizing and neoliberal offensive (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2019). The latest declaration states that the neoliberal measures adopted by most countries of the region have impeded the fulfilment of SDGs. Hence, today it is even more urgent that government[s] radically change their course of action and launch a global compact for the implementation of new development models, ensuring the materialization of human rights and speeding up adoption of the 2030 Agenda (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2020).

The Mechanism's progressive impact in the governmental declarations formulated at meetings of the Forum can be discerned in the increasingly frequent mentions of civil society and the roles assigned to it. The 2017 declaration notes the participatory and inclusive nature of the 2030 Agenda; it recommends, where appropriate, securing effective and significant participation by civil society organizations, academia and private sector at future meetings of the Forum; and it calls on them to continue participating in implementation of the 2030 Agenda in the region (ECLAC, 2017a). The 2018 declaration welcomes contributions to implementation of the 2030 Agenda in the region by all stakeholders, including civil society (ECLAC, 2018, p.6). The following year's declaration (ECLAC, 2019b) reiterates these two points and what was previously expressed on inequalities; and it recognizes the Forum as an example of regional multi-stakeholder coordination (p. 8). It also advises it to take note of the work of civil society to strengthen their engagement (p. 10). The 2021 declaration stresses the role of civil society in strengthening democracy, guaranteeing human rights for all, and developing recovery plans that promote sustainable development and drive transformative change towards peaceful, just and inclusive societies (ECLAC, 2021b, p.5).

Evidence of the evolution of government declarations on civil society participation can be seen in the declaration issued at the third meeting of the Forum in 2019, titled *Two Monologues do not Make a Dialogue*. It chides governments for their poor commitment towards civil society organizations, which are seen as legitimate actors of sustainable development, recognized worldwide (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2019b). The importance of this declaration influenced the work of ECLAC with civil society and consolidated the Commission's role as an intermediary between civil society and governments.

## 2. Civil society participation in times of COVID-19

In the process of adapting to the new conditions imposed by the coronavirus disease (COVID-19) pandemic and recovering from its serious health, social and economic effects, Latin American civil society has targeted its actions partly towards care for the most vulnerable populations, communication on health measures, hygiene practices and quarantine measures. It has also delivered food to populations at-risk. For example, in the face of increased domestic gender-based violence due to confinement, women's and feminist organizations have been at the forefront the community response to support victims of domestic violence and channel public health education messages to women. Also important has been the work of academia and various civil society and non-governmental organizations (NGOs), in lobbying for a universal basic income and an emergency basic income in the region.

The health crisis elicited a significant reaction from the civil society organizations that comprise the Mechanism. The needs set out in the 2020 declaration included the establishment of progressive economic policies, through the creation of taxes on wealth and large fortunes to compensate for the unequal distribution of wealth, a gap between the poor and the rich that has been widening during the pandemic (first point). It also notes the urgent need to promote decent work [...] as well as social protection policies to prevent unemployment, reduce labour informality and the bankruptcy of SMEs, and mechanisms to guarantee a minimum income for the most vulnerable populations in times of crisis (second point). Other problems are also recognized, such as violence against women and children (third point), revealed and accentuated by the pandemic; and demands arising from the persistence and intensification of the violation of fundamental rights of "land and environmental advocates" (fourth point) (Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, 2020).

Also in the context of recovering from the COVID-19 crisis, the Coordination Desk of the National Associations and Regional Networks of NGOs of Latin America and the Caribbean (2021) has proposed actions in three areas:<sup>7</sup>

- (i) Effects of COVID-19. Consideration will be given to retargeting operational and technical work on the challenges posed by the pandemic, taking into account technical, logistical and territorial access capacities.
- (ii) Achievement of an enabling environment for the work of the NGOs. The main challenge is to diversify funding sources and create innovative partnerships to replace traditional income streams.
- (iii) Role of political advocacy. In order to broaden the range thereof, actions are suggested on the following issues:
  - (a) Climate change. It is necessary to strengthen partnerships with all groups in society, particularly with those who will be most affected, in order to exercise effective and democratic governance for sustainable environmental management, reduce the socioenvironmental impact and develop comprehensive policies for resource sustainability.
  - (b) New social contract. This requires forging a cross-cutting agreement between socioeconomic groups, territories and generations; helping to achieve resilient and sustainable production strategies that prioritize the creation of quality and green jobs and embrace the digital transformation. It also requires a commitment to more comprehensive and effective social protection systems, along with a more sustainable development financing model that seeks to strengthen public debt management.
  - (c) Building a multi-stakeholder development agenda, in which it is essential to support peer-to-peer learning initiatives, recognize the needs of development partners and enhance transparency between those needs and interests.
  - (d) Building a new multilateralism from the bottom up, based on flexible linkages with all stakeholders (non-State, civil society and private sector entities).
  - (e) Information transparency. Latin American civil society has asked their governments for transparency in the handling of data related to COVID-19 and population vaccination plans.
  - (f) External debt. Considering that public debt represented 79.3% of the GDP of Latin America and the Caribbean at end-2020, which threatens the medium- and long-term post-COVID-19 recovery of the region's economies, civil society has supported the recommendations made in the report of the United Nations Secretary-General on the sustainability of developing countries' external debt, calling for the creation of a sovereign debt renegotiation mechanism under United Nations auspices. It has also endorsed ECLAC's proposals for more inclusive solutions from the international financial institutions, such as a new issue of special drawing rights (SDRs), a reserve asset of the International Monetary Fund (IMF) which does not generate additional debt or involve conditionalities, to guarantee sufficient liquidity for developing economies.

<sup>7</sup> This coordination network brings together organizations from some Latin American countries, beyond the framework of the Forum. See [online] <http://mesadearticulacion.org/>.



In conclusion, it is worth noting that the Secretary-General's recent report, *Our Common Agenda*, formulates 12 commitments of the Declaration on the Commemoration of the Seventy-Fifth Anniversary of the United Nations; and it develops key proposals that recognize the relevance of civil society participation in strengthening multilateralism and renewing the United Nations system. It also underscores the importance of its action at the national level, in order to give rise to a renewed social contract with human rights at its core. The Secretary-General stresses that “what is most needed at this time is to go beyond a consultation and advocacy role, and rather for all parts of the United Nations system directly to include civil society in their work across all the pillars of our activities. This is about a shift in mentality as well as in practice” (p. 75).

## C. Private sector contributions to implementation of the 2030 Agenda

Sustainable Development Goal 17 emphasizes the role of partnerships between stakeholders, including the public and private sectors, in the implementation of the 2030 Agenda; and it singles out the private sector's experience in promoting and financing the Goals. Ways in which businesses can underpin implementation of the 2030 Agenda include promoting practices with sustainability criteria, generating formal and quality jobs, introducing practices that increase women's labour market participation, fostering innovation and technological development, including in green transition sectors, and contributing to financing for sustainable development through new instruments and a fair tax contribution.

The transformative aspirations of the 2030 Agenda mean that firms cannot simply relegate sustainability to their corporate social responsibility areas. Instead, they must incorporate it systemically into their business models, corporate cultures, business practices and financing instruments. Several leading firms have already recognized the need for changes to respond to the risks generated in their operating environment by the challenges that the 2030 Agenda seeks to overcome. These include economic and social inequalities and the disruptions caused by climate change and biodiversity loss.

The recent meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), held in Glasgow, demonstrated the increasing mobilization of firms in making commitments to sustainable practices and establishing alliances, even within specific production sectors, to promote long-term changes in their operating models. One example is the First Movers Coalition, established under the auspices of the World Economic Forum, which encompasses firms in sectors where greenhouse gas (GHG) emissions are hard to abate with existing technologies. These include aviation, steel, aluminium and concrete production, shipping and the transport industry, which account for around a third of total emissions. Coalition members commit to emission reduction targets and to the acquisition of emerging technologies relevant to their sector, while seeking to generate new markets for these technologies and leverage their collective purchasing power to send market signals so that innovations can be scaled up (WEF, 2021). The First Movers Coalition actually follows a similar approach to the big push for sustainability, which involves coordinating supply and demand policies within the private sector.

In addition to reducing emissions in their specific sector, corporate actions such as these can have positive impacts on several SDGs. For example, as it provides one of the essential inputs for concrete production, the cement sector is crucial for investments in infrastructure—including green energy infrastructure, basic utilities and housing, and other sectors with job-creation potential. However, cement production generates 8% of total global CO<sub>2</sub> emissions (Lehne and Preston, 2018). This industry

produces roughly a quarter of all CO<sub>2</sub> emissions from industrial activity and has the highest level of industrial emissions per dollar of income (Czigler and others, 2020). It also fuels high demand for sand and gravel extraction, far outpacing natural replenishment rates, which has severe impacts on river and marine ecosystems (UNEP, 2019).

Introducing energy efficiency mechanisms in the production process and scaling up innovations in recycling and the production of green cements and other sustainable building materials would reduce the sector's environmental impact. It would also contribute to several of the Sustainable Development Goals, such as Goal 11 on cities, Goal 6 on water and sanitation, or Goal 8 on decent work and economic growth. Initiatives such as “Concrete Action for Climate”, which encompasses 80 firms in the sector, are working towards these goals, stimulating demand for innovative low-carbon products and promoting financing and public policy mechanisms to foster the transition in the sector.

Another commitment made at COP26 was the establishment of the Glasgow Financial Alliance for Net Zero led by the Special Envoy of the Secretary-General of the United Nations for Climate Action and Finance. This Alliance involves 160 firms from the financial sector that manage assets equivalent to US\$ 70 trillion. Participating firms undertake to retarget their portfolios towards net zero emissions investments, with the aim of channelling financial flows towards the green and low-carbon transition (United Nations, 2021b).

This commitment arises against a background of increasing investor interest in financing products linked to SDGs or climate goals, including green, social and sustainable bonds most of which are issued by the public sector, as discussed in chapter V. Global issuance of such bonds increased from US\$ 11.6 billion in 2013 to US\$ 852 billion in 2021 (ECLAC, 2021c). In the third quarter of 2021, sustainable bond issuance in the region amounted to US\$ 15.5 billion, representing 7.8% of the global total (ECLAC, 2021c). However, most of these bonds were issued in the advanced economies.

Rising debt levels in many countries in the region could hinder the future issuance of green and sustainable sovereign bonds, thus increasing the importance of international cooperation. For example, ECLAC has called for the establishment of a trust fund for middle-income countries, located in the International Monetary Fund (IMF), to redeploy the latter's recent SDR issuance to finance investment projects for sustainable development. The trust fund could issue SDG-linked bonds backed by SDRs in international capital markets and tap into the growing interest of private markets in investing in such instruments (ECLAC, 2021c).

At the same time, measures are also needed to ensure that private initiatives produce real changes in SDG implementation, which would reduce the risk of greenwashing in firms' marketing and public relations practices. Several of these initiatives would be achieved through public-private cooperation and international and regional coordination.

It is important to ensure that initiatives to encourage sustainable business practices and financing flows reach beyond the leading multinational companies, including those listed on stock exchanges, and come under increased scrutiny from investors and shareholders regarding their sustainability impacts. Such public pressure should also apply to State-owned enterprises, especially those with a major presence in high-emission sectors such as hydrocarbon extraction. Meanwhile, in developing regions, micro-, small and medium-sized enterprises (MSMEs) do not always have access to the training and sources of financing needed to make their performance more sustainable. This is particularly important because these firms are numerous and account for a substantial share of employment (for example, in Latin America and the Caribbean they account for 61% of formal jobs) (Dini and Stumpo, 2019).



Large firms can promote traceability practices and provide incentives and training tools in their supply chains, including in cooperation with the public sector. This means that sustainable practices extend beyond their headquarters and have an impact, for example, on the network of MSME of input suppliers and service providers. At the regional level, instruments such as the Escazú Agreement play a significant role in fostering participatory consultation mechanisms among stakeholders and strengthening accountability for the behaviour of firms of all types and sizes.

Public policy can also guide business sustainability. Policies to foster cooperative and solidarity economy enterprises, including their productivity and scalability, are one example. Their more democratic and inclusive business models and their presence in green sectors are aligned with the implementation of various SDGs. Similarly, the introduction of carbon taxes and regulatory actions can use incentives to steer private investments on to a sustainable path and foster green structural change, as ECLAC has argued in its proposed big push for sustainability. In addition to national development policies in this area, the commitment of countries to global agreements, including the Paris Agreement, is key. Weak progress on global climate commitments creates uncertainty for business and discourages changes in the investment and operations needed to reduce GHG emissions and other harmful environmental impacts by 2030 and 2050.

Examples of public action include regional coordination initiatives that can promote industrial development. One example is the plan for self-sufficiency in health matters developed by ECLAC in response to a request from the Community of Latin American and Caribbean States (CELAC). The Plan seeks to strengthen capacities to produce and distribute vaccines and medicines through regional platforms, and support efforts in terms of regulation, clinical trials and public procurement, in dialogue with government actors, international organizations and the private sector (ECLAC, 2021d).

An increase in the sustainability and GHG emissions criteria that have to be met for access to developed-country markets, including the European Union, could elicit changes in firms' behaviour. However, in the context of the global asymmetries analysed in chapter I, there is concern about trade barriers and their adverse impact on the export capacity of firms, including MSMEs, in developing regions. ECLAC proposes fostering new types of international cooperation with the region, including the transfer of green technologies and capacities, as part of mechanisms for the firms' sustainable transition.

To advance sustainable business transition mechanisms and steer funding towards initiatives that contribute to the Sustainable Development Goals, another area that needs attention is the harmonization of reporting standards and metrics for sustainable business behaviour. Increased interest in sustainable investments across environmental, social and governance (ESG) dimensions has fuelled a proliferation of sustainable performance metrics that are difficult to compare, validate and monitor. As a result, there have been various attempts at harmonization. In 2020, for example, the World Economic Forum joined with the world's leading accounting firms to put forward a framework of 21 core metrics and 34 extended metrics for consideration by the membership of the International Business Council of the World Economic Forum (WEF, 2020). The financial sector, for its part, has two working groups on metrics: the Task Force on Climate-related Financial Disclosures and the Taskforce on Nature-related Financial Disclosures, which aim to change the way environmental risks are assessed.

Another recent example in the COP26 context is the announcement by the International Financial Reporting Standards Foundation of the establishment of a new sustainability standards board to set sustainability disclosure standards, with the aim of harmonizing carbon emission metrics and establishing consistent reporting standards. Also, during COP26, the United Nations Secretary-General announced the creation of a high-level panel of experts to propose clear standards for measuring and analysing the net zero carbon emission commitments of non-State actors (United Nations, 2021b), representing a multilateral mechanism for moving towards this goal.

Importantly, the new consensus-based metrics incorporate emerging approaches that until recently were seldom considered. They include aspects such as the economics of biodiversity, which highlights the fact that ecosystem assets are seriously underestimated in the national accounts and corporate balance sheets (Dasgupta, 2021), and also the debate on more precise measurement of digitalization in the various dimensions of sustainability. The quest for more precise metrics to conceptualize, monitor and report on sustainable development in all of its dimensions is a shared concern and is expressed in the Sustainable Development Goals. It is also a fruitful area of dialogue between States, firms and other actors among mechanisms coordinated by the United Nations and other international actors.

The private sector does not have formal participation in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development. However, in conjunction with the United Nations Global Compact, ECLAC has been convening public-private dialogues since 2017 to discuss the Sustainable Development Goals analysed each year, as well as the region's main sustainability challenges. These include sustainable consumption and production patterns, SDG financing and follow-up, green recovery and digital inclusion. In 2019, the Sustainable Development Goals Business Forum for Latin America and the Caribbean was set up as a regional mechanism for discussing the role of private sector entities in the implementation of the 2030 Agenda and the promotion of public-private partnerships to make headway in this direction.

## **D. Subsidiary bodies and intergovernmental meetings of ECLAC**

The chairs of the subsidiary bodies of ECLAC report to the Forum on significant contributions to implementation of the 2030 Agenda for Sustainable Development at the regional level (ECLAC, 2016, paragraph 4(a)). These intergovernmental bodies examine the various public policy issues in the region, facilitate cooperation and peer learning based on comparative experiences, adopt regional consensus in their respective jurisdictions and generate mandates for the ECLAC Secretariat (see table IV.4).

Civil society participation in the subsidiary bodies and intergovernmental meetings of ECLAC that deal with gender equality, environmental and social issues (including education) includes the work of the Regional Conference on Women in Latin America and the Caribbean, the Escazú Agreement and the Regional Conference on Social Development in Latin America and the Caribbean.

The Regional Conference on Women in Latin America and the Caribbean is the region's main intergovernmental forum on women's rights and gender equality. It is organized by ECLAC and supported by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). Its chief aim is to identify the regional and subregional situation with respect to women's autonomy and rights, put forward recommendations on public policies for gender equality, and conduct periodic evaluations of activities carried out in compliance with regional and international agreements. The first session of the Conference was held in 1977, as a follow-up to one of the agreements of the seventeenth session of ECLAC, in the framework of the United Nations Decade for Women. This session of the Conference concluded with a Regional Plan of Action for the Integration of Women in the Economic and Social Development of Latin America. This far, 14 sessions of the Regional Conference have been held to identify the regional and subregional situation as regards women's autonomy and rights, present recommendations for public policies on gender equality, conduct periodic evaluations of activities carried out in compliance with regional and international agreements, and provide a forum for debate on gender equality.

**Table IV.4**  
**Subsidiary bodies and intergovernmental meetings of the Economic Commission for Latin America and the Caribbean (ECLAC)**

<b>Subsidiary Bodies and Committee of the Whole</b>
Committee of the Whole
Regional Conference on South-South Cooperation in Latin America and the Caribbean
Caribbean Development and Cooperation Committee (CDCC)
Conference on Science, Innovation and Information and Communications Technologies
Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean
Regional Conference on Social Development in Latin America and the Caribbean
Regional Conference on Women in Latin America and the Caribbean
Regional Conference on Population and Development in Latin America and the Caribbean
Latin American and Caribbean Institute for Economic and Social Planning (ILPES)
<b>Intergovernmental meetings</b>
Ministerial Conference on the Information Society in Latin America and the Caribbean
Regional Intergovernmental Conference on Ageing and the Rights of Older Persons in Latin America and the Caribbean
Forum of the Countries of Latin America and the Caribbean on Sustainable Development
Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement)

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

In particular, the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030, which was approved during the thirteenth session of the Regional Conference, is very important for its progress. The Strategy serves as a tool for implementing the commitments undertaken and achieving the Sustainable Development Goals in accordance with the priorities of Latin America and the Caribbean. The participatory process of preparing this document was unprecedented, even when compared with other subsidiary bodies of ECLAC. By approving the Montevideo Strategy, the region recognizes as means of implementation not only those associated with the 2030 Agenda and Goal 17, but also the participation of women's and feminist organizations as a key tool for strengthening democracies and for the design and implementation of public policies with a gender perspective. This is an innovative and pioneering approach, because it considers participation both as an end in itself and as a means to achieve better policies and transform societies. The conferences monitor how these commitments are implemented at the national and regional levels. Government reports should also indicate whether or not they have worked with civil society in this area.

As stipulated in the statutes of the Conference and in line with global regulations on the participation of civil society organizations in the United Nations, NGOs may participate in the Regional Conference in the following ways: (i) as part of national delegations, a process that must be managed in each country and have the approval of the respective governments; (ii) as organizations with consultative status with the United Nations, in accordance with the rules of the Economic and Social Council; or (iii) as observers, by virtue of their status as regional or subregional networks recognized for their track record in implementing the Regional Gender Agenda.

The Regional Conference on Women has made it possible to coordinate the commitments assumed at the national and regional levels and has also been fundamental in influencing global agendas. The Regional Programme of Action for the Women of Latin America and the Caribbean adopted in Mar del Plata in 1994 was a fundamental contribution by the region's governments to the adoption of the Beijing Declaration and Platform for Action. The Montevideo Strategy has accelerated implementation of the agreements embodied in both the Regional Gender Agenda and the Beijing Platform for Action (ECLAC, 2019c).

The methodology of civil society advocacy at the intergovernmental level is another achievement in the collaboration between civil society organizations and ECLAC. This is evidenced by the creation of the Regional Fund in support of Women's and Feminist Organizations and Movements, which dates back to the twelfth session of the Regional Conference on Women in Latin America and the Caribbean (Santo Domingo, 2013), when a desire to study this possibility was expressed. Thereafter, gradual progress was made and the recognition of this need was consolidated in the subsequent meetings of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean (2014, 2016 and 2017). As part of this advocacy process, civil society asked ECLAC, in its capacity as technical secretariat of the Conference, to set up a working group, in consultation with feminist and women's organizations in the region, to move forward with actions for the materialization of the Fund, taking into account its feasibility and operation (ECLAC, 2017b). During the fifty-seventh meeting of the Presiding Officers (Santiago, 2018), the countries approved the creation of the Regional Fund with the general aim of supporting the development of projects that foster gender equality, women's autonomy and the materialization of their rights throughout the region. The creation of this Regional Fund to Support Women's and Feminist Organizations and Movements is globally innovative, as the Fund's governance is composed of ECLAC, UN-Women, governments, and representatives of women's and feminist organizations.

The Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, also known as the Escazú Agreement, is the most recent multilateral environmental agreement to be negotiated and adopted under United Nations auspices; and it is the first regional environmental treaty in Latin America and the Caribbean.<sup>8</sup>

The foundations of the Escazú Agreement date from June 2012, when at the United Nations Conference on Sustainable Development (Rio+20), ten of the region's countries signed a declaration on the implementation of principle 10 of the 1992 Rio Declaration on Environment and Development. The role of civil society was crucial for this to happen. As Morillo (2019, p.23) notes, in 2001 various civil society organizations launched a series of evaluations on compliance with principle 10 [...] which continued until 2009 and formed the basis for various dissemination and advocacy actions between 2010 and 2011, in the framework of that Conference.

After several years of negotiations, principle 10, which aims to ensure access for all people to information and participation in decision-making, as well as access to justice in environmental matters, would be embodied in articles 6, 7 and 8 of the Escazú Agreement, once the eleventh instrument of ratification was achieved on January 22, 2021. This allowed for its entry into force pursuant to article 22. To date, the Escazú Agreement has 24 signatories and has been ratified by 12 countries.<sup>9</sup>

<sup>8</sup> See Economic Commission for Latin America and the Caribbean (ECLAC), *Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean* (LC/PUB.2018/8/-\*), Santiago, 2018 [online] [https://repositorio.cepal.org/bitstream/handle/11362/43583/4/S1800428\\_en.pdf](https://repositorio.cepal.org/bitstream/handle/11362/43583/4/S1800428_en.pdf).

<sup>9</sup> Currently, the States Parties to the treaty are: Antigua and Barbuda, Argentina, Ecuador, Guyana, Mexico, Nicaragua, Panama, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Uruguay.

The most obvious result of civil society advocacy throughout the negotiation process is that it is the first treaty of its kind to include specific provisions for the protection and promotion of human rights defenders on environmental issues. As noted by the Secretary-General (2021): “As we continue to tackle the shattering impacts of COVID-19 and step up efforts to curb the triple crisis of climate change, biodiversity collapse and pollution of the natural environment, the Escazú Agreement’s entry into force provides hope and inspiration, and sets the stage for sustainable and resilient recovery. By adopting a rights-based approach, fostering capacity-building and cooperation, and focusing on the most vulnerable, this regional treaty is a major leap forward in forging transformative pathways for people and our planet”(United Nations, 2021d).

The Regional Conference on Social Development in Latin America and the Caribbean is one of the most recent subsidiary bodies.<sup>10</sup> It was created in 2014 and three face-to-face regional sessions have been held thus far—in Lima (2015), Montevideo (2017) and Mexico City (2019)— plus a fourth, virtual, session in 2021. One of the difficulties faced by the Regional Conference on Social Development concerns the identification of key civil society actors, owing to the breadth and cross-cutting nature of the issues it addresses. The exhortation to the States to engage civil society actively in the preparation and discussion of the work agendas, in line with the multi-stakeholder approach enshrined in the 2030 Agenda, was fundamental for achieving civil society representation in the Conference mechanisms (ECLAC, 2017c, paragraph 13).

The Regional Agenda for Inclusive Social Development, which was approved during the third session of the Regional Conference, recognizes the importance of civil society participation in fostering collaboration, which is fundamental for the creation of alliances and social pacts that strengthen democratic governance at the national and subnational levels. The working groups that have been created following the third session of the Conference aim to be a tool for facilitating dialogue and coordination between civil society organizations and governments.

In the midst of the crisis caused by COVID-19, the Social Development Community of Latin America and the Caribbean was created as a platform for meeting, exchange of experiences and discussion on social development policies in the region. It seeks to promote exchange and cooperation among countries, civil society and United Nations agencies on issues within the remit of the Social Development Division of ECLAC. This Community is made up of officials from ministries of social development, members of civil society organizations and NGOs, and representatives and officials of United Nations agencies. The group representing children, adolescents and young people, who are recognized as agents of change and natural partners for achieving the 2030 Agenda, has participated actively in this mechanism. The aforementioned group has made statements concerning the social and solidarity economy, the promotion of quality education in the context of the health crisis, and in the framework of the social and labour inclusion policies group of the Social Development Community of Latin America and the Caribbean. The group’s statement in the fourth session of the Conference focused on the impact of the health crisis caused by the pandemic and urged governments to plan a recovery process with an intergenerational approach, considering current and future generations of children, adolescents and young people in the region as subjects of rights.

<sup>10</sup> See\_ resolution 682(XXXV) Establishment of the Regional Conference on Social Development in Latin America and the Caribbean”, 2014 [online] <https://repositorio.cepal.org/handle/11362/41763?locale-attribute=en>.

## E. Lessons from institutional progress

### 1. The Community of Practice on voluntary national reviews

As part of its follow-up and review mechanisms, the 2030 Agenda for Sustainable Development encourages member States to conduct periodic and inclusive country-led reviews of progress at the national and subnational levels. The objective of the voluntary national reviews is to facilitate peer-to-peer sharing of experiences, including achievements, challenges and lessons learned, with a view to hastening implementation of the 2030 Agenda.

Voluntary national reviews are more than reports submitted to the high-level political forum on sustainable development at United Nations Headquarters in New York, as they seek to strengthen government policies and institutions, enable follow-up of SDG implementation, facilitate alignment with other national, regional and global development frameworks, drive implementation of the 2030 Agenda both nationally and locally, mobilize multi-stakeholder support, foster partnerships and strengthen public awareness of the SDGs. These reviews also contribute to joint reflection and action to address challenges that require multilateral solutions, such as public health (Goal 3), climate change (Goal 13), peace and justice (Goal 16), international trade and finance (Goal 17), among others.

The Community of Practice<sup>11</sup> on the voluntary national reviews<sup>12</sup> of the Latin American and Caribbean countries, established by ECLAC in 2019, has become an important regional platform for peer-to-peer learning, collaboration and exchange of experiences, knowledge and best practices on the implementation of the 2030 Agenda. The Community of Practice is an informal mechanism for exchanging best practices among the technical teams of the countries tasked with monitoring and coordinating the implementation of the 2030 Agenda in general, and the process of developing the voluntary national reviews in particular. It includes government officials, professionals, researchers and technical experts as well as representatives of ECLAC and the rest of the United Nations system, and also occasionally invites representatives of civil society, the private sector and academia. The Community of Practice fosters interactive discussions in Spanish for Latin American countries and in English for the Caribbean, focusing on their subregional characteristics.

Between December 2019 and early 2021, some 40 virtual meetings of the Community of Practice were held to support the region's countries in the process of preparing the voluntary national reviews and monitoring implementation of the 2030 Agenda. Discussion topics have included local implementation of the 2030 Agenda, multi-stakeholder participation, planning and budgeting aligned with the 2030 Agenda, the means of implementation of the 2030 Agenda with an emphasis on financing for development, data and statistics, among others.<sup>13</sup>

<sup>11</sup> Communities of practice are groups of “people who share a common concern, set of problems, or passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis” (Wenger, 1998).

<sup>12</sup> These national reviews are an essential part of the regular reviews that take place at the meetings of the high-level political forum on sustainable development. As stipulated in the 2030 Agenda, the reviews are led by member States, are conducted by both developed and developing countries, and provide a platform for building partnerships, including through engagement and interaction with major groups and other relevant actors and stakeholders.

<sup>13</sup> For further information, see “ECLAC Community of Practice on the Voluntary National Reviews” [online] <https://www.cepal.org/en/topics/2030-agenda-sustainable-development/eclac-community-practice-voluntary-national-reviews>.



## 2. Voluntary national reviews in the region, an expression of the region's commitment to the 2030 Agenda during the pandemic

The countries of Latin America and the Caribbean have taken ownership of the 2030 Agenda for Sustainable Development as a State commitment, in wide-ranging cooperation with multiple stakeholders, including civil society, youth, the private sector, academia, local authorities and legislative and parliamentary authorities. Between 2016 and 2021, a total of 28 of the 33 countries in Latin America and the Caribbean reported on their progress in terms of national involvement, follow-up and implementation of the 2030 Agenda, by submitting at least one voluntary national review to the high-level political forum on sustainable development. Of these 28 countries, 14 have submitted a voluntary national review more than once (Argentina, Bahamas, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay) (see table IV.5).

**Table IV.5**  
**Latin America and the Caribbean: voluntary national reviews, 2016-2022**

	2016	2017	2018	2019	2020	2021	2022
	Colombia	Argentina	Bahamas	Chile <sup>a</sup>	Argentina <sup>a</sup>	Antigua and Barbuda	Argentina <sup>b</sup>
	Mexico	Belize	Colombia <sup>a</sup>	Guatemala <sup>a</sup>	Barbados	Bahamas <sup>a</sup>	Dominica
	Venezuela (Bolivarian Republic of)	Brazil	Ecuador	Guyana	Costa Rica <sup>a</sup>	Bolivia (Plurinational State of)	El Salvador <sup>a</sup>
		Chile	Jamaica	Saint Lucia	Ecuador <sup>a</sup>	Grenada	Jamaica <sup>a</sup>
		Costa Rica	Mexico <sup>a</sup>		Honduras <sup>a</sup>	Colombia <sup>b</sup>	Saint Kitts and Nevis
		El Salvador	Paraguay		Panama <sup>a</sup>	Cuba	Suriname
		Guatemala	Dominican Republic		Peru <sup>a</sup>	Guatemala <sup>b</sup>	Uruguay <sup>c</sup>
		Honduras	Uruguay <sup>a</sup>		Saint Vincent and the Grenadines	Mexico <sup>b</sup>	
		Panama			Trinidad and Tobago	Nicaragua	
		Peru				Paraguay <sup>a</sup>	
		Uruguay				Dominican Republic <sup>a</sup>	
						Uruguay <sup>b</sup>	
Annual total	3	11	8	4	9	11	8
Total No. of reports	3	14	22	26	35	46	54
Total No. of countries	3	14	19	21	24	28	32
Total countries (% of all countries in the region)	9	42	58	64	73	85	97
No. of countries that have reported more than once			3	5	11	14	16

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

<sup>a</sup> Presenting for the second time.

<sup>b</sup> Presenting for the third time.

<sup>c</sup> Presenting for the fourth time.

Despite the challenges posed by the COVID-19 pandemic in the region, the commitment and effort of countries to monitor the 17 SDGs of the 2030 Agenda has been sustained without interruption: twenty of the region's countries submitted their voluntary national reviews to the high-level political forum on sustainable development after the initial outbreak of COVID-19, between 2020 (Argentina, Barbados, Costa Rica, Ecuador, Honduras, Panama, Peru, Saint Vincent and the Grenadines, and Trinidad and



Tobago) and 2021 (Antigua and Barbuda, Bahamas, Colombia, Cuba, the Dominican Republic, Guatemala, Mexico, Nicaragua, Paraguay, the Plurinational State of Bolivia and Uruguay). The 2030 Agenda remains the roadmap for recovery from the pandemic and for building a better future for all.

Of the 45 countries that will present their reviews in 2022, eight are from Latin America and the Caribbean: Dominica, Grenada, Saint Kitts and Nevis and Suriname will present for the first time; El Salvador and Jamaica for the second time; Argentina for the third time and Uruguay for the fourth time.<sup>14</sup> In a first since the adoption of the 2030 Agenda, most of the countries from the region that will submit their voluntary national review in 2022 belong to the Caribbean subregion. Haiti remains the only country in the region not to have submitted its first voluntary national review by 2022.<sup>15</sup>

Two of the region's countries are already preparing their voluntary national reviews for 2023: Belize and Panama have indicated their intention to submit their second and third voluntary national reviews, respectively, in that year. The 2023 session of the high-level political forum on sustainable development will conduct in-depth reviews of Goal 6 (clean water and sanitation), Goal 7 (affordable and clean energy), Goal 9 (industry, innovation and infrastructure), Goal 11 (sustainable cities and communities) and Goal 17 (partnerships to achieve the goals). The meeting will focus on the theme "Accelerating the recovery from the coronavirus disease (COVID-19) and the full implementation of the 2030 Agenda for Sustainable Development at all levels" (IISD, 2021a). Following the 2023 meeting of the high-level political forum on sustainable development, the United Nations General Assembly will hold a summit-level meeting of the Forum in September 2023, which is known as the Sustainable Development Goals Summit.<sup>16</sup>

The voluntary national reviews of the countries in the region display great heterogeneity, since each country reports on its progress, priorities and national experience at a given time. As they are voluntary, the reviews are not a monitoring and evaluation exercise, such as accountability to a national audit body. The nature of each review thus depends on the specific message that each country decides to present to the international community in a given year. Since they are not homogeneous, it is difficult to make comparative analyses between them.

The 46 voluntary national reviews submitted by the region's countries between 2016 and 2021 contain a wealth of information, good practices and lessons learned on the road to 2030, and beyond. In the framework of the Community of Practice, valuable lessons learned, experiences, challenges and solutions regarding the implementation and follow-up of the 2030 Agenda were identified. Overall, the Latin American and Caribbean countries have made considerable progress in integrating SDGs into their national development plans. More countries are connecting national and local efforts to achieve the 2030 Agenda; including a specific section of the report to "leave no one behind"; providing data to show progress in achieving the 17 SDGs; involving all sectors of government and other stakeholders; and providing solutions to overcome challenges pointed out in previous voluntary national reviews. For example, Chile reported on the establishment of the National Council for Implementation of the 2030 Agenda in its 2017 voluntary national review; and then reported on a revision of the Council to

<sup>14</sup> Togo and Uruguay are the first two countries worldwide to submit their fourth voluntary national reviews to the high-level political forum on sustainable development in 2022.

<sup>15</sup> As reported up to November 2021 by countries to the Secretariat of the high-level political forum on sustainable development and confirmed by the President of the Economic and Social Council (ECOSOC). The list of countries that have submitted their voluntary national review to the Forum can be consulted on the Sustainable Development Knowledge Platform [online] at <https://sustainabledevelopment.un.org/vnrs/>.

<sup>16</sup> The Sustainable Development Goals Summit is a quadrennial meeting of Heads of State and Government held to consider four years of progress towards the 2030 Agenda and SDGs. The 2023 Summit, to be held on 20 and 21 September, will be the second since the adoption of the 2030 Agenda. In Summit years, the July meeting of the high-level political forum on sustainable development does not end with the adoption of a ministerial declaration. A political declaration is adopted by the Summit. See "SDG Summit 2023" [online] <http://sdg.iisd.org/events/sdg-summit-2023/>.

strengthen its structure in its 2019 review. Similarly, Colombia's second voluntary national review submitted in 2018 described the national data analysis tool to monitor, compile and present the contribution of budget spending to SDGs, while Mexico's 2016 voluntary national review reported on disparities in SDG status between its states and regions.

In short, although there are exceptions and the review process is continuously being improved, the voluntary national reviews in the region increasingly present a more accurate and analytical picture of complex national realities. The interactive discussion that follows the review presentation to the high-level political forum on sustainable development in New York is an open exchange between countries, in a peer review and mutual learning mechanism which also involves valuable lessons learned on how particular challenges have been overcome. In keeping with the nature of the voluntary national review, the ECLAC Community of Practice brings several generations of the reviews to the table to provide a trusted and safe space for peer-to-peer exchange, offering constructive feedback in the preparation stages of the reviews, identifying difficulties and overcoming them at the national level, particularly between countries with more experience in presenting these reviews and those that are preparing them for the very first time.

### 3. Stakeholder participation

The 2030 Agenda is the result of the widest-ranging and most participatory consultation process in the history of the United Nations. It also represents the multilateral consensus that is emerging between governments and diverse actors, such as civil society, the private sector and academia. The normative foundations of this multilateral agenda are based on the 1945 United Nations Charter and the more than 40 United Nations conferences and conventions adopted to date. Given the participatory and inclusive nature of the 2030 Agenda for Sustainable Development, the voluntary national review process encourages participation by all relevant actors—member States, specialized agencies, United Nations funds and programmes, other relevant regional and subregional organizations, international financial institutions, civil society, academia and the private sector. This has the virtue of promoting a more holistic vision of sustainable development, and increasing access to resources, such as financing, technical expertise, analytical assets and data.<sup>17</sup>

In the six years since the adoption of the 2030 Agenda, a large body of good practices and lessons has been accumulated on stakeholder engagement in the region. This must be much more than a box-ticking exercise; it is about creating an inclusive voluntary national review process that provides meaningful opportunities for participation by a wide diversity of stakeholders, leaving no one behind. This participation can occur in three ways: (i) in a specific section of the voluntary national review that discusses the participation of key stakeholders, which they may even write themselves; (ii) in their participation in generating data to measure SDG progress; or (iii) in their inclusion as official members of the delegation presenting the review to the high-level political forum on sustainable development.

One of the issues that has been highlighted in discussions within the ECLAC Community of Practice has been stakeholder participation in the voluntary national review process. Some of the good practices identified in the region are presented below.

<sup>17</sup> As shown in the analysis of multi-stakeholder involvement conducted by Centro de Pensamiento Estratégico Internacional (CEPEI, 2021).

To ensure an inclusive and participatory approach, Antigua and Barbuda identified key stakeholders, including businesses, civil society, academia, children and youth, early in the preparation of its first voluntary national review 2021; and it involved them at every step of the process through meetings and questionnaires to ensure that their input was reflected in the final report. It also consulted stakeholders in an online review of the draft voluntary national review to obtain feedback and ensure consensus on what the country was presenting in its first report to the high-level political forum on sustainable development. In addition, the country's Statistics Division has been working with key stakeholders to ensure that data collected in all domains of sustainable development are disaggregated by gender.

For its voluntary national review process in 2020, Trinidad and Tobago employed a plan to engage multiple stakeholders, both internal and external to the government, including national and local officials, private sector entities, academia, civil society and vulnerable groups such as youth, persons with disability, women, children and older adults. This plan was complemented by a communication strategy, which involved four focus group sessions, 49 face-to-face interviews, 45,000 media reactions and 1,008 online SDG survey responses. The plan had an earmarked budget and was coordinated closely between several ministries (planning and development, education, health, foreign affairs and labour), along with the Office of the Prime Minister and the Tobago House of Assembly. Going forward, Trinidad and Tobago will seek to strengthen the capacity of civil society and the private sector to collect data to measure the Sustainable Development Goals.

Many countries in Latin America and the Caribbean, such as Colombia, Cuba and Mexico, report stakeholder contributions publicly and transparently on their 2030 Agenda virtual knowledge platforms. For example, Mexico conducted a survey to identify the main areas in which civil society organizations are contributing to the Goals, including inputs from children and young people.

Costa Rica's judiciary signed the National Pact for the Sustainable Development Goals in 2016. To institutionalize its commitment, the country created an SDG promotion governance scheme led by the President of the Supreme Court. As a result, the latter adopted a Declaration of Institutional Interest in SDGs, encouraging judicial bodies to promote SDG compliance in their annual budgets; and it aligned Supreme Court decisions with the Goals. The judiciary also publishes an annual Voluntary Accountability Report on progress in SDG implementation.

#### 4. Subnational governments and the territorialization of the 2030 Agenda

The territorialization of the 2030 Agenda is a concept that has gained relevance in recent years. Subnational governments are increasingly identifying the Sustainable Development Goals as a current and urgent frame of reference for the planning and implementation of local actions to develop their territories, which has been accentuated in the context of post-pandemic recovery. In addition, various national governments in the region have increasingly been promoting subnational government participation in actions to implement the 2030 Agenda, based on the growing importance that has been assigned to subnational entities in achieving the Goals. This section provides a detailed description of the process through which the territorialization of the 2030 Agenda is gaining ground in various subnational governments in some of the countries that have progressed furthest in this direction.<sup>18</sup>

<sup>18</sup> The first *Annual Report on Regional Progress and Challenges in Relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean*, published by ECLAC in 2017, already noted that some countries placed great emphasis on the territorialization process, through specific actions. Examples include Jamaica and Suriname in the Caribbean, and Argentina and Colombia in Latin America (ECLAC, 2017d).

In Argentina, the survey of the role of subnational governments began in 2016 with the production of a guide for the process of adapting SDGs in the provincial government, and a manual for the territorialization of SDGs. The proposal to establish agreements with subnational entities has gained unprecedented impetus in the last two years.

The guidelines promoted at the federal government level by the National Council for the Coordination of Social Policies, through the SDG 2030 Agenda Project, have addressed the aim of ensuring that actions to implement the 2030 Agenda have an impact at the local level, based on the design and implementation of policies that impact the territory, in coordination with non-State actors.<sup>19</sup> Thus, in 2020 and 2021, liaison work has increased with subnational jurisdictions (currently there are agreements with 14 out of 22 provinces) and also with local governments, with which nearly 150 framework cooperation agreements have been signed. This involves awareness-raising actions, the search for permanent training mechanisms, linkage of local budgets and actions related to the 2030 Agenda. In the short term, the network of provinces and local governments is likely to be expanded to increase the exchange of experiences and best practices.

In Colombia, since the establishment in 2016 of the High-Level Inter-Agency Commission for the Preparation and Effective Implementation of the Post-2015 Development Agenda and Its Sustainable Development Goals, technical committees and territorial working groups have been set up, with a territorial planning kit being developed to promote the alignment of subnational development plans with the 2030 Agenda and its multiple sources of financing.

This work has produced a guide for the preparation of voluntary local reports developed by the National Planning Department (DNP) in a collaboration with the United Nations Development Programme (UNDP), the Corona Foundation and the Colombian *Cómo Vamos* Cities Network. This instrument is based on the mapping of good practices, mechanisms and institutional arrangements for the design, development and implementation of voluntary local reports, including roles and functions at the global level (UNDP/ National Planning Department/Corona Foundation/RCCV, 2020).

Costa Rica is another country that has strengthened the 2030 Agenda territorialization process. Since 2016, when the Ministry of National Planning and Economic Policy (MIDEPLAN) signed a National Pact for the Advancement of SDGs, the actions implemented have provided a toolbox that includes a guide for incorporating SDGs in the work of local governments, a training (awareness-raising) programme on the 2030 Agenda for subnational governments, a recognition scheme for cantons promoting SDGs, and a network for sharing good practices in local treatment, in addition to promotion and guidance in preparing voluntary local reports.

In addition, since not all local governments are represented in the aforementioned National Pact, in which the National Union of Local Governments and the National Alliance of Mayors and District Governors (*Intendentes*) are participating, a technical group has been set up. This consists of MIDEPLAN, the Institute for Municipal Development and Consulting (IFAM) and the Office of the Resident Coordinator of the United Nations System. The group's aim is to localize the agenda at the territorial level, analysing the specific contexts and goals of each local government, in the conviction that successful achievement of the Goals will be reflected in well-being at the community level.

<sup>19</sup> See "ODS Argentina" [online] <https://www.argentina.gob.ar/politicassociales/ods>.

Varying levels of progress have been identified in the recognition scheme for cantons promoting SDGs in Costa Rica.<sup>20</sup> In particular, those with a higher level of development have advanced further; and this progress is reflected in a greater capacity to work with international cooperation through collaboration and technical assistance agreements. In work with other local actors, local and provincial forums have been created, in coordination with civil society, local government and national government, to define projects that contribute to advancing the 2030 Agenda.

In Guatemala, the territorial orientation of SDG implementation was revealed when the National Urban and Rural Development Council (CONADUR) became the entity promoting the 2030 Agenda. Since the establishment in 2018 of 10 SDG-aligned national development priorities, one of these priorities has been territorial planning by the municipalities. This has been the focus of national-subnational interaction in recent years. Recognizing that municipal development and land use planning coordinate public policies at the local level, the work to promote the 2030 Agenda in local governments has focused on the formulation of more than 300 municipal development and land use plans aimed at achieving SDGs locally.<sup>21</sup>

In Mexico, the importance of subnational government participation in achieving the Goals was recognized with the creation of the National Council for the 2030 Agenda for Sustainable Development in 2017. This was also reflected in the guide for incorporating a 2030 Agenda focus in the development of state and municipal development plans. Since then, Mexico has fostered territorialization of the 2030 Agenda through governance schemes, such as subnational councils; and it has promoted collaborative multi-stakeholder work at the local level. Its most recent voluntary national review gave a significant boost to the local agenda by including a section that provides an aggregate overview of the status of implementation of the 2030 Agenda at the subnational level.<sup>22</sup> It also made arrangements for some subnational governments to present their voluntary local reports at a side event at the high-level political forum on sustainable development.

Aside from this thrust towards voluntary local reviews, Mexico has sought to launch national government processes to promote alignment with the 2030 Agenda at the subnational level. For example, the Ministry of Foreign Affairs is running a programme for the internationalization of cities, aimed at raising awareness and interaction with multilateral forums. The alignment of local development plans with the 2030 Agenda has also been promoted in an interaction programme with UNDP, which has led to the development of various inputs and tools for the territorialization of the 2030 Agenda. These include: a practical guide on how subnational entities can write voluntary local reviews, developed in collaboration with German cooperation and UNDP;<sup>23</sup> and subnational learning platform for the 2030 Agenda aimed at conducting peer learning exercises with local actors.<sup>24</sup>

<sup>20</sup> See "Cantones promotores de los Objetivos de Desarrollo Sostenible" [online] <https://ods.cr/cantones-promotores-de-los-objetivos-de-desarrollo-sostenible>.

<sup>21</sup> See "Planes de Desarrollo Municipal y Ordenamiento Territorial -PDM-OT-" [online] [https://www.marn.gob.gt/paginas/Planes\\_de\\_Development\\_Municipal\\_y\\_Ordenamiento\\_Territorial\\_PDMOT](https://www.marn.gob.gt/paginas/Planes_de_Development_Municipal_y_Ordenamiento_Territorial_PDMOT).

<sup>22</sup> See *Informe subnacional voluntario de México, 2021* [online] [https://www.gob.mx/cms/uploads/attachment/file/654379/VF\\_ISV\\_2\\_julio\\_2021-comprimido.pdf](https://www.gob.mx/cms/uploads/attachment/file/654379/VF_ISV_2_julio_2021-comprimido.pdf) and "Documentos base del Informe Nacional Voluntario 2021" [online] <https://www.gob.mx/agenda2030/documentos/documentos-base-del-informe-nacional-voluntario-2021>.

<sup>23</sup> See *Guía para el desarrollo de revisiones subnacionales voluntarias, 2020* [online] [https://www.gob.mx/cms/uploads/attachment/file/590383/V2\\_-\\_Gu\\_a\\_para\\_elaborar\\_RSV.pdf](https://www.gob.mx/cms/uploads/attachment/file/590383/V2_-_Gu_a_para_elaborar_RSV.pdf).

<sup>24</sup> See "Centro de intercambio de conocimientos para el desarrollo de RSV (VLRs) y el intercambio de experiencias (peer learning)" [online] <https://knowledgehub2030.notion.site/Inicio-e0ff09f4736d4ad1bb7688238731a3f6>.

In short, recent actions to territorialize the 2030 Agenda include the establishment of strategic alliances with various stakeholders, the creation of normative instruments such as guides and manuals, the establishment of exchange networks and the development of toolboxes, a comparative analysis of which shows the following situation:

- There are multiple tools available in national institutions to guide and encourage subnational governments to play a greater role in achieving the 2030 Agenda. These facilitate the processes of awareness-raising and engagement of the governments that take on functions, and shorten their learning curve. Several countries have developed toolboxes that facilitate this process.
- Disparities in subnational access to the means of implementation persist, since the most developed subnational entities have greater access to technical and material resources to implement action to achieve the Sustainable Development Goals.
- Subnational governments still face restrictions on access to financial resources, which replicate the restrictions on access at the national level. Although there are alternatives, these are limited and often not widely known, which raises the need for greater systemization, including all of the good practices that exist at the subnational level in the region.

## 5. Local and subnational governments: increasingly important players

Both globally and regionally, voluntary national reviews have fuelled growing interest in the contribution to fulfilment of the 2030 Agenda made by subnational and local actors, including state or provincial levels of government, and city or municipal governments. Since 2017, voluntary local reviews have been generated as an expression of the commitment to the 2030 Agenda of different actors, at subnational and local levels. The 2021 meeting of the high-level political forum on sustainable development consolidated the leading role of voluntary local reviews in localization, in other words, implementation of the 2030 Agenda at subnational and local levels. These innovative exercises are a tool for ownership of the 2030 Agenda at the subnational level and complement national follow-up and review efforts.

Local government leadership is one of the most important driving forces for achieving the 17 SDGs by 2030. The Goals are a planning and monitoring tool for countries at the national, subnational and local levels and provide a long-term vision for sustainable development. Cities are strategic spaces for sustainable development, particularly in Latin America and the Caribbean, which is the most urbanized developing region in the world (80% of the region's population are city dwellers). Cities manifest the region's inequalities, ranging from socioeconomic segregation to disparities in access to public goods and services. They are also on the front line of climate change mitigation and adaptation, to mention some of the priorities included in SDGs. Decisions on urban planning and infrastructure generate lock-in effects and influence the long-term development path. Hence, the relevance of incorporating SDGs into urban policy decisions and using them to monitor sustainable urban development, including through the preparation of voluntary local reviews. Moreover, given the role of cities in national development, the incorporation of lessons learned from local reviews can strengthen the analysis and representativeness of the national reviews, and also foster instances of dialogue and coordination between levels of government.



Based on the results of the Community of Practice, several countries in Latin America and the Caribbean are embarked on a gradual process of decentralizing governance of the 2030 Agenda from the national to the subnational level. Localization of the 2030 Agenda is a cross-cutting issue that can hasten actions to achieve the Goals in line with the Decade of Action for SDGs called by the Secretary-General of the United Nations and build back better after the COVID-19 pandemic. Countries in the region have started to work with various levels of government, national, subnational and local; and several have reports and policies that ensure commitment to the 2030 Agenda and its integration into territorial plans, programmes and projects.

In terms of institutional mechanisms, subnational councils for the 2030 Agenda have been created in several countries, including Mexico. In others, such as Honduras, local orientation guides have been, or are being, developed to incorporate the 2030 Agenda into the subnational planning process. In Colombia and Costa Rica, voluntary local review guides were developed for cities and municipalities to take ownership of the 2030 Agenda and monitor progress and good practices. While Guatemala has prioritized some of the Goals territorially, in the Dominican Republic the Multi-year Public Sector National Plan, which seeks to close structural gaps between territories, was developed with a territorial approach. In collaboration with German cooperation, Mexico created a community of practice among subnational actors for localization of the 2030 Agenda in the region.

At the regional level and also globally, voluntary local reviews have aroused increasing interest in the contribution of subnational and local actors in achieving the 2030 Agenda. By providing an overview of the work of local governments, they help to detect synergies between strategies, identify policy gaps and create multi-stakeholder partnerships. Several cities and subnational governments in Argentina, Brazil, Mexico, the Plurinational State of Bolivia and Uruguay have prepared voluntary local reviews to report on relevant aspects of implementation of the 2030 Agenda in their territories. Even in the context of the pandemic, local governments in the region have maintained their commitment to preparing these reviews. In recent months, this has been exemplified by growing interest among national governments in promoting voluntary local reviews and connecting them to the voluntary national review process, as has occurred in Argentina, Colombia, Costa Rica and Guatemala.

At the city level, La Paz noted that the voluntary local review turns SDGs into a compass to guide municipal planning towards 2030. São Paulo pointed out that the voluntary local review integrates existing policies and pushes them to go further to increase their impact. Through voluntary local reviews, local governments commit to the formulation of long-term strategic policies. Buenos Aires, which circulated its third voluntary local review at the 2021 meeting of the high-level political forum on sustainable development, noted how the voluntary local review process meshes the city's vision with policy formulation in a way that charts the course ahead (IISD, 2021b).

In Jamaica, local authorities participated in construction of the National Development Plan “Vision 2030 Jamaica” and its implementation strategy, the “Medium Term Socio-Economic Policy Framework (2018-2021)”. Local governments also joined the EU-funded project titled “Strengthening the Role of Local Government as a Development Partner” to help local authorities develop leadership, institutional and operational capacities to implement SDGs. In addition, the country created a partnership with the Jamaica Library Service (JLS) through its network of 119 fixed library locations, 373 mobile library stops and 901 schools. This aimed to deepen knowledge on SDGs and Vision 2030 Jamaica, through ICT access points in rural and urban communities. As part of its 2018 voluntary national



review process, the country identified “SDG champions” to promote and advocate for SDGs across the island; and it created a parish-level SDG road show to raise awareness and generate solidarity throughout the population.

Aside from the actions of the Community of Practice, ECLAC supports the region's countries in their voluntary national and local review processes in several ways. It provides specific support and technical assistance to member States that request it in preparing their voluntary national reviews. In particular, prior to the 2023 session of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, it will organize a regional workshop for countries that are scheduled to present their voluntary national reviews in 2022. This will aim to strengthen their knowledge and capacities for preparing their national reviews, as part of their national strategies to implement the 2030 Agenda and follow up progress. ECLAC also establishes linkages between the national and subnational levels of governance, generating guidelines and tools to strengthen the localization of the 2030 Agenda; and it provides capacity building to local authorities.

Another important mechanism is the Regional Knowledge Platform on the 2030 Agenda in Latin America and the Caribbean (SDG Gateway), which is an online portal developed by ECLAC together with the United Nations system in the region. The platform contains all SDG-related information, including activities, information resources, statistics, regional data, specific analytical tools and knowledge products.

## 6. Challenges of Caribbean small island developing States in the face of SDGs

Small island developing States (SIDS) face specific challenges in achieving the 17 SDGs of the 2030 Agenda; and these have been magnified by the impacts of the pandemic. The challenges in question affect all voluntary national reviews in the Caribbean subregion and are an ongoing theme in Community of Practice discussions. Compounding the fact that the pandemic has laid bare the shortcomings of the international system and reversed the achievements of the 2030 Agenda, Caribbean SIDS continue to combat climate change. In the 2021 General Assembly and COP 26, SIDS leaders took centre stage and made a strong call for resources and political will to address the climate crisis. This included urging developed countries to fulfil their commitment to contribute US\$ 100 billion annually to support developing countries. The proposal to create a multidimensional vulnerability index, to reformulate the criteria under which countries can access concessional funds and international cooperation, is part of the call for greater international solidarity and a more comprehensive approach to development gaps, as advocated by the 2030 Agenda.

In contrast to the enthusiasm that is displayed during the national review process, institutional mechanisms for SDG implementation in Caribbean countries tend to be less active once the process is completed, resulting in a lack of oversight of or advocacy for SDG-related activities in these countries. Except for a few countries where SDGs have been mainstreamed in national budgets, the lack of dedicated funding for SDG-related activities has also meant that the Goals are implemented with little to no funding from the central government, further hindering progress in the achievement of the SDGs.

The availability of quality data continues to be a challenge in the implementation of and reporting on SDGs in the Caribbean. While considerable progress has been made with the Commission's launch of the new Regional Knowledge Management Platform, which will enhance access to data on SDG indicators for Latin American and Caribbean countries, national data for the Caribbean are still generally unavailable.<sup>25</sup> Many regional and national statistical capacity-building efforts are currently under way to address the data challenge. However, limited capacity, not only for statistics but also in national development planning, is a major challenge for many Caribbean countries and has implications for the effective implementation of SDGs.

Now, more than six years since the adoption of the 2030 Agenda, it is urgent to step up the implementation of SDGs in the Caribbean. Beyond awareness-raising on the global agenda, there is a need for SDG champions who can keep SDGs alive between presentations of voluntary national reviews. Since experience has shown that voluntary national reviews provide a rallying point for SDGs in the Caribbean, countries presenting their reviews could capitalize on the momentum generated by that process to keep stakeholders engaged. This idea is currently being implemented by Antigua and Barbuda. After the successful presentation of their first voluntary national review in July 2021, Antigua and Barbuda developed an SDG communication strategy and an interactive website that facilitates ongoing engagement in promoting and advancing the implementation of SDGs in the country.

To guarantee adequate financing for SDG implementation, in addition to mainstreaming SDGs in national development plans, more countries are encouraged to incorporate the Goals in the budgets of ministries and government agencies to align their activities that contribute to the achievement of SDGs. This approach will also enhance monitoring and reporting on SDGs, as data related to budget implementation are routinely produced by these ministries and agencies.

## 7. *Our Common Agenda* and its synergies with the implementation of the 2030 Agenda

On 10 September 2021, the Secretary-General presented his report *Our Common Agenda*, prepared at the request of UN member countries in the framework of the seventy-fifth Session of the United Nations General Assembly and based on consultations with a wide range of stakeholders, including countries, civil society, academic organizations and the UN Secretariat, agencies, funds and programmes.<sup>26</sup> The report aims to address key global challenges, advance more effective multilateralism, promote greater international solidarity, and articulate a vision for adapting the United Nations system to a new era.

In essence, *Our Common Agenda* seeks to speed up the implementation of global agreements, including the 2030 Agenda, by revitalizing multilateralism and improving conditions for international cooperation and solidarity. It proposes an agenda of specific actions, platforms and multilateral processes, in order to foster a renewed social contract, promote intergenerational solidarity and deliver global public goods.

The pandemic has highlighted global interdependence and the fact that national development is not separated from the multilateral context. The crisis has accentuated global asymmetries, from access to vaccines and health response capacities, to fiscal space and room for countercyclical policies and investments for a sustainable recovery. All of these factors affect the ability to move forward with SDG implementation both in Latin America and the Caribbean and in other developing regions.

<sup>25</sup> See Regional Knowledge Management Platform [online] <https://agenda2030lac.org/en>.

<sup>26</sup> See United Nations (2021a).

Building a renewed social contract, based on policies of social inclusion and protection, in participatory processes and, as ECLAC has argued, a structural shift towards sustainable production systems, is a shared concern, expressed in the document *Our Common Agenda* and the 2030 Agenda, and in the national and international priorities in responding to the impacts of the pandemic.

Reflection on what societies consider valuable for ensuring coexistence with greater trust and social cohesion, in other words how they define prosperity and collective well-being, also means rethinking how these phenomena are measured. In this framework, *Our Common Agenda* invites the United Nations system and other actors to define and agree on measures beyond GDP. This includes how to measure well-being, the contribution of the informal economy, the care economy and women's unpaid work, indicators of environmental sustainability, the economics of biodiversity and the costs of climate change, while also improving the measurement of the economic impacts of the digital world. The internationally agreed-upon framework of indicators for the 2030 Agenda invites reflection on sustainable development beyond GDP and represents another area of synergy between the two agendas and their call to strengthen statistical capacities for monitoring sustainable development.

*Our Common Agenda* also explicitly includes the interests of future generations among the concerns of multilateral cooperation. It proposes to establish a United Nations Special Envoy for Future Generations and a Futures Lab, among other mechanisms to analyse and address emerging challenges such as the peaceful, secure and sustainable management of the use of outer space, or multilateral consensus to govern the implications of digitalization in different fields.

The Secretary-General's proposal for a Global Digital Compact to address the more complex challenges of digitization complements the relatively limited inclusion of this topic in the 2030 Agenda. The Sustainable Development Goals call for increased access to information and communications technology (ICT) (target 9.c); recognize their role in promoting the empowerment of women (target 5.b); and emphasize on technology transfer and capacity building in the framework of SDG 17. However, they do not identify the digital transformation as a megatrend with geopolitical, productive, labour and political impacts that have been recognized among today's main challenges and have been magnified during the pandemic.

*Our Common Agenda* also stresses the inclusion of youth, another priority issue for the implementation of the Goals in Latin America and the Caribbean, considering the impacts of the pandemic on both education and the situation of young people in the labour market. Even before the pandemic, labour informality among young people between 18 and 24 years of age was 68.5%; and the mobilizations and social eruptions that have occurred in several countries in the region in recent years have attracted high levels of participation from this age group. The context of persistent inequalities and the lacklustre economic growth expected for the coming years present conditions that clash with the expectations of young people. Increased attention and mechanisms to promote the interests of youth would converge with speedier implementation of several SDGs.

Lastly, *Our Common Agenda* identifies the provision of global public goods and the management of the global commons as priority areas for renewed multilateralism. This call impacts certain SDGs directly, such as GHG concentrations in the atmosphere for SDG 13 on climate action, or pollution in the oceans in SDG 14 on marine life, as noted in chapter III.

It also highlights various current priorities, such as public health and vaccine access mechanisms and proposals to promote a global economy that works better for all, with economic stability recognized as a global public good. Among its proposals is a Biennial Summit at the level of heads of State and Government between the members of the G20 and the members of the Economic and Social Council,

the Secretary-General and the heads of the international financial institutions. This mechanism would address some of the most challenging global asymmetries and amplify the voice of developing economies in global economic debates, beyond what is allowed under current structures, whether those of the Bretton Woods institutions or the restricted membership of G20.

*Our Common Agenda* also proposes a new joint structure on financial integrity, the membership of which will focus on the United Nations, international financial institutions, the Organisation for Economic Co-operation and Development (OECD), and civil society and private sector actors, to combat illicit financial flows. Structures with broader multilateral participation can incorporate developing country interests more effectively into global reforms on illicit financial flows and international tax debates. This is a key challenge in building the fiscal compacts needed to underpin new social contracts and enable a recovery that is more consistent with the Sustainable Development Goals.

Although many of the proposals in *Our Common Agenda* need to be approved by the States Members of the United Nations, the document, which reflects the Secretary-General's vision for the work of the Organization in the coming years, will serve as a reference for multilateral progress in the main global agendas, including the 2030 Agenda.

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## Annex IV.A1

**Table IV.A1.1**

**Latin America and the Caribbean: coordination mechanisms for the implementation and follow-up of the 2030 Agenda for Sustainable Development, November 2021**

Country	Coordination mechanism	Ad hoc	Technical secretariat	Most recent voluntary national review
Antigua and Barbuda	Sustainable Development Goals Committee	x	Ministry of Foreign Affairs, International Trade and Immigration	2021
Argentina	National Council for the Coordination of Social Policies	-		2020
Bahamas	with Technical Secretariat at: SDG Unit/Prime Minister's Office	x	SDG Unit/ Prime Minister's Office	2021
Barbados	Ministry of Finance, Economic Affairs and Investment	-		2020
Belize	Ministry of Sustainable Development, Climate Change and Disaster Risk Management	-		2017
Brazil	Secretariat of Government of the Presidency of the Republic	-		2017
Bolivia (Plurinational State of)	Inter-Agency Committee for the Economic and Social Development Plan (PDES) and Sustainable Development Goals	x	Ministry of Development Planning	2021
Chile	National Council for the Implementation of the 2030 Agenda for Sustainable Development	x	Ministry of Social Development	2019
Colombia	High-Level Inter-Agency Commission for the Preparation and Effective Implementation of the Post-2015 Development Agenda and Its Sustainable Development Goals	x	National Planning Department	2021
Costa Rica	High-Level Council on the Sustainable Development Goals	x	Ministry of Planning and Economic Policy	2020
Cuba	National Group for the implementation of Cuba's 2030 Agenda for Sustainable Development	x	Ministry of Economy and Planning	2021
Dominica	Ministry of Economic Affairs, Planning, Resilience, Telecommunications and Broadcasting	-		2022
Ecuador	National Planning Secretariat	-		2020
El Salvador	Office of the President of the Republic and Ministry of Foreign Affairs	-		2022
Grenada	Ministry of Finance, Economic Development, Territorial Development, Public Utilities and Energy	-		2022
Guatemala	National Council for Urban and Rural Development (CONADUR)	-		2021
Guyana	Ministry of Finance / Office of the President	-		2019
Haiti	Ministry of Planning and External Cooperation	-		n/a
Honduras	National Commission on the 2030 Agenda for the Sustainable Development Goals	x	Secretariat of General Coordination of Government	2020
Jamaica	National 2030 Agenda Oversight Committee	x	Planning Institute of Jamaica	2022
Mexico	National Council for the 2030 Agenda for Sustainable Development	x	Ministry of Economy	2021
Nicaragua	Office of the President of the Republic	-		2021
Panama	Inter-Agency and Civil Society Commission for the Support and Follow-up of the Sustainable Development Goals	x	Ministry of Social Development	2020
Paraguay	Paraguay 2030 Sustainable Development Goals Commission	x	Ministry of Foreign Affairs	2021
Peru	National Centre for Strategic Planning	-		2020
Dominican Republic	Inter-Agency High-Level Political Commission for Sustainable Development	x	Ministry of Economy, Planning and Development	2021



Table IV.A1.1 (concluded)

Country	Coordination mechanism	<i>Ad hoc</i>	Technical secretariat	Most recent voluntary national review
Saint Vincent and the Grenadines	Ministry of Finance, Economic Planning, Sustainable Development and Information Technology	-		2020
Saint Lucia	National Coordinating Mechanism for Implementing the 2030 Agenda	x	Ministries responsible for Sustainable Development and Economic Development	2019
Saint Kitts and Nevis	Ministry of Sustainable Development	-		2022
Suriname	n/a	-		2022
Trinidad and Tobago	with Technical Secretariat at the Ministry of Planning and Development	x	Ministry of Planning and Development	2020
Uruguay	Planning and Budget Office	-		2022
Venezuela (Bolivarian Republic of)	Council of Vice Presidents and Inter-Agency Coordination Group	-		2016

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), based on information from the countries.

**Note:** n/a: information not available.

# CHAPTER V

## Agreements for a decade of action

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Introduction

A. Multilateralism, international financing and regional integration

B. Public policy at the core of a transformative recovery

C. Governance in a new pattern of development

D. Conflicts, instability and social compacts for sustainable development

E. Conclusions

Bibliography



## Introduction

Chapter I of this document discusses the costs of failing to make the sweeping changes needed to attain a sustainable form of development. These costs are cumulative and are on the rise, and they may jeopardize future development prospects. Many of these costs are externalities. In other words, they are effects that the decisions of some actors are having on other actors but that the decision-makers are not considering in their analysis of the costs and benefits of their decisions.<sup>1</sup> This is because the market and the price system do not send out the signals that would be needed to ensure the consideration of social costs and benefits in individual decision-making processes. Public policy must therefore fashion incentives that will bring about the convergence of social and individual interests, and to do this, policy-makers will have to make use of the entire array of public policy tools at their command (such as taxes, subsidies, regulations and public investment) to alter the existing structure of incentives.

Because this public policy exercise will have a detrimental effect on some actors while helping others, it cannot be undertaken until policy agreements have been reached to back it up. At the international level, this entails the development of a new form of governance that will reduce existing asymmetries and thus pave the way for a transition to a sustainable economy; at the regional level, it requires the reinvigoration and convergence of economic integration agreements; and at the national level, steps must be taken to strengthen social protection systems and reinstate the strategic role of public investment. If these things are not done, the necessary agreements, which are rooted in the realities of the political economy of the region, will not be reached.

Section A below focuses on the international landscape and regional integration. Section B deals with policies aimed at changing the region's production patterns and promoting inclusion at the national level. Section C concerns the institutional challenges posed by the model required for the implementation of these policies. Section D discusses political issues relating to sustainable development efforts, particularly the growing divisiveness and mistrust in the countries' and region's institutions generated by the region's growth model. Section E sets out a number of conclusions which underscore the importance of reinventing the policy dialogue and rebuilding institutions in time to prevent the emergence of more asymmetries and imbalances that would stand in the way of the region's quest for a sustainable future.

### A. Multilateralism, international financing and regional integration

Two lines of thought are laid out in this section. The first has to do with the need for a new type of multilateralism in order to reshape international economic relations and give greater priority to development issues rather than focusing entirely on market liberalization. This will call for cooperation on a number of different fronts, including the international provision of financing for the transition to a sustainable style of development. The second focuses on the fact that, in order to build this new type of multilateralism, the convergence and harmonization of regional economic integration efforts will play a role of prime importance. Regional integration and a new form of multilateralism should thus reinforce one another.

<sup>1</sup> Emissions of greenhouse gases (GHGs) are helping to drive climate change, but this effect is not included in GHG emitters' cost functions. As another example, currency speculation may lead to higher rates of unemployment, but this cost does not figure in the economic calculations of those who are purchasing or selling securities in the various markets. By the same token, investment in research and development (R&D) contributes to the diffusion of technology that boosts an economy's productivity, but that positive effect is not necessarily captured by the firm that makes the initial investment.

## 1. Overcoming fragmentation and rivalry in the global economy and relaunching regional integration efforts

The pre-pandemic growth pattern was defined as being a pattern of hyperglobalization because it fostered a multilateral institutional framework that purportedly sought to minimize the role of national States and maximize the scope of the market. Actually, major players in the world economy (the United States, China and Western Europe) were fielding forceful industrial and technology policies, while regions that lacked those policies (including Latin America and the Caribbean) lagged behind in terms of both capacity and productivity. Even the trademark of this new pattern —financial globalization— was unevenly distributed, since many economies (with China being a prime example) maintained capital controls and took step to preserve their currencies' competitiveness and stability. Technology firms that wielded enormous market power, such as Google, ran up against stringent restrictions in China as it sought to promote its own digital companies and start-ups, which ultimately came to dominate the Internet search market in that country (Sheehan, 2018).

The expansion of international trade and investment has in large part been shaped by industrial, technology and macroeconomic policies that have gradually redefined the structure of competitive advantages, often in response to the interests of private actors; in other cases (especially in China), however, those policies led to the creation of new actors and then supported those ventures until they succeeded in carving out hegemonic positions in the market. Relations between the United States and China were marked by a combination of United States firms' attraction to China's inexpensive labour and huge market and China's need for United States technology and its market as a platform for China's export drive and the founding of its own companies. As China's technological capacity has grown, however, its cooperative relationship with the United States has metamorphosed into an increasingly fierce rivalry.

This rivalry came about partly because the global distribution of industrial employment and production activities has shifted against the United States in ways that have spurred an increase in the inequality that had been produced by the tax cuts and high interest rates instituted in the 1980s. The destabilizing effects of this inequality have been the backdrop for increasing political polarization in the United States. On the other hand, the narrowing of the technological and industrial gap between China and the United States has fed through into their military capabilities, setting off alarm bells for United States geopolitical strategists. The situation is further complicated by China's desire to strengthen its presence in the South China Sea, which is a source of concern for countries such as Japan and the Republic of Korea and for Taiwan Province of China.

The path taken by relations between the United States and China is enormously important for Latin America and the Caribbean as a whole and particularly for South America. China and the United States are the region's two biggest trading partners, with their shares of the market differing (but remaining significant in all cases) in line with the different subregions' areas of specialization. The continuing growth of both of these countries' economies and their continued cooperation will play a decisive role in determining how successful of a recovery the region can make and how much of an opportunity it will have to address the major issues figuring on the global and regional agendas. The United States and China are faced with complex geopolitical challenges and must therefore keep talking to each other if they are to avert a possible escalation of the tension between them. In addition to the need to keep the military rivalry between these two nations under control, there are also other factors that may help to bolster continued cooperation between them. One is their interdependence. The United States' biggest external deficit is with China (followed by Mexico and Germany, but its deficits with those two countries are substantially smaller), and Chinese investors own 4% of all United States treasury securities (China, with over US\$ 1 billion, is the country with the second-largest holdings of United States Treasury bonds, after Japan). These two countries are the world's largest GHG emitters, and any solution for the problem posed by climate change must therefore necessarily involve them.

As discussed in chapter I, unlike what is happening in South America, the influence of the burgeoning Chinese economy is diluted in Mexico, Central America and the Caribbean by the dynamism of the United States economy. Some of the expansionary measures based on infrastructure investment and social spending that have recently been adopted in an effort to spur a recovery may have a strong impact on the subregion. This is a particularly important factor for exports by manufacturing industries (maquilas), tourism revenues and migrant worker remittances. The possibility of production plants being relocated from China to the subregion in order to realize proximity advantages may also cause trends in the northern and southern parts of the Latin American and Caribbean region to diverge.

The outlook for the region is just as uncertain as it is for the global economy as a whole. Supply is making a slow recovery because many value chains have been broken and energy costs are on the rise; in addition, in some cases, labour shortages are also a constraining factor. China's economy is slowing, and this trend may be heightened by the fallout from the Evergrande crisis. Central banks are faced with a delicate balancing act as they try to manage interest rates to avert an acceleration of inflation without undermining the already weak economic recovery. This state of affairs makes it all the more necessary to step up policy-led investments in the energy transition. An investment policy of this type can make it possible to attack various problems related to the energy crisis and climate change simultaneously while at the same time giving a boost to the recovery.

These policies need to be coordinated and, as mentioned earlier, to be based on agreements that will avert fragmentation, protectionism and unilateral responses that fuel rivalries. The opening of the international economy in a way that has led to its hyperglobalization can be seen as a failure, but this does not nullify the need for increased trade and greater multilateral cooperation. The mounting costs of not having prepared for the future cannot be eliminated by turning back to the past but only by devising a strategy for effecting economic change while reducing asymmetries and disequilibria.

The concept of development in transition opens the way for international cooperation in today's more fragmented and unequal world. There is a consensus around the need to redefine international governance and an awareness that development is not measured solely by per capita income. Serious problems of inequality, marginalization and poverty are apparent even in high-income countries. The shortage of financing for development and the limited amount of multilateral support being made available to middle-income countries during the current crisis accentuate the challenges faced by this group of countries, which includes most of those of Latin America and the Caribbean. The concept of development in transition provides a way of rethinking the paradigm of cooperation in the region.

This concept calls for more nuanced measurements of development than simply per capita GDP, which is the yardstick now used to determine eligibility for various multilateral support mechanisms. In order to devise such measurements, an analysis will be required of structural gaps and the middle-income trap in order to gain a clearer understanding of the direct and indirect financial and non-financial effects of a country's "graduation" from eligibility for official development assistance (ODA): the contraction of financial cooperation flows, the end of unilateral trade preferences, fewer opportunities for leveraging funds for science and technology, the discontinuation of preferential assistance for academic and professional training, and difficulties in mobilizing resources for South-South and triangular cooperation. This kind of graduation can also reduce the scope for dialogue between donor and graduated countries and thus limit opportunities for exchange and coordination.

The paradigm of development in transition calls for a renewed, inclusive form of international cooperation that will help to close structural gaps and eliminate the global asymmetries between developed and developing countries that have been amplified by the current crisis. The recent establishment of

the Regional Conference on South-South Cooperation in Latin America and the Caribbean provides an intergovernmental forum for the discussion and implementation of proposals for new forms of cooperation with and between countries of the region.

As noted in chapter IV, Sustainable Development Goal 17, on the revitalization of the global partnership for sustainable development, calls for the reinforcement of international cooperation not only in relation to financing for development and debt sustainability but also in the field of technology, including green technologies, and the creation of capacity in science, technology and innovation in developing countries. For the middle-income countries of the region, advancing new paradigms of international cooperation is an essential step towards the achievement of Goal 17.

### (a) International cooperation in financing for development

Despite the pandemic's strong impact on the region, international cooperation has been limited and has been focused on low- and lower-middle-income countries. In 2020 and 2021, around 15% of the World Bank's loan commitments went to the Latin American and Caribbean region, as opposed to an average of 40% for Africa. Given the middle-income countries' systemic importance in the world economy, the risks that they face could hold back global growth and jeopardize the world's financial stability. Middle-income countries account for 75% of the world's population, about 30% of global aggregate demand and, most importantly, 96% of developing-country public debt (not including China or India).

The issue of financing for development for middle-income countries has been marked by an increasing disconnect between economic and social needs, on the one hand, and the response in terms of multilateral cooperation, on the other. This problem needs to be addressed as a matter of urgency by instituting measures based on debt reduction and an expansion and redistribution of liquidity in order to expand the policy space available to the region.

The supply of liquidity can be expanded and redistributed through the issuance of special drawing rights (SDRs) and their recirculation to developing countries. In August 2021, the International Monetary Fund (IMF) issued the equivalent of US\$ 650 billion in SDRs, which was by far its largest allocation ever. Since SDRs are distributed on the basis of each country's existing quota in the Fund, 64.4% of this new issue went to developed countries and the remainder to developing countries. Although the new allocation of SDRs enabled the countries of the region (which together received 7.9% of the total) to strengthen their international reserve positions, it will not be enough to narrow their financing gap.

One way of accomplishing that redistribution would be for developed economies to recirculate the newly allocated SDRs to developing ones. The evidence shows that developed economies make much less use of SDRs than developing economies do and, during crisis periods, the SDR utilization rate of developing countries tends to rise much more steeply than the utilization rate of developed economies does.

SDRs can be recycled by developed countries and channelled to developing economies in three different ways. The first would be to strengthen the Poverty Reduction and Growth Trust (PRGT), which provides financing to low- and lower-middle-income countries and to upper-middle-income countries that are deemed to be in debt distress; thus, not all middle-income countries are eligible for PRGT support. In addition, PRGT financing is subject to conditionalities. The second would be



to create the type of fund for middle-income countries proposed by the Secretary-General of the United Nations in March 2021 (United Nations, 2021). The third would be to use SDRs to bolster the lending capacity of development banks; in order for this to be feasible, these banks would first have to be authorized to hold SDRs, however.

Development banks could use SDRs in two ways: either by swapping them for hard currencies that they could then lend out or by holding them as capital to strengthen their leveraging capacity. In either case, the development banking system would, in principle, have to use SDRs as they are designed to be used, i.e. as a reserve asset. In other words, SDRs have to be used as liquid assets that carry zero risk. The way that this issue is addressed in PRGT is on the basis of a swap policy whereby countries that lend SDRs to the Trust can reclaim them if they run short of reserves or encounter balance-of-payments problems. PRGT maintains a reserve account equal to approximately 20% of its loans and a subsidies account for use in covering the interest (0.005%) on SDRs. Another point to be borne in mind is that the loans made by development banks have longer maturities than the 10-year terms used by PRGT.

Multilateral funds provide another way to redistribute liquidity from developed to developing countries. The Costa Rican government has proposed the creation of a US\$ 500 billion multilateral relief fund (the Fund to Alleviate the COVID-19 Economy (FACE)), which would amount to 3% of developing countries' GDP and just 0.7% of developed countries' GDP. The loans made out of this fund would have a 50-year maturity and would carry an interest rate equivalent to the international rate or near 0% (i.e. they would be concessional loans).

International cooperation aimed at helping countries of the region deal with the effects of the pandemic and promoting a sustainable recovery can also be provided by the development banking system. During the pandemic, the multilateral banking system, and particularly the World Bank, have largely concentrated their efforts (65% of its loan commitments) on low- and lower-middle-income countries. This has opened the way for subregional and national development banks to play an important role in providing financing to the region's economies.

The Inter-American Development Bank (IDB) has allocated nearly US\$ 8 billion and the Andean Development Corporation (CAF) US\$ 10 billion for the region. The Central American Bank for Economic Integration (CABEI) has channelled the equivalent of US\$ 2 billion to combat the pandemic, in addition to funds to support the recovery, for a total of some US\$ 3 billion. This combined financial effort thus far outstrips the US\$ 4 billion provided to the region by the World Bank.

National development banks have made use of instruments such as credits, loan guarantees, refinancing and the suspension of repayment obligations to mount a forceful response to the crisis. In order to help drive a sustainable economic recovery, the development banking system will need to undertake a strategic effort to mobilize resources for green investment and projects related to climate change on a massive scale. According to current estimates, developing countries will need to invest at least US\$ 1 trillion per year to reach net zero carbon emissions by 2050. This transition will have to be coupled with a change in the composition of loan portfolios, and, along those lines, regional and subregional banks in the region have already made some progress in incorporating environmental criteria into their portfolios. IDB and CAF have set themselves a target of having 30% of their total portfolios made up of climate-related investments, while CABEI has set its sights on a 35% target. The share of climate-related investments in national bank portfolios is much smaller (amounting to an average of just 1% in the case of the national banking systems of Brazil, Mexico and Chile, according to a 2017 IDB study).

Latin American and the Caribbean is the most heavily indebted region in the world. (Its general government debt amounted to 77% of GDP in 2020 and its debt service, measured in terms of fiscal revenues, was equivalent to 29% of GDP in that same year.) Its increased indebtedness not only reduces these economies' ability to field countercyclical policies to blunt the effects of the pandemic but also erodes their ability to speed the recovery. By comparison, developed economies have deployed massive fiscal stimulus packages and monetary stimulus mechanisms on an unprecedented scale. In addition, both the Federal Reserve of the United States and the European Central Bank (ECB) have been the main sources of government deficit financing. These facts demonstrate just how much the countercyclical capacities of developing and developed economies differ.

The only multilateral debt-reduction initiative launched to date is the Group of 20 Debt Service Suspension Initiative (DSSI). This initiative provides for the temporary suspension of debt service payments (on principal or interest) to official bilateral creditors, which account for roughly 38% of the total for DSSI-participant countries. The four countries of the region that are currently taking part in this initiative are Dominica, Grenada, Saint Lucia and Saint Vincent and the Grenadines. The bulk of these countries' debt is not owed to official creditors, however, as only 20.7%, on average, of their total debt falls into this category.

DSSI is simply a moratorium and thus does not ensure that the participating countries' economies will grow enough to enable them to cover the debt payments that are being deferred. In fact, once the Initiative comes to an end, countries will have to make the capitalized deferred principal and interest payments over a period of five years following a one-year grace period. It is likely that the countries will therefore have less fiscal space for dealing with the medium- and long-term effects of the pandemic and for ensuring the sustainability of their debt.

Designing a long-term solution for the debt problem will require a strategy entailing three courses of action. First, all highly indebted economies should be eligible for official debt relief, standstills or both. Second, economies with short-term debt profiles or a hefty debt service burden should be entitled to debt relief and extended repayment periods. Third, economies with a more sustainable debt profile should be able to secure financing on the private capital market.

IMF surcharges are another problem for some of the most heavily indebted economies. As of July 2021, 14 middle-income IMF member countries were subject to surcharges and 3 of them —Argentina, Barbados and Ecuador— accounted for nearly 60% of total surcharges. The surcharge system is procyclical and regressive and should therefore be reassessed and revised. As a temporary measure, surcharges could be suspended to help countries cope with the pandemic and its fallout. Consideration could also be given to more long-lasting reforms, such as the reduction or complete elimination of level-based surcharges.

The institutional reform of the multilateral debt architecture should include the reform of credit rating agencies and their procedures for assessing sovereign risk. These agencies tend to be procyclical in their evaluations and therefore downgrade countries' risk ratings when their economies are in the downswing of the business cycle. The available evidence also shows that they tend to be harder on developing than developed economies. In 2020, the big three credit rating agencies (Fitch Ratings, S&P Global Ratings and Moody's Investors Service) downgraded a record number of sovereign borrowers. Between January 2020 and 28 February 2021, they lowered the sovereign credit ratings of just 6% of the world's developed economies but of 31% of the developing economies. Financial stability should be regarded as a global public good, and that stability is jeopardized when the agencies' strategies are prejudicial to middle-income countries, given their importance in world trade and the size of their public debts. Apart from the recommendations that have been made for

improving risk ratings (such as extending the time periods on which credit evaluations are based), consideration should also be given to establishing a multilateral risk rating agency to act as a neutral observer and counterweight to private agencies. Such an institution should be associated with a multilateral credit restructuring mechanism.

A multilateral credit rating agency's main objective would be to assess sovereign credit risk. An agency of this sort could make use of alternative ways of evaluating governments' solvency, especially in the case of developing economies. The challenges that such an agency would have to deal with include the following: the use of more flexible risk evaluation criteria based on a wide array of indicators, including indicators that measure social, political and environmental factors; the administration of various types of financing; conflicts of interest; regulatory capture; and the task of convincing governments and other interested parties to incorporate the multilateral agency's credit risk ratings into their analyses and planned courses of action.

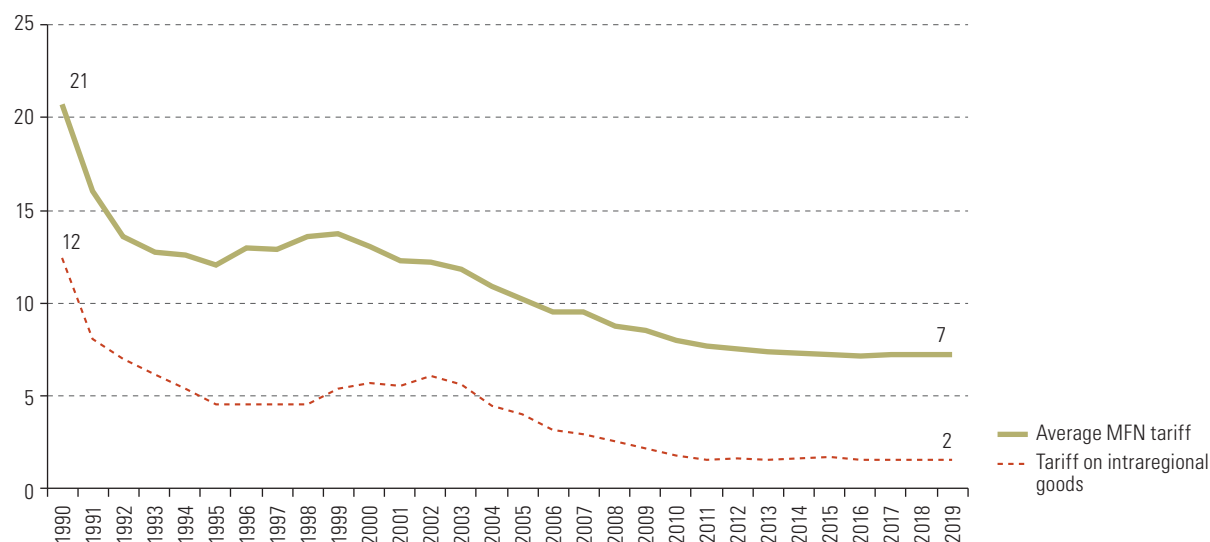
Finally, the reform of the multilateral debt architecture will need to provide for the use of a wide range of innovative tools for augmenting debt repayment capacity and averting debt overhangs, such as the hurricane clauses used by some Caribbean countries (Barbados and Grenada) for debt relief purposes and contingent bonds, including bonds tied to national income levels. These bonds can be used to include other aspects of payment capacity (e.g. remittances and changes in the terms of trade) that influence the business cycle in the region and, hence, its countries' ability to service their debts throughout that cycle.

## (b) Regional integration

Greater economic interdependence among the countries of the region should be one of the main pillars for a post-pandemic transformative recovery strategy. The crucial role played by the regional market in export diversification, the creation and maintenance of industrial capacities and the internationalization of micro, small and medium-sized enterprises (MSMEs) in Latin America and the Caribbean is well documented (ECLAC, 2020b). In most of the Latin American and Caribbean countries, the percentage of manufactured exports that are sold on the regional market exceeds the percentage of total exports that are directed to that market and in many cases tops 50%. An expanded market would provide an opportunity to reach efficient scales of production and to take advantage of production complementarities and the geographic and cultural proximity of the countries of the region. The risks of an overdependence on extraregional suppliers in strategic sectors such as pharmaceuticals and medical devices, which have been highlighted by the pandemic, are an additional consideration (ECLAC, 2020a and 2021a). In the light of these circumstances and at the request of the Community of Latin American and Caribbean States (CELAC), ECLAC has devised a plan for attaining self-sufficiency in the field of health which was unanimously approved by the Heads of State and Government of the CELAC member countries on 18 September 2021 (ECLAC, 2022).

The efforts made over the last 60 years to promote economic integration have made a substantial amount of headway, particularly in terms of the reduction of tariffs in intraregional trade (see figure V.1). For the most part, however, these efforts have been pursued at the subregional level, and the progress that has been made has therefore not been sufficient to fully capitalize upon the region's potential, with its nearly 650 million inhabitants. Intraregional trade accounts for 68% of total goods exports in Europe and for around 50% in East Asia, South-east Asia and North America (including Mexico), but in Latin America and the Caribbean, it has never represented more than 21% and, in 2020, it accounted for a paltry 12%, the lowest level to be recorded since the mid-1980s.

**Figure V.1**  
**Latin America and the Caribbean: average most-favoured-nation (MFN) tariff and average tariff applied to intraregional trade, 1990–2019**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Trade Organization (WTO), "Trade and tariff data", 2020 [online] [https://www.wto.org/english/res\\_e/statis\\_e/statis\\_e.htm](https://www.wto.org/english/res_e/statis_e/statis_e.htm), and M. Dolabella and J. E. Durán, "Integrating Latin America and the Caribbean: potential effects of removing tariffs and streamlining non-tariff measures", *Project Documents* LC/TS.2020/113, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021.

There are many different reasons why intraregional trade in Latin America and the Caribbean is so limited, but institutional factors and patterns of political economy certainly play an important part. Two of these (closely interrelated) forces have been especially influential: the limited involvement of large firms of the region and the lack of institutional arrangements for ensuring the success of integration initiatives once their initial political impetus has waned.

The relative lack of interest in economic integration on the part of the region's large firms stems from the existence of a production structure that has historically been oriented towards exports of either raw materials (particularly in the case of South American countries) or manufactures (from Mexico and some Central American and Caribbean countries) to markets outside the region. This pattern has solidified over the past two decades as China has come to be the second-largest trading partner for the region as a whole and the No. 1 trading partner for South America. It is also in part a reflection of the stark income inequality and generally low wages levels found in the region, since these factors stunt demand for consumption goods on the part of its population. This pattern also tends to be self-perpetuating since, if the opportunities in the regional market are seen as being increasingly less attractive than the opportunities in markets outside the region, companies will tend to place priority on strengthening their ties to the latter (e.g. through the negotiation of new trade agreements).

The low level of intraregional trade is also the result of the institutional weakness of existing integration agreements. In fact, none of the subregional initiatives aimed at establishing an external tariff and a common trade policy has fully achieved those objectives. In addition, countries have often reacted to domestic troubles by instituting unilateral measures that interfere with intraregional trade, such as tariff hikes and non-tariff barriers. The situation has also been complicated by frequent changes in countries'

stances on integration processes as their political leadership changes hands. The combination of all these factors has undermined the continuity of these projects, whose implementation requires a long-term perspective and needs to be supported by a policy of State.

The erosion of intraregional trade in recent years is a very worrisome trend in terms of the prospects for placing the region on a sustainable development path. For the vast majority of countries in the region, intraregional trade is more intensive in manufactures, involves a wider array of products and is engaged in by a larger number of companies than extraregional trade, and it is therefore the type of trade that is more likely to promote productive and export diversification. Furthermore, because it involves a smaller percentage of raw materials than extraregional trade does, it is more environmentally sustainable, while the greater participation of MSMEs in this type of activity means that its benefits tend to be distributed more equitably (ECLAC, 2020b). Yet another consideration has to do with the importance of achieving a more autonomous production capacity in strategic sectors, as the world's major economies are in the process of doing.

In sum, there is a critical need to reverse the de-integration of trade and, hence, of production in the region if it is to make a sustainable, transformative recovery. This will not happen by itself, however, given the strong incentives that exist for the perpetuation of the existing pattern of specialization. Agreements will have to be forged that will disrupt the status quo and explicitly promote productive and trade integration among the countries of the region. Efforts to promote the convergence of the various subregional groupings are therefore of crucial importance in order to create a regional space governed by common rules on trade and foreign direct investment (FDI).

The regional agenda for convergence should include items such as the gradual harmonization and mutual recognition of technical, health and phytosanitary standards. The agenda for trade facilitation should do so as well. For example, an effort should be made to step up the pace of the work being done to craft an agreement between the national authorized economic operator mechanisms of the member countries of the Pacific Alliance and the Southern Common Market (MERCOSUR); other countries could then join in at a later date. Other areas in which work is now under way but should be expedited include the interoperability of countries' single foreign-trade windows and digital certificates of origin. The countries of the region should also convert some of the temporary trade facilitation measures introduced during the pandemic into permanent arrangements, such as, in particular, the acceptance of various e-certificates. These types of measures would be especially beneficial for small and medium-sized exporters, which have greater difficulty than large companies in fulfilling the multiplicity of regulatory and documentation requirements involved in trading in the various markets of the region. Regional biosecurity protocols also need to be developed for coping with future pandemics or other disruptive events. Finally, given how fast e-commerce has grown during the pandemic, the promotion of this kind of trade, especially for MSMEs, should be placed high up on the region's trade facilitation agenda.

Despite the central importance of the digital revolution in all areas of social and economic activity, the region lacks an institutional framework for the discussion of digital cooperation policies, rules and standards. In order to re-energize regional economic integration efforts, subregional blocs therefore need to coordinate their thematic priorities and operational arrangements regarding digital channels more closely. The formation of a regional digital market would therefore represent a strategic opportunity. Such a market could help to open up a coordinated economic space for trade in goods and services based on electronic media, as well as encouraging investment and the development of services, applications and innovations. This would help not only to remove barriers to trade at national borders but also to encourage the use of digital technologies. To this end, ECLAC has proposed a working agenda structured around three main lines of action: (i) improving connectivity and access to it; (ii) engendering an enabling environment for promoting trade in digital goods and services; and (iii) creating a digital economy that promotes growth, productivity and employment (Calderón and others, 2021).

## B. Public policy at the core of a transformative recovery

The outbreak and continuation of the coronavirus disease (COVID-19) pandemic have redefined the role of the State in Latin American and Caribbean economies. The pandemic's pervasive health-related, social and economic repercussions have triggered a protracted crisis that has required the State to expand its sphere of action and find innovative ways of dealing with the unprecedented implications of this unparalleled event (ECLAC, 2022). This new and larger sphere of public action should encompass production, social affairs and environmental action, as will be discussed below. The augmented role of public policy creates a demand not only for increased capacity but also for more transparency and closer monitoring on the part of civil society. The institutional challenges posed by this model are explored in section C.

### 1. Unfinished business: changing production patterns for sustainable development

#### (a) Short-term responses should lead the way towards long-term sustainability

Latin American policy packages for the recovery have prioritized employment and consumption and have not sent out signals that would help to bring about changes in sectoral composition or production processes. There is a justification for this kind of strategy in the immediate aftermath of a shock, since a response to a crisis has to be mounted without delay. The sectors that were given priority for extraordinary expenditure to confront the pandemic were the health system, household consumption and support for businesses, and no conditions were placed on the use made of those resources (Cárdenas and others, 2021). After the initial action to deal with the emergency has been taken, however, policies should be based on a longer time horizon; if policy action simply reproduces existing supply and consumption patterns and perpetuates existing technology and production lags, the problems that have arisen in terms of the sustainability of the region's style of development will persist.

Going forward, Latin America and the Caribbean should take advantage of increased levels of expenditure, in combination with other instruments (such as regulation, taxation and subsidies, credit and public investment) to reshape the region's international position, gain entry into sectors where world demand is more vigorous and where innovation and technology diffusion are more dynamic, and create increasingly productive formal-sector jobs. To accomplish this, the economic reactivation should place priority on strategic sectors capable of spurring the economy and channelling investment into more sustainable areas of activity (ECLAC, 2020b).<sup>2</sup>

The following sectors are of strategic importance:

- Non-conventional renewable energy sources which are less expensive per megawatt of energy generated, have greater traction in terms of GDP, are more employment-intensive and have a smaller environmental footprint
- The restoration and upgrading of urban services such as:
  - Public transport, which can help to counteract the rising rate of motor vehicle use by making more and better high-capacity green vehicles available
  - Basic water and sanitation services, which have a large multiplier effect on GDP and employment (ECLAC, 2021a)

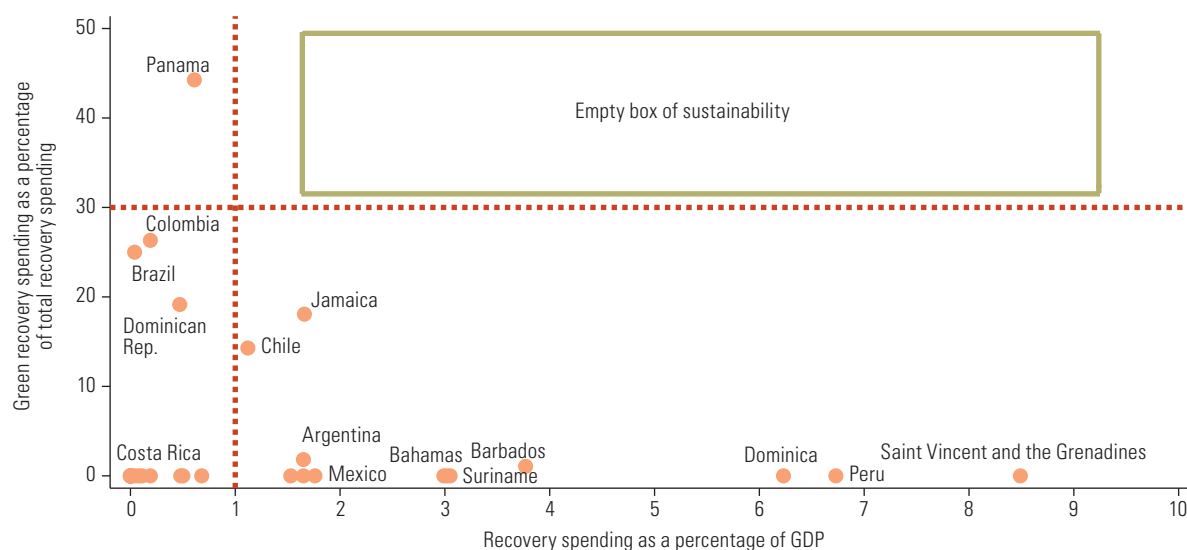
<sup>2</sup> This section is based on Economic Commission for Latin America and the Caribbean (ECLAC), "How to finance sustainable development: recovery from the effects of COVID-19 in Latin America and the Caribbean", *COVID-19 Special Report*, No. 13, Santiago, 2022.



- The circular economy, which reduces environmental footprints while boosting employment
- Environmental restoration through:
  - Emerging employment programmes focusing on the sale of environmental services
  - The bio-economy and nature-based solutions
- The digital economy, which has a positive impact in terms of environmental footprints and serves as one of the most important vectors for innovation and the diffusion of technology in what is already a digitized economy
- The care economy, in its dual dimensions of paid and unpaid work in the household and in the marketplace
- Sustainable tourism
- Manufacturing goods for the health industry.

These sectors all have a notable multiplier effect on GDP and job creation and are in line with climate-related objectives and the Sustainable Development Goals. At this point, spending needs to be realigned and directed towards recovery. In Latin America and the Caribbean, the countries that have raised their spending levels the most, measured as a percentage of GDP, have not channelled more resources into sustainable investments, while the countries that have allocated the largest percentages of their total expenditure for sustainable investments are not the ones that have increased their spending the most in terms of GDP. This gives rise to an “empty box” (i.e. the box where a major fiscal effort would be combined with significant green investments) (see figure V.2).

**Figure V.2**  
**Latin America and the Caribbean: distribution of post-pandemic green recovery**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “How to finance sustainable development: recovery from the effects of COVID-19 in Latin America and the Caribbean”, *COVID-19 Special Report*, No. 13, Santiago, 2022.

**Note:** The figure does not include information on previous investments, which could change the significance of the additional investment made during the pandemic. The horizontal scale represents countries that have 0% green (environmentally friendly) recovery spending as a proportion of their total recovery spending. Owing to limited space, only some of these countries are identified in the graph; the omitted countries are, from left (lowest recovery spending as a percentage of GDP) to right (highest recovery spending as a percentage of GDP): Guyana, Paraguay, Uruguay, Antigua and Barbuda, Cuba, Grenada, Nicaragua, Venezuela (Bolivarian Republic of), Guatemala, El Salvador, Ecuador, Honduras, Haiti, Belize, Trinidad and Tobago, Saint Lucia, Saint Kitts and Nevis and Bolivia (Plurinational State of). The dotted lines show the group of countries that have announced recovery spending greater than or less than 1% of their GDP (vertical line) and the countries that have announced green recovery spending that represents more or less than 30% of their total recovery spending (horizontal line).



The need to combine the effort to change the region's production patterns with an environmental policy effort is clear. These combined efforts, in conjunction with social policy, could pave the way for the correction of the asymmetries (and the corresponding imbalances) that generate the costs discussed in chapter I of this document.

The transition to a new production structure that combines social inclusion, genuine competitiveness and environmental protection will require a very substantial change in the level and direction of investment. ECLAC estimates that the rate of fixed capital formation will need to reach 28% of GDP. In order to change the direction of investment (and modify its intersectoral allocation), regulatory, fiscal and credit instruments will have to be used to alter relative rates of return in ways that favour strategic sectors of the economy. These policies, together with rapid technological innovation and changing consumer preferences, will be what redefines the region's production profile. An increase of 10 percentage points in the investment rate would boost the economy's growth rate to nearly 4%, which is what ECLAC (2020b) has estimated is needed in order to put an end to poverty in Latin America and the Caribbean by 2030. Since the various countries' situations differ a great deal from one another, these figures are only indicative, but they nonetheless provide an initial idea of the growth rates (in conjunction with redistributive policies to reduce inequality) required to do away with poverty in the region.

## **(b) How will this transformation of the production structure be financed?**

Raising the region's average investment rate by a full 10 percentage points will require a combination of various sources of financing. Some will be external sources, such as those discussed in section A, while others will have to be internal, such as reductions in tax evasion and tax avoidance and changes in the current structure of taxes and subsidies. These are the kinds of sources that will be discussed in this section.

Tax evasion and avoidance in Latin America and the Caribbean have been fuelled by global competition to offer the most attractive tax exemptions to businesses in what has been described as a "race to the bottom", as well as by illegal practices and digital innovation (ECLAC, 2019a). ECLAC estimates the region's losses in the form of unpaid taxes at 6.3% of its GDP in 2017, or US\$ 335 billion. In addition, illicit financial flows leaving the region as a result of manipulative international merchandise trade practices are estimated to have amounted to US\$ 85 billion (1.5% of the region's GDP) in 2016. If tax evasion and avoidance could be pared back by about 10 percentage points per year until a total reduction of 50% in the amounts that go unpaid each year was achieved, this would provide 36% of the funds needed to attain a sustainable recovery (US\$ 1.6 trillion in 2019 dollars) over that period without jeopardizing the various allocations for social policies (for further information on sources of financing, see box V.1 at the end of this section).

By leading to modifications of the tax regime, a transformative recovery can expand the region's fiscal space. Those modifications could include a reduction in fossil fuel subsidies, the introduction or adjustment of environmental taxes, a review of allowable tax exemptions and the promotion of incentives for the diversification of production, which will also expand the tax base. Phasing out subsidies for fossil fuels, even when combined with measures to mitigate the effect of this step and/or provide compensation for the most economically vulnerable sectors, would create additional fiscal space equivalent to 8% of the required investment (the equivalent of US\$ 354.368 billion in 2019 dollars) over the decade.

According to data compiled by the Organisation for Economic Co-operation and Development (OECD) in 2020, global public, private and international biodiversity finance amounted to between US\$ 79 billion and US\$ 91 billion per year, on average, in 2015–2017, which was only between 15% and 20% as much as the public expenditure that was potentially harmful to the planet's biodiversity

(estimated at some US\$ 500 billion per year) (OECD, 2020). Bearing in mind that the World Economic Forum (WEF) has calculated that almost half of the world's GDP is highly to moderately dependent on nature and that biodiversity loss is the third (according to the 2020 and 2022 WEF reports) or fourth (according to the 2021 WEF report) most serious existential risk facing the world over the next 10 years (WEF, 2020, 2021 and 2022), there is a clear consensus around the need to redirect potentially harmful incentives. The challenges associated with a green recovery may include the four Aichi Biodiversity Targets included under Aichi Strategic Goal A (increased awareness of the value of biodiversity, integration of biodiversity values, elimination of negative incentives and application of positive incentives, and implementation of plans for sustainable production and consumption) and the objectives set out in the draft version of the post-2020 global biodiversity framework (now under negotiation) regarding finance and implementation. In addition to significantly increasing the amount of resources devoted to countering biodiversity loss, the region should also reduce the amount of resources made available for unsustainable forms of production; in so doing, it will make it possible to devote more resources to supporting biodiversity without having to generate new flows because it will ease the pressure which the current model of production is exerting on the planet's ecosystems.<sup>3</sup>

The Latin American countries took in environmentally relevant tax revenues totalling 1.3% of GDP in 2016, compared to 2.4% in the OECD countries, most of which came from excise taxes on fossil fuels (OECD, 2018). In line with improvements in tax systems aimed at supporting climate action, a carbon tax could be instituted and could gradually be raised to the order of US\$ 40 (in 2019 dollars) per ton of carbon dioxide (CO<sub>2</sub>). This would be an addition to the mix of policy tools now being utilized to finance further investment. That rate would cover another 30% of the additional investment requirement by providing funds in the amount of about US\$ 1.3 trillion (in 2019 dollars) between 2021 and 2030. Investments in alternatives to carbon-intensive industries would be more competitive because of the latter's (lower) climate-risk-adjusted rate of return.

Tax measures of this type have to be coupled with measures to protect people in the lower-income quintiles, since they can be hurt the most by the higher cost of carbon-intensive goods and services (such as certain modes of transportation). The introduction of these kinds of taxes and their compensatory policies have to be carefully timed because the redistributive effects of such taxes can give rise to a political economy that would make the transition to sustainability unviable. Counterbalancing measures should therefore be put in place at the same time or even before such tax measures can have an impact on the poorest groups in the population.

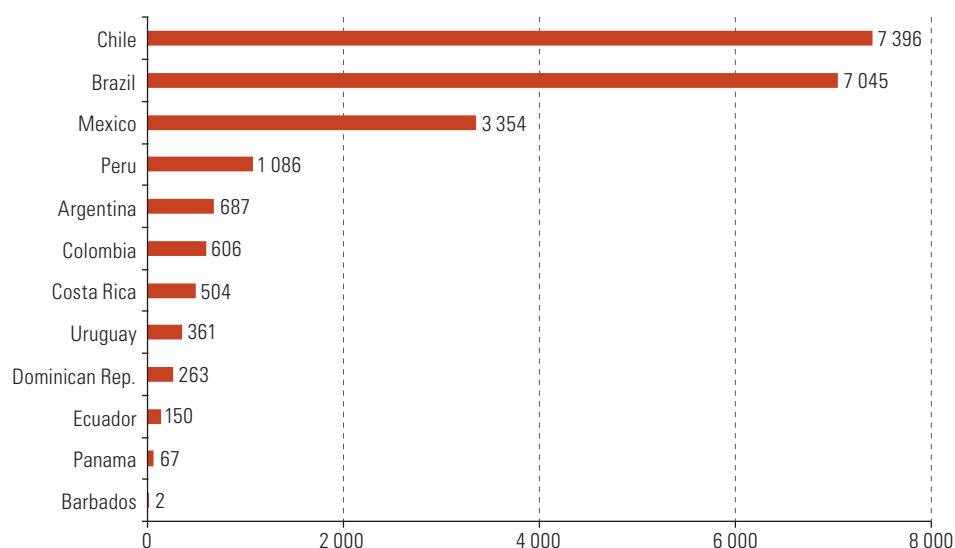
Regulatory measures are one of the tools that can be used to finance a recovery based on low-cost public initiatives. One of the options is to put infrastructure construction projects up for public tender. Suitable projects could include renewable energy transmission lines, which can be used to mobilize private investment within a setting marked by regulatory certainty and which could already be in operation by the time that the recovery generates an increased demand for energy. Other examples include public transportation and water and sanitation infrastructure. By the same token, the development of a policy framework for substitutes for goods having a large environmental footprint would speed private investment in these kinds of products (e.g. the conversion of conventional motor vehicles so that they can run on electricity, the production of natural construction materials, geothermal temperature control, wastewater treatment, waste reuse and commercial ecosystem services).

<sup>3</sup> Overhauling environmentally harmful incentives is an important component of the strategies being proposed for reducing the shortfall of finance for biodiversity protection strategies. At the global level, it is thought that it would be possible to redirect between US\$ 274 billion and US\$ 542 billion per year that is currently used to provide subsidies for potentially harmful production practices in the fisheries, agricultural and forestry sectors (Deutz and others, 2020).

The green bond market was established in Latin America and the Caribbean in 2014 and, to date, only 12 of the 33 countries in the region have issued green bonds on that market for a cumulative total of US\$ 21.6 billion, 67% of which has been issued by Chile and Brazil. In 2020, however, green bond issues in Latin America and the Caribbean jumped by 61% over the previous year's total, mainly thanks to the increase in public-sector issues. In 2020, sovereign bonds and non-financial corporate bonds, taken together, represented 89% of all green bond issues.

In 2019 and 2020, Mexico and Chile floated nearly US\$ 7 billion in bonds. In July 2021, the Mexican government announced that it was going to undertake a second € 1.25 billion sovereign bond issue linked to the Sustainable Development Goals with a 15-year maturity. In Brazil, the National Bank for Economic and Social Development (BNDES) raised US\$ 1 billion from the sale of green bonds (BNDES, 2018) to finance new sustainable business ventures (see figure V.3).

**Figure V.3**  
**Latin America and the Caribbean (12 countries): cumulative total of green bond issues, 2014–2020**  
(Millions of dollars)



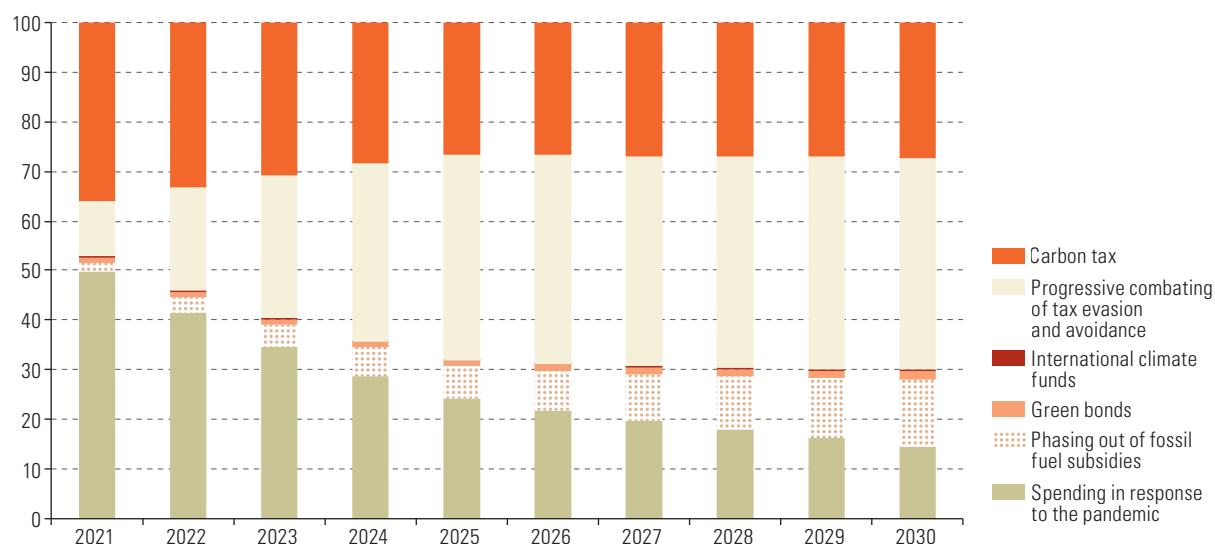
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), "How to finance sustainable development: recovery from the effects of COVID-19 in Latin America and the Caribbean", *COVID-19 Special Report*, No. 13, Santiago, 2022.

Ever since green bonds began to be issued in Latin America and the Caribbean, the energy sector has been the recipient of a substantial share of those investments. In 2019 and 2020, however, the transport sector became a major driver of long-term investments financed with green bonds. In 2020, energy and transport, taken together, represented 79% of all green bond allocations in Latin America and the Caribbean for renewable energy and sustainable mobility projects.

Figure V.4 provides an overview of possible sources of the additional finance needed to boost the investment rate enough to underpin a major improvement in sustainability. It includes fiscal stimuli that were not oriented towards promoting a low-carbon investment policy in 2020 and that are expected to increase further in 2021 but then to decline over time. It is assumed that half of the fiscal revenues obtained as a result of the introduction of measures to combat tax avoidance and evasion will be used for sustainable investments, thereby provided 36% of the total financing needed for these investments. The assigned use of the funds saved by reducing fossil fuel subsidies is based on the proposition that

the region's governments will decide to continue spending as much as before but this time will direct that spending towards green projects.<sup>4</sup> It is also assumed that the funds derived from the green bonds will then have to be repaid after 2030, perhaps with the help of the diversification of production that will have been brought about by the transformative recovery process.

**Figure V.4**  
**Latin America and the Caribbean: possible sources of financing and incentives for increased investment for a low-carbon economy, 2021–2030**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), "How to finance sustainable development: recovery from the effects of COVID-19 in Latin America and the Caribbean", *COVID-19 Special Report*, No. 13, Santiago, 2022.

Figure V.4 highlights the importance of combating tax avoidance and tax evasion. As the funds recovered from tax evaders and avoiders increase over time, they in effect reduce the level of expenditure on the expansionary policies being used to combat the impacts of the pandemic. Much the same thing will occur as fossil fuel subsidies are phased out, which will free up funds that can then be reallocated for sustainable investment projects. Calculations of the additional financing that can be made available in this way are shown in the table included in box V.1 below. This table shows that there will initially be a surplus (since the recovered funds will exceed the increase in investment at the outset), but that this surplus will turn into a deficit towards the end of the time period concerned. That deficit will be covered, however, by the surplus funds that accumulated during the early years of this effort. Development banks should also play an important role in providing the required financing.

In short, a substantial increase in investment is called for, with priority being given to sectors that can have a strong impact in speeding progress towards the achievement of the Sustainable Development Goals. Technology-intensive investments that will have dynamic spillovers and a small environmental footprint can narrow social, environmental and capacity gaps. In the face of the worsening climate emergency and the recession, the proposed fiscal and investment policies will pave the way both to a path to a better future and to an avenue for economic recovery in the short run.

<sup>4</sup> One of the agreements reached at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 26), held in Glasgow in 2021, was to speed up the process of eliminating fossil fuel subsidies.

**Box V.1****A combination of instruments for financing the transition to sustainability**

The following table sets out possible sources of additional financing for the transition to a low-carbon economy in Latin America and the Caribbean. These sources of finance and investment incentives are of a purely indicative nature, but they nonetheless show that a suitable mix of policy tools and instruments could raise the region's investment rate by another 10 percentage points over its current average. This would be in line with a 4% increase in the region's GDP, which is thought to be the minimum increase needed to underpin the necessary level of formal job creation and close the social gap (see ECLAC, 2020b). A coordinated drive to achieve environmental and social sustainability while also supporting growth and the attainment of an external balance calls for additional investment in dynamic sectors having a small environmental footprint.

**Latin America and the Caribbean: possible sources of finance and incentives for increased investment for a low-carbon economy**

(Millions of dollars at constant 2019 prices)

Year	Declining expansory expenditure in response to the pandemic (A)	Savings from phasing out fossil fuel subsidies (B)	Green bonds (C)	International climate funds (D)	Progressive fight against tax evasion and avoidance (E)	Carbon tax <sup>a</sup> (F)	Total (G) = (A) + (B) + (C) + (D) + (E) + (F)	Difference (funding sources minus additional investments) (G) - (H) <sup>b</sup>
2019								
2020	164 469							
2021	180 915	6 443	3 700	741	40 867	130 563	363 229	269 483
2022	162 824	12 886	4 070	815	81 733	130 563	392 891	202 025
2023	146 541	19 329	4 477	896	122 600	130 563	424 407	132 954
2024	131 887	25 772	4 925	986	163 466	130 563	457 600	295 107
2025	118 699	32 215	5 417	1 084	204 333	130 563	492 312	226 214
2026	106 829	38 658	5 959	1 193	204 333	130 563	487 535	114 155
2027	96 146	45 101	6 555	1 312	204 333	130 563	484 010	-427
2028	86 531	51 544	7 210	1 443	204 333	130 563	481 625	-117 747
2029	77 878	57 987	7 931	1 588	204 333	130 563	480 281	-485 214
2030	70 090	64 430	8 724	1 746	204 333	130 563	479 888	-603 612
Total (2021–2030)	1 178 341	354 368	58 968	11 804	1 634 665	1 305 632	4 543 777	32 936

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), "How to finance sustainable development: recovery from the effects of COVID-19 in Latin America and the Caribbean", *COVID-19 Special Report*, No. 13, Santiago, 2022.

**Note:** The figures for 2020–2030 are estimates.

<sup>a</sup> Assumes a carbon tax of US\$ 40 per ton of carbon dioxide in constant 2019 dollars.

<sup>b</sup> (H) is the additional amount of investment needed to gradually raise the investment rate to the equivalent of 28% of GDP.

The table shows one of the possible combinations of instruments that could be used to ensure the financial viability of a transformative recovery. This effort would have to be bolstered by industrial and technology policies that would engender a cumulative process of technological and productive capacity development and by social policies to ensure that this process of changing production patterns results in a just transition.

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

## 2. Social policy: a key component of a just transition

The governments of the Latin American and Caribbean countries have adopted emergency measures to counter the negative impacts of the economic and social crisis caused by the social distancing and health provisions introduced to combat the pandemic. Between March 2020 and October 2021, 33 countries of the region introduced 468 measures targeting poor and vulnerable groups in the population, which

have been hurt the most by the crisis;<sup>5</sup> 378 of these are non-contributory social protection measures (207 cash transfers, 122 in-kind transfers and 49 measures designed to ensure supplies of basic services). The other 90 of these measures have been designed to reduce household expenditure levels by means of tax relief, price ceilings on staple goods and rents, and easier loan repayment terms. In percentage terms, 85.7% of these emergency measures were implemented in 2020, while 67 additional measures were put in place in 2021, about half of which were cash transfers and another third in-kind transfers. The latter include deliveries of food and medicines, computer equipment to support students attending school remotely and, increasingly, labour and productive inclusion support (e.g. scholarships for training courses, online education and inputs for start-ups) (ECLAC, 2022).

The prolongation of the health crisis has led to the modification of some of the measures put in place in 2020 and their extension in terms of duration, frequency of benefit transfers or deliveries and coverage. Examples include the Government Funded Unemployment Assistance for COVID-19 Programme of the Bahamas, the Belize COVID-19 Cash Transfer Programme (BCCAT), Brazil's Emergency Aid Programme,<sup>6</sup> the Solidarity Income Programme of Colombia,<sup>7</sup> the Panama Solidarity Plan,<sup>8</sup> the Dominican Republic's "Stay at Home" Programme<sup>9</sup> and the Emergency Family Income (IFE) Programme in Chile.<sup>10</sup> Meanwhile, Mexico has expanded and consolidated the comprehensive cash transfer programmes that it launched in 2019, which have played an essential role in providing income support to households during the health crisis (ECLAC, 2021a).<sup>11</sup> Some of these measures have been discontinued, however, and there remain some doubts as to the adequacy of the remaining transfers. The lack of sufficient protection for the sectors of the population that have been hit the hardest by the crisis therefore remains a concern, especially since labour income and employment levels are still below their pre-pandemic levels (ECLAC, 2021a).

As the crisis has dragged on, the countries of the region have worked to adapt the way that their permanent programmes operate in order to support the most seriously affected sectors of the population and to find innovative ways of drawing up and maintaining ample, dynamic social assistance registries. There is still room for improvement, but the innovations that the countries of the region have come up with have enabled them to quickly reach groups in the population that were not previously included on government rolls (such as informal and independent workers and middle-income sectors that have also been impacted by the health emergency) and to achieve the financial inclusion of non-banked segments of the population (Berner and Van Hemelryck, 2020). The governments of the region have

<sup>5</sup> These statistics reflect non-contributory social protection and other direct support measures targeting poor and vulnerable people and households that were announced by national governments between 1 March 2020 and 31 October 2021. They do not include measures instituted by subnational governments or measures aimed at businesses or other institutions that have an indirect impact on households and individuals. For more detailed information on the non-contributory social protection measures introduced by countries of the region during the COVID-19 pandemic, see ECLAC (2019e).

<sup>6</sup> Between April and October 2021, additional transfers were made. The amount of the transfer was lowered from 600 to 250 reais (US\$ 47) per person, and a limit was set of one recipient per household. The larger amount given to women who are heads of single-parent households (375 reais per month) has been maintained, however.

<sup>7</sup> In June 2021, the government said that payments would continue to be made until August 2021. On 14 September 2021, the Social Investment Act, which provides that payments will be made until December 2022, was passed. The measure could then either be extended further or could be merged with other existing programmes.

<sup>8</sup> The amount of the transfer was gradually raised, reaching US\$ 120 by February 2021. In July 2021 it was replaced by the New Panama Solidarity Plan, which makes transfers of the same amount as before.

<sup>9</sup> The transfers made under this programme were raised in January 2021 from a payment of 2,500 Dominican pesos once every fortnight (US\$ 87 per month) to 3,000 Dominican pesos every fortnight (US\$ 105 per month).

<sup>10</sup> Both the size of the transfers and the target population of this programme have been changed on a number of occasions. Currently, individual transfers equivalent to the value of the poverty line are being made to 8.3 million households.

<sup>11</sup> For example, from mid-2021 on, the coverage of the Pension Programme for the Well-Being of Older Persons, which has approximately 8.2 million people on its rolls, was expanded from persons over 68 years of age to persons over 65 years of age (ECLAC, 2021a).



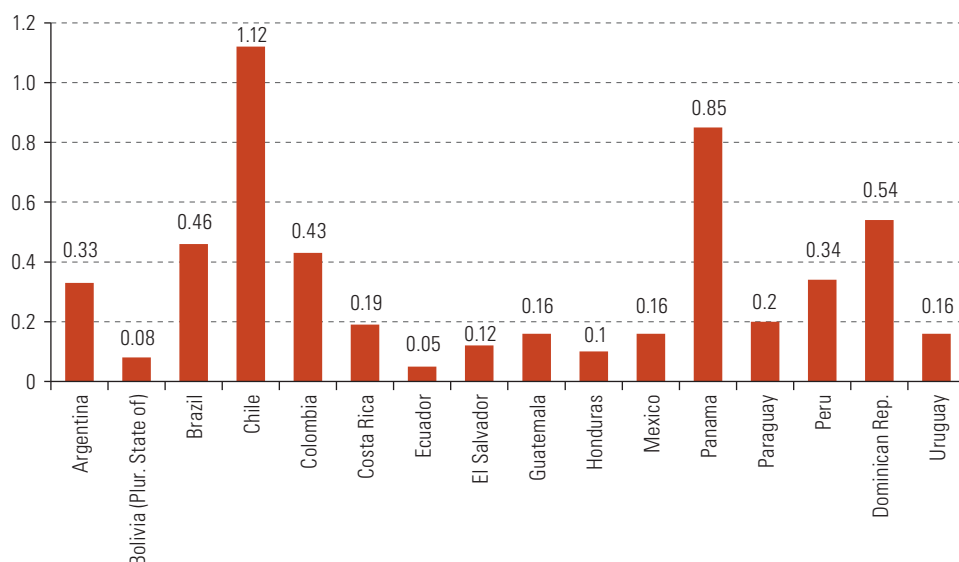
also introduced innovations in the ways they run their ongoing cash transfer programmes by, for example, making greater use of electronic payment mechanisms, suspending conditionalities (e.g. health check-ups and school attendance) and adapting the benefits and services that they offer.<sup>12,13</sup>

Taking the different coverages of the various measures in each country into account, it is estimated that, between March 2020 and October 2021, cash and in-kind transfers were provided to 111.5 million households, or approximately 422 million people. On average, the countries of the region have provided assistance to 64.4% of their population since the start of the pandemic. The percentage of the population being covered by emergency transfer payments has declined, however, from an average of 49.4% in 2020 to 41.5% in 2021. Nonetheless, the coverage of emergency programmes in the first 10 months of 2021 was still greater than the coverage of the countries' pre-existing conditional cash transfer and other permanent cash transfer programmes, which amounted, on average, to 18.4% of the population (simple regional average).

Although emergency cash and in-kind transfers have reached a large percentage of the population, in most cases the size of these transfers has not been sufficient to cover recipients' basic needs. Between March 2020 and December 2021, only Brazil, Chile, the Dominican Republic and Panama provided cash transfers whose average monthly amount was above the value assigned to the extreme poverty line (see figure V.5A). The average monthly transfer provided by Chile under its largest programme is the only one that exceeds the value assigned to the poverty line as such (see figure V.5B). Given that, as of December 2020, the size of transfers in six countries was sufficient to cover the recipients' basic needs (ECLAC, 2022), the inference is that the decline in the adequacy of transfers in 2021 was the result of the discontinuation of a number of these measures.

**Figure V.5**  
**Latin America (16 countries): average monthly amount of cash transfers made to offset the impact of the COVID-19 pandemic, March 2020 to 31 December 2021, by country<sup>a b</sup>**

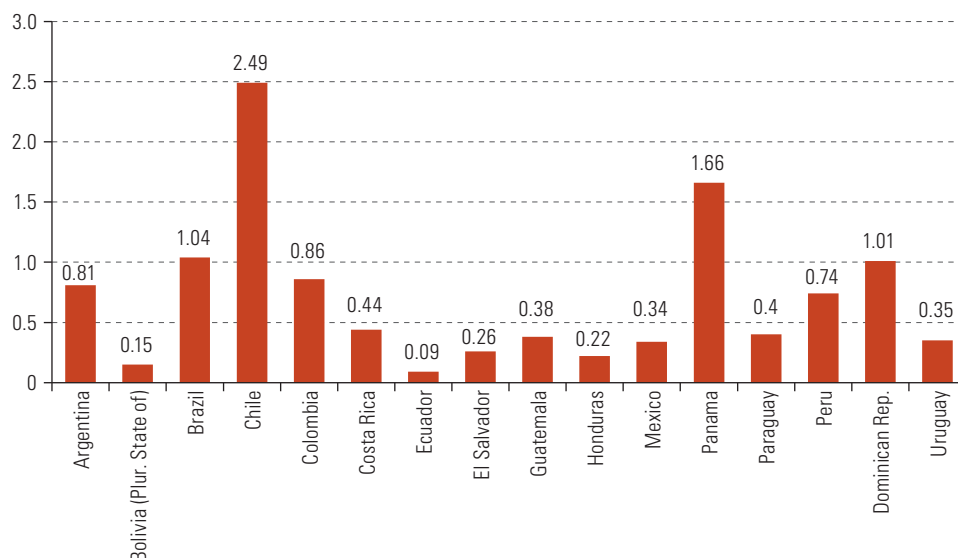
**A. In multiples of the poverty line<sup>c</sup>**



<sup>12</sup> The suspension of conditionalities has been explicit in the following programmes: *Bolsa Família* in Brazil (with the exception of the requirement that pregnant women get regular check-ups), Families in Action in Colombia, "We Advance and We Grow" in Costa Rica and the Social Allowance Programme of Guatemala.

<sup>13</sup> Examples include Peru's continuation of the family mentoring helpline run by the National Direct Support Programme for the Poorest (Juntos) and Jamaica's subsidization of Internet data charges to ensure access to online schooling for persons enrolled in the Programme of Advancement through Health and Education (PATH). Mexico's pension programme for older adults and its pension programme for persons with disabilities both now allow a family member to collect the cash transfer for pensioners who are unable to go to a pension centre to receive the payment in person.



**B. In multiples of the extreme poverty line<sup>c</sup>**

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data from the countries; ECLAC, COVID-19 Observatory in Latin America and the Caribbean [online database] <https://www.cepal.org/es/temas/covid-19>; "Social protection measures to confront COVID-19", Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>; ECLAC, CEPALSTAT [online database] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>; International Monetary Fund (IMF), "Exchange rates selected indicators: national currency per US dollar, period average", Washington, D.C., 2021 [online] <https://data.imf.org/regular.aspx?key=61545862>.

<sup>a</sup> The monthly amount provided under each programme in the 22-month period from March 2020 to December 2021 has been calculated by multiplying the dollar amount of the monthly transfer by the number of months that the transfer was provided between March 2020 and December 2021, divided by 22, based on the information reported by the countries as of 31 October 2021.

<sup>b</sup> The following measures have been included: the Food Card in Argentina; the Universal Allowance and the Anti-Hunger Allowance in the Plurinational State of Bolivia; the Emergency Assistance Programme in Brazil; the Emergency Family Income Programme (IFE 1.0 and IFE 2.0), the COVID Christmas Bonus, the Expanded IFE and Comprehensive IFE in Chile; the Solidarity Income Programme in Colombia; the *Bono Proteger* Programme in Costa Rica; the Health Emergency Family Protection Allowance in Ecuador; the US\$ 300 Allowance in El Salvador; the Family Grant in Guatemala; the Honduras Solidarity Programme; the Pension Programme for Older Adults (an advance of four months' worth of pension payments) in Mexico; the Panama Solidarity Plan and the New Panama Solidarity Plan; the Pytyvõ and Pytyvõ 2.0 subsidies in Paraguay; the Universal Family Grant, Second Universal Family Grant and the 600 soles allowance provided in Peru; the "Stay at Home" Programme in the Dominican Republic and the emergency food basket (Operation Basket) in Uruguay.

<sup>c</sup> The monthly per capita values of the poverty and extreme poverty lines for urban areas in current 2019 dollars as established in CEPALSTAT are used. The most recent figures for poverty and extreme poverty lines that are available for urban areas are for 2017 in Chile, 2014 in Guatemala, 2016 in Honduras and 2018 in Mexico. The values for these lines were therefore converted to prices for the year corresponding to the most recent data on transfers for each component, as appropriate, adjusted by the consumer price index (CPI) published by CEPALSTAT.

Total expenditure commitments announced by the Latin American countries between January and December 2021 are estimated at US\$ 45.3 billion, or about half as much as in 2020 (US\$ 89.7 billion);<sup>14</sup> 90% of those 2021 commitments were made by South American countries, and Brazil and Chile accounted for 77% of that amount. The downward trend in spending on cash and in-kind emergency transfers was also apparent when the figures were expressed in terms of regional monthly averages as percentages of monthly GDP in 2020,<sup>15</sup> as they slipped from 1.58% in March–April 2020 to 1.05% in January–April 2021 and are estimated to total 0.70% for the period from September to December 2021. Along the same lines, average per capita expenditure on cash and in-kind transfers made in response to the COVID-19 crisis in the region fell, on average, from US\$ 97.6 in 2020 to US\$ 87.2 in 2021.

<sup>14</sup> Of the 378 non-contributory measures announced by the 33 countries of the region by 31 October 2021, there is sufficient information about 221 of them to estimate the corresponding per-measure level of expenditure; 148 of those measures are cash transfers and 73 are in-kind transfers (including 4 subsidies for the supply of basic services).

<sup>15</sup> For the purposes of this exercise, average monthly expenditure for each period is expressed in percentages of average monthly GDP for 2020 (calculated as the annual GDP for that year divided by 12).

The countries of the region have worked to shield poor and vulnerable households' income and consumption levels from the effects of the COVID-19 pandemic, but the cuts made in terms of coverage, the size of the transfers and the level of funds allocated for the protection of the incomes and consumption levels of the households that have been hit the hardest by the crisis are generating tensions as the pandemic drags on and continues to be so unpredictable. ECLAC is therefore calling for a reinstatement and further increase in funding for cash and in-kind transfers for the segments of the population that are most vulnerable to the impacts of the COVID-19 crisis in order to maintain and even augment the projected contribution of these measures to the effort to curb the upswing in poverty and extreme poverty levels in the region.

### 3. Gender policies: a cross-cutting area of public policy

For a transformative recovery with equality and sustainability, a social, cultural and economic change is necessary to help safeguard the progress made on women's rights over the past decade and avoid setbacks. Accordingly, economic and productive policies must be approached from a gender perspective. As discussed in chapter III, two years after the outbreak of the crisis, the slow recovery in economic sectors where women form the majority threatens to deepen inequalities, which therefore must be tackled urgently. In response to job losses, falling income and the drop in female labour market participation, recovery policies must reincorporate gender criteria in the strategic selection of sectors, fiscal mechanisms and instruments and in the reorientation of incentives (ECLAC, 2021f).

To revitalize women's employment, production reactivation must be spurred in severely affected sectors that have a high impact on their employment, such as commerce, tourism and services. In addition, investments must be promoted in dynamic sectors of the economy with measures to boost women's participation. This means taking into account entry barriers, including the overburden of unpaid work. In this sense, it is important to ensure women's access to quality financial services and products in general, to provide protection strategies and retraining for women affected by job loss or transformation as result of new demands, and avoid the casualization of emerging forms of employment. Digital inclusion is also a key area for leaving no woman behind, with a view to enhancing skills and reducing the socioeconomic barriers that stand in the way of better economic opportunities.

The coverage of social protection instruments must be expanded in order to address the situation of women working in precarious jobs, female informal workers and domestic workers, women without their own income and those living in poor households and responsible for dependants.

Investment in policies aimed at redistributing domestic and care work between families, the State and communities offers an opportunity for economic recovery while also progressing towards substantive equality. Investing in the care economy has multiplier effects in terms of women's labour market participation, population welfare, income and time redistribution, economic growth and increased tax revenues (ECLAC, 2021f). Resources invested in the care economy produce positive spillovers into the rest of the economy, as they lead to higher job creation in traditionally feminized sectors. This also helps to improve the quantity and quality of jobs and the income of those working in these sectors, thereby boosting household consumption capacity and thus economic activity, so that the investment pays back in the form of fiscal revenues.

Although, before the pandemic women in Latin America and the Caribbean already devoted over triple the time men did to unpaid work (ECLAC, 2020d), during the COVID-19 crisis the unfair social organization of care that places the principal responsibility on women and girls has become clearer than ever. The need for extreme care to avoid infection and the number of hours that people had to spend at home turned a spotlight on the essential nature of domestic and care work. These tasks receive scant recognition when they are performed in the household without recompense, and are poorly paid and unprotected when they are performed within the labour market. Care policies should aim to change both the unfair distribution of this work, and to end the difficulties of giving and receiving quality care. The role of the State is fundamental in building the care society, with measures aimed at universalizing quality services, ensuring cross-sector policy coordination, providing financial sustainability and enshrining co-responsibility as a principle.

Agreements and commitments on the part of the State are essential to drive progress in the implementation of social policies for reducing gender inequality. Year after year, the Regional Gender Agenda has emphasized the need to afford greater institutional hierarchy to machineries for the advancement of women and the mainstreaming of the gender perspective at the different levels of the State. This can be achieved by increasing the allocation of financial, technical and human resources, gender-responsive budgeting, and monitoring and accountability with citizen participation, which will support the pursuit of public policies in response to the COVID-19 pandemic and a transformative and gender-equal recovery.

## C. Governance in a new pattern of development

In order to address the challenges posed by the 2030 Agenda for Sustainable Development, a social institutional framework is needed to enable implementation that is oriented towards quality public policies: i.e. policies that are effective, efficient, sustainable, transparent and participatory. This means making progress in technical soundness and sustainability in four dimensions: legal-regulatory, organizational, technical-operational and financing. The first includes each country's battery of constitutional frameworks, laws and regulations. Together with the international treaties and agreements that countries have signed or ratified, these provide a first reference on the social policy commitments a country has made—both to the international community and to its own citizens—and legally underpin government action in this area by the various actors involved.

The organizational dimension is related to the formal structure and the decision-making, communication and coordination models that exist between the various actors participating in policy implementation, including those at the supranational level (international, regional and subregional) and at the national level (entities at the central, subnational and local levels, as well as civil society organizations, the private sector, and the target population itself). The technical-operational dimension includes the necessary instruments and tools to implement policy, such as: (i) strategic planning instruments and processes; (ii) information systems for diagnosis, monitoring and evaluation; and (iii) transparency and accountability tools. Meanwhile, the financing dimension encompasses both the magnitude of the resources used to finance social policies and the sources of financing, with a view to ensuring financial sustainability for the public policies implemented (Martínez and Maldonado, 2019).

Without balanced development of the four dimensions indicated, the countries, and the region as a whole, will have serious difficulties in carrying forward the work needed to address the critical obstacles to inclusive social development (ECLAC, 2019b). In this connection, the Regional Agenda for Inclusive Social Development of the Regional Conference on Social Development in Latin America and the Caribbean includes a social institutional framework as one of its four lines of action to advance in the achievement of the social objectives of the 2030 Agenda in the countries of the region (ECLAC, 2019c).

## 1. Resilient institutions for a transformative post-pandemic recovery

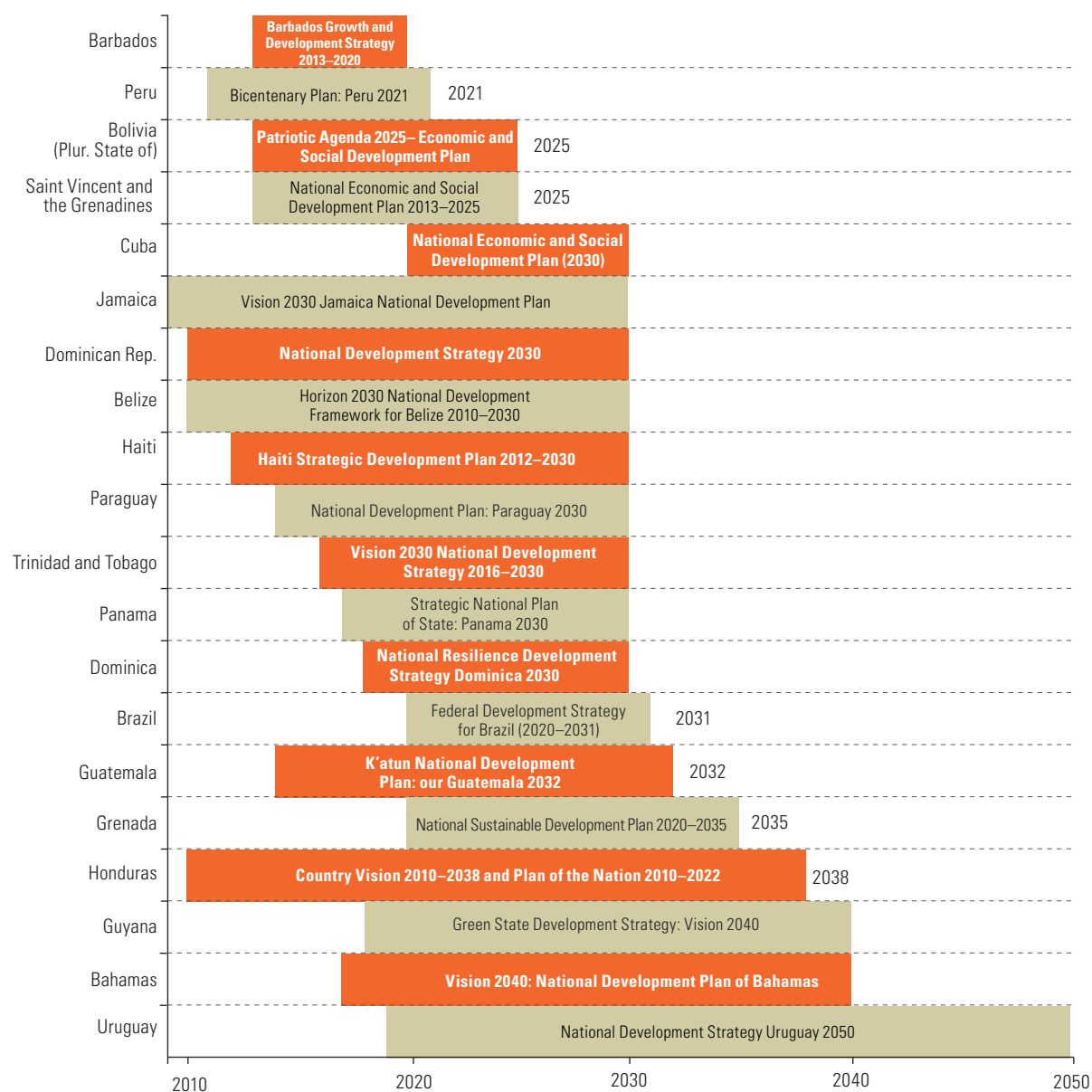
The pandemic caught the region with few tools to face the complex convergence of the health, economic, and social crises. The countries' responses to the emergency turned a spotlight on the fragility of institutions, their fragmentation and their limited capacity to systematically address the effects of the pandemic. Their planning systems, which are still being consolidated, were put under stress and had limited involvement in the design of response measures.

The transformative recovery proposed by ECLAC requires institutions with the capacity not only to anticipate, prepare for and respond to crises, but also to collectively build and bring forth a shared vision of the future, proactively monitor the present and reflect on the past, learning from experiences and making necessary transformations possible. Lastly, renewed planning capacities are required to mainstream the various dimensions of sustainable development and the territorial dimension, exercising collaborative, inclusive and ethical leadership.

### (a) Foresight capacities

Prospective or foresight capacities are an essential tool for exercising anticipatory governance and equipping States to deal with future crises. Foresight seeks to anticipate and build strategic options for society, based on long-term thinking that transcends the government cycle. It also integrates the discussion on development more powerfully into social discourse, economic analysis and the political narrative, in order to forge consensus on strategic sectors. Further, it makes it possible to anticipate disruptive events and keep planning tools flexible for adopting short- and medium-term measures (ECLAC, 2021e).

In this regard, renewed long-term planning efforts have been under way in the region, as reflected in diagram V.1, which shows that 20 countries have developed visions, plans and strategies with time ranges between 2021 and 2050. The challenge is to keep these visions joined up with medium-term plans and policies, monitor their progress and institutionalize foresight capacities and the participatory construction of future scenarios throughout the State apparatus.

**Diagram V.1****Latin America and the Caribbean (20 countries): long-range planning visions, plans and strategies**

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

## (b) Capacities for openness, participation, negotiation and collaboration

The region has developed legal frameworks for the effective exercise of rights of access to information and participation, and in relation to public integrity and accountability. In this regard, 23 countries have laws on access to public information; 8 have passed laws on public participation (Brazil, Chile, Colombia, Ecuador, Honduras, Nicaragua, Peru and the Plurinational State of Bolivia) and 24 have signed—and 12 have ratified—the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement).

This first regional agreement on environmental matters aims to safeguard the right of present and future generations to a healthy environment, by means of tools for addressing the more pressing environmental problems. By improving access to data, knowledge and information and providing for the participation of vulnerable groups, the Escazú Agreement upholds the fundamental values of democratic life and fosters effective public policies. From the outset, the Agreement has been open to the 33 countries of the region.

Physical distancing and the closure of institutions to in-person activities at all levels of the State to avoid crowds, just at a time when those services were more needed than ever, was partially resolved by the delivery of public services online and the implementation of digital policies and strategies. The dissemination of government strategies on the pandemic, knowledge of the profile of the most vulnerable and their location so that they could be provided with packages of State assistance, the provision of tele-education and telehealth services, among others, all required robust and interoperable databases, digital infrastructure and a flexible institutional culture that could adapt to the needs of the moment.

Latin America and the Caribbean has made substantial progress on e-government, as shown by the e-Government Development Index prepared by the United Nations Department of Economic and Social Affairs since 2000. In 2003, only 17% of the countries in the region scored high rating on this index. However, by 2014 this percentage had risen to 42%, and in 2020 85% of the countries had high or very high ratings. The top-rated countries in terms of the implementation of comprehensive national e-government strategies are Uruguay, Argentina, Chile, Brazil and Costa Rica, which are marked as very highly developed.

Despite this progress and despite the importance of e-government as an enabler of better State services, progress towards digital transformation means more than the use of technology. It requires a radical change in the culture of the public sector with regard to participation, policymaking, public service delivery and collaboration among State institutions and between institutions and citizens (ECLAC, 2021e).

### (c) Planning capacities for mainstreaming the gender equality, climate action and territorial approaches

The participation of women in the labour market on equal conditions and equal rights between men and women are essential for sustainable development and for the achievement of the targets of the 2030 Agenda. Gender equality objectives are included in the medium- and long-term planning instruments of 84.4% of the countries of the region. Planning exercises have advanced in terms of incorporating the gender perspective into some development issues, such as quality education, the care economy, health and well-being, sustainable development, climate change or closing digital gaps. For a transformative recovery, more countries will need to set objectives linked to Sustainable Development Goal 5 and deepen gender mainstreaming in all strategic development areas.

The impact of climate change must be internalized in planning instruments. Although most of the countries in the region (25) recognize this impact as a threat to their development in their planning instruments, only three include climate change resilience in their long-term development visions. Conversely, 28 countries include climate action in the institutional sphere in their national development plans.

Chile, for example, has set objectives towards implementing a climate change law; such as strengthening mechanisms for registering greenhouse gas emissions; including climate change adaptation in the National Investment System, the National Policy for Disaster Risk Reduction 2020–2030, the Environmental Assessment System and building regulations; and allocating sectoral responsibilities for reducing emissions, among others. Honduras sets as objectives to address the challenge of climate change adaptation and mitigation by strengthening the Secretariat of Natural Resources and Environment, formulating a national policy and providing resources for systematic action to raise awareness and promote the economic instruments approved within the framework of international agreements on climate change (ECLAC, 2020c).

In relation to climate action in territorial and urban development, some countries, such as Peru, are looking at how to include climate change adaptation in regional and local policy design. Guatemala is seeking to promote comprehensive land use planning for climate change and mitigation adaptation. Ecuador is pursuing good environmental and urban design practices, such as adaptation and mitigation measures for climate change and extreme meteorological and oceanographic phenomena, prioritizing the safety of the population and improving resilience of equipment and the most vulnerable infrastructure.

**(d) The challenge is to generate comprehensive policies that include climate action at the different levels of the State and allocate resources for its financing, especially in the island States of the Caribbean with highly vulnerable, indebted economies**

The implementation of the 2030 Agenda requires policy coherence, that is, policies that link up over time (short, medium and long terms), in space (multiscale and multilevel coordination), between sectors (social, economic and environmental) and between actors (public, private and from civil society). Coherence is especially important in policies that are aimed at the territory, which need design coordination, dialogue, an intersectoral, multilevel and multi-stakeholder approach and a long-term vision.

An analysis of 153 territorial development instruments conducted by the Latin American and Caribbean Regional Observatory on Planning for Development showed that territorial approaches are taken from multiple spheres: thematic, sectoral with a territorial slant, multisectoral and multiscale, among others. There is, then, a family of policies that must develop into an ecosystem of territorial development policies in order to converge in a synergic manner to meet the objectives of closing equality gaps, respect for diversity and local capacity-building. This implies a habitat in which existing policies (whatever name they go by) can interact in synergy, complementarity and coordination (ECLAC, 2019d).

## **2. An institutional framework for reducing vulnerability to disasters**

The challenges of resilience-building include those posed by the natural and anthropogenic disasters that are increasingly battering the region and the world, particularly in relation to climate change. The document presented at the fourth session of the Regional Conference on Social Development in Latin America and the Caribbean discusses the central elements in this connection, as prerequisites for carrying forward a transformative recovery from the health, economic and social crisis caused by COVID-19 (ECLAC, 2021c). This document highlights several key areas of institutionality relating to those challenges. Part of the information it contains is summarized below.



### (a) Institutional coordination

There is a clear need to coordinate the social sectors that, by virtue of their functions and management processes, play a role in the social protection system in disaster situations. In particular, a number of measures are suggested that ministries of social development and disaster risk management institutions may adopt. The Sendai Framework for Disaster Risk Reduction 2015–2030 and the 2030 Agenda stress that comprehensive risk reduction strategies must go beyond civil protection systems and include elements of a cross-cutting nature (United Nations, 2015a and 2015b). Interconnections therefore need to be strengthened between social protection systems and disaster management and civil defence. It is also important to increase the presence of ministries of social development, especially in the 11 countries where those ministries play only an operational role or do not participate regularly in these efforts. In order to forge those interconnections and to set the legal foundation for working together as a structured system, this work must not only be carried out at the central level, but also replicated at the different levels of government (ECLAC, 2021c).

Clearly, involving ministries of social development in decision-making does not fully address the challenge. For this engagement to be effective, organizations must have pre-defined protocols and processes in place that apply not only within social protection, but also to all those involved in risk management: scenarios need to be analysed and response preparations must be made, in addition to establishing complementary processes to be activated in an adaptive manner and to maintaining the provision of permanent services. To ensure timely action, the roles and cooperation agreements applicable to each institution involved in these processes must be defined (ECLAC, 2021c).

### (b) The health system and its interconnection with social protection in the event of disasters

In the context of emergencies and disasters, linkages between health and social protection systems acquire greater importance in meeting the needs of the population in the areas where it is vulnerable. Recent experience shows that in the event of a disaster, a country's social protection response capacity is strengthened when there is a solid institutional framework, a legal basis, organization, clear processes, management capacity, transparency and resources, together with a universal approach, the articulating role of the State and political resolve. This favours a convergent spiral model for a transformative recovery with equality. When those conditions are not met, society as a whole faces a higher social and economic cost. This situation has been observed during the pandemic, as the difficulty faced by some countries in providing timely universal prevention and care services, for example, including sufficient vaccines to protect the population, has resulted a range of problems including loss of life, poverty, unemployment, lower educational achievement and mental health problems (ECLAC, 2021c).

### (c) The education system, disasters and social protection

The school system is a central pillar in the education and protection of children and adolescents, as well as in the communities in which they live. In addition to facilitating the exercise of the right to education, schools are places where other rights are guaranteed, such as those related to food, to the detection of rights violations (such as victims of violence, child labour or exploitation) and to protection against such violations. Finally, educational facilities serve to develop the social and

socio-emotional skills that allow us to live together as a community. Any threat to their functioning is therefore a matter of concern for society at large and must be taken into account in the social policies deployed to deal with crises and during recovery periods (ECLAC, 2021c). For that reason, education has been included as a component sector of the United Nations International Strategy for Disaster Reduction (ISDR). In this connection, the Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector (GADRRRES) has devised the Worldwide Initiative for Safe Schools (WISS), a State-led global partnership to promote the implementation of safe schools at the national level (ECLAC, 2021c).

#### (d) The potential of fourth industrial revolution technologies to support management

Information and communication technologies (ICTs) and big data analytics allow for improved registration systems and the prioritization of policy interventions. This facilitates the anticipation and early response of social protection systems (especially in case of emergencies), as it enhances the capacity to locate and identify vulnerable and disaster-affected populations (Martínez, Palma and Velásquez, 2020). At the same time, incorporating those technologies into management is key to strengthening its monitoring and evaluation, an area in which there is great potential for development and innovation (ECLAC, 2021c).

As early as the 2000s, Argentina, Brazil, Colombia, Costa Rica, Ecuador, Jamaica and Paraguay experimented with paying cash transfers by means of electronic cards, so technology had been used for this purpose since before the crisis (Cecchini and Madariaga, 2011). In the context of the COVID-19 pandemic, the use of ICTs has been strengthened to facilitate the delivery of services, particularly to people outside urban centres, as well as to streamline processes, increase their transparency and cut transaction and opportunity costs (ECLAC, 2021c).

It must be borne in mind, however, that being a digital citizen demands competencies and skills to take advantage of the opportunities the digital world offers (ECLAC, 2021c). Otherwise, the risk is that gaps will be widened instead of narrowed.

Finally, intersectoral connections are also a key element in the effective and efficient incorporation of these technologies into public policy. As regards geographical data, data provided by isolated institutions and entities should not be relied on exclusively; instead, there should be an integrated information network to support public actors and to make progress in obtaining georeferenced data (ECLAC, 2021c).<sup>16</sup>

#### (e) Strengthening regional cooperation for disaster response

The region has venues and strategies to address disaster risk reduction at the intergovernmental level. In most cases, the Sendai Framework is used as a reference to establish measures for reducing vulnerability and building the ability to cope with hazards and exposure to them, as well as for preventing new risks, reducing existing risks and increasing resilience. Notable in this regard are the subregional strategies formulated within the framework of the Central American Integration System (SICA), the Andean Community (CAN), the Community of Latin American and Caribbean States

<sup>16</sup> Information from the event “Sustainable urbanisation: bridging the digital divide, from knowledge to action”, held on 17 June 2021 at the Caribbean Urban Forum 2021, under the auspices of ECLAC and the United Nations Human Settlements Programme (UN-Habitat).

(CELAC), the Caribbean Community (CARICOM) and the Southern Common Market (MERCOSUR). The establishment of the fund for climate adaptation and comprehensive response to natural disasters in September 2021, to be administered by ECLAC and financed by CELAC member States and extraregional donors, is of particular importance.

These strategies include social protection and focus on vulnerable populations in their approach to managing disaster risk (ECLAC, 2021c). These arrangements create a conducive environment for developing joint policies for preparedness, response and cooperation for recovery among the countries. They also provide an opportunity to move towards coordinated cooperative responses to national or local events such as droughts, floods or earthquakes. To this end, in line with axis 4 of the Regional Agenda for Inclusive Social Development, the existing agreements on social protection and emergency care must be strengthened with joint response protocols and services and with the sharing of experiences among the entities in charge of social protection, areas in which the technical teams of ministries of social development play a major role (ECLAC, 2021c).

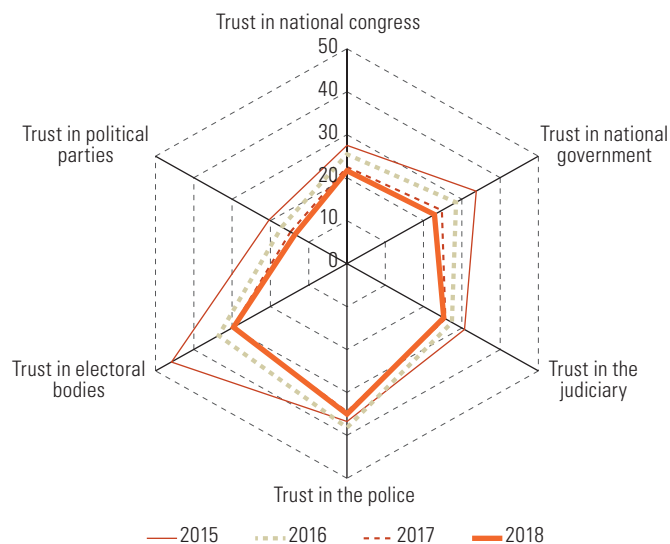
## **D. Conflicts, instability and social compacts for sustainable development**

### **1. More is being expected of the State, but there is less confidence in its capacities**

The pandemic increased the need for public policy, against a backdrop of growing mistrust of the State. Latin American citizens expect a great deal from the State and view it as a central agent of change, but there is a high perception of corruption among public officials and that governments favour the interests of the most powerful groups. Income distribution is also perceived to be unfair. Only 17% of the population considers the distribution of income to be fair, with perception ranging from moderate fairness by 30% of respondents in Ecuador to almost non-existent fairness by 8% in Brazil (Maldonado Valera and others, 2021). Yet, the percentage that believes that the State should act to solve income inequalities has remained above 70% in the past decade (see figures V.6 and V.7).

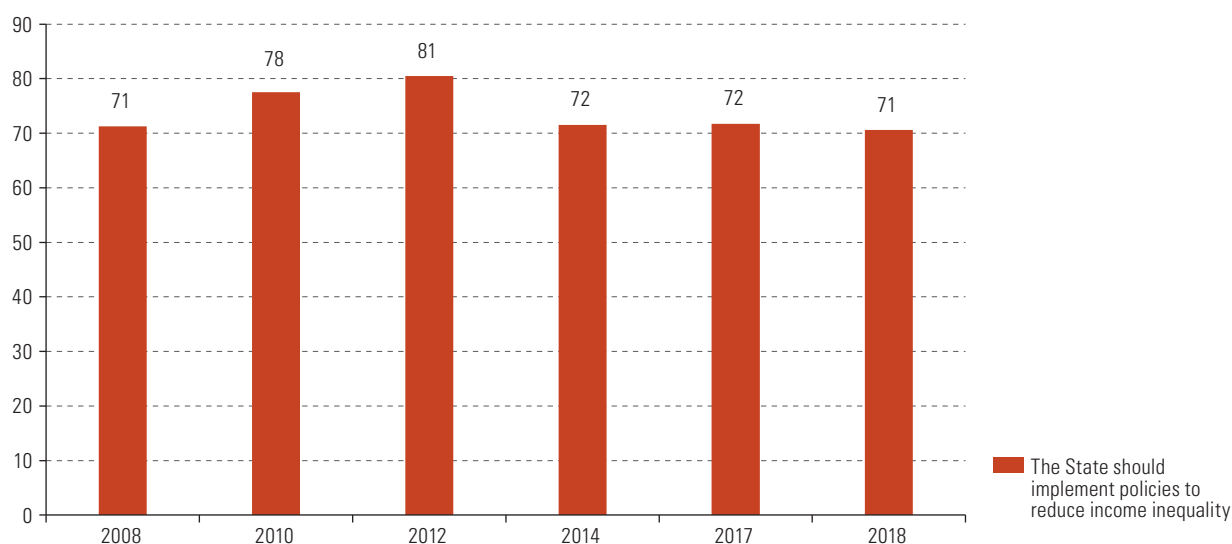
The response to the emergency, which was perceived by the public to be late and inadequate, exacerbated distrust of democratic institutions, which had already been tending to rise and was generating widespread discontent. The most recent Latinobarómetro survey (2021) shows public trust in the government standing at just 27%. This low level of trust weakens support for democracy, which according to the same survey is backed by just 25% of those surveyed (see figure V.8), one of the two lowest percentages since 1995 (the other was in 2018).

**Figure V.6**  
**Latin America (18 countries): trust in institutions, by institution, 2015–2018**  
 (Percentages)



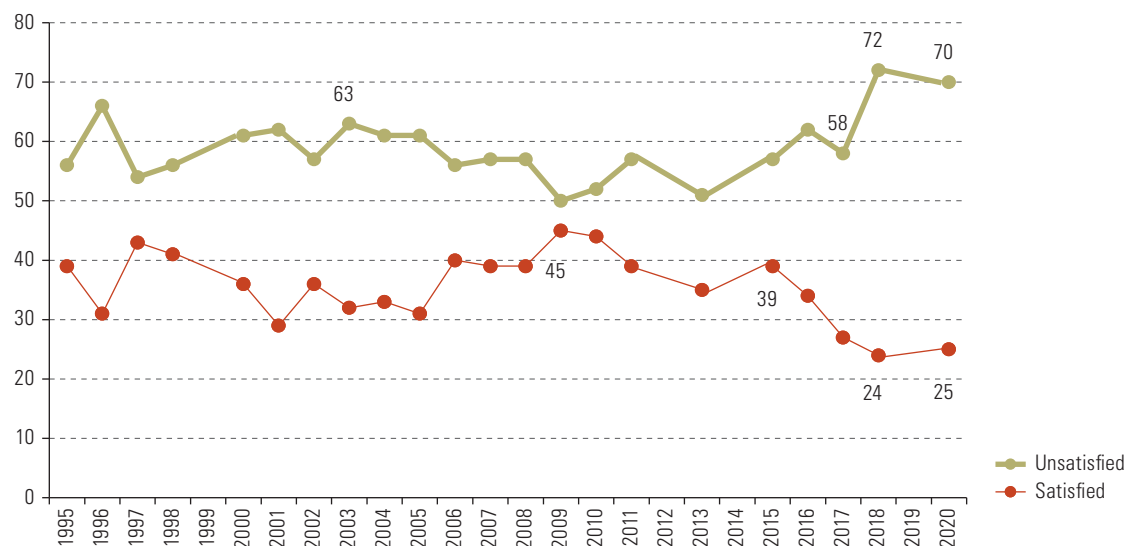
**Source:** C. Maldonado Valera and others, "Panorama de la cohesión social en América Latina y el Caribe", *Project Documents* (LC/TS.2021/205), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021.

**Figure V.7**  
**Latin America (18 countries): citizens' expectations regarding the redistribution of income by the State, 2008–2018**  
 (Percentages)



**Source:** C. Maldonado Valera and others, "Panorama de la cohesión social en América Latina y el Caribe", *Project Documents* (LC/TS.2021/205), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021.

**Figure V.8**  
**Latin America: support for democracy, 2020**  
 (Percentages of survey respondents)



Source: Latinobarómetro, *Informe 2021*, Santiago, 2021.

The crisis is driving a new revaluation of the role of the State in at least three major ways. The first is its role in preventing economic contraction and reactivating the economy. With economies brought to a standstill by the measures adopted to contain the pandemic and the closure of borders, the debate has revolved around the characteristics of fiscal policy and the type and amount of public spending that should be mobilized in each national context (ECLAC, 2020a). The key role of public investment in driving up private investment and in directing the higher investment into suitability-supporting sectors has already been mentioned. Second, in the extreme circumstances, the State has been called upon to act as the guarantor of last resort of people's income. As noted earlier, the States of the region have expanded and diversified transfers and support to the affected sectors. They have very often gone beyond the coverage of existing social programmes and included the middle-income sectors and the informal economy in order to mitigate deterioration in the welfare of the population and avoid increases in poverty (ECLAC, 2021a and 2021b). Third, the pandemic has brought back into the discussion the need for the State to guarantee universal public social services as a factor of resilience and guarantee of rights. This is particularly the case with regard to guarantee of the right to care, health and education through universal policies that are sensitive to differences, and adapted to the new health and technological reality.

In areas such as education and health, it is urgent to address old lags and new challenges simultaneously, in a context of change in the risk structure and a broadening rights horizon. In the case of care, the pandemic has highlighted more than ever its life-sustaining centrality. No education, health or economy is possible without care work. That is why it is necessary to treat care as a public good, to which States must allocate sufficient resources to achieve universality. The discourse must revolve around a care society, not only a care economy.

In sum, the role of the State has been expanded in the shadow of a crisis that was initially seen as a temporary emergency, but which has developed over time into a prolonged crisis, exacerbating long-term inequalities and imbalances. The challenge now arises to adapt and strengthen the capacities of the State in the medium and long terms, which requires permanent policies and instruments, designed from a structural perspective. In this discussion, ECLAC has proposed rethinking the role of the State in response to the challenges of inequality, sustainability, low productivity, technological transformation and climate change. It has also called for progress towards universal, comprehensive and sustainable social protection systems, which means progressively building true welfare states, based on new social and fiscal compacts (ECLAC, 2020b). Mistrust of the State imposes the need for a special effort in terms of public policy transparency and accountability.

## 2. A critical juncture: an opportunity for new social compacts?

The region responded to the pandemic and made significant efforts to limit its effects. However, the magnitude of the resources invested was insufficient for various reasons. The fragility of health systems in Latin America and the Caribbean before the pandemic reflected their underfinancing, fragmentation, and segmentation. The region's public spending on health is typically below the goal of 6% of GDP established by the member countries of the Pan American Health Organization (PAHO) in 2014 and its per capita spending on health is well below that of other regions with more robust systems, such as OECD countries. Moreover, these indicators show great inequalities between the countries of Latin America and the Caribbean. The need to incur in private expenditure to have timely access to health care increases the risk of impoverishment, especially for people in vulnerable situations. Human resources and infrastructure are relatively scarce in the health area (ECLAC/PAHO, 2021), which reduces the margin of action in emergencies and hinders the processes of change and implementation of public policies (ECLAC, 2022).

Social protection systems have a very limited capacity to tackle the risks arising from a great diversity of shocks (volatility of the economic cycle, health risks such as the pandemic and disasters such as those caused by extreme weather events, among others), given their coverage gaps and financing constraints. Furthermore, the absence of basic, universal levels of well-being (in terms of access to public services and a basic income) complicates the transition to sustainable patterns of production, because it raises the cost of compensating (at least partially) sectors of activity that will have to adapt or disappear. Without the universal guarantee of a certain level of well-being, the transition towards more sustainable patterns of consumption and production will continue to appear risky or even unacceptable for broad sectors of Latin American and Caribbean societies. Precariousness and lack of protection are barriers to development that also corrode social cohesion and weaken appreciation of democracy. The new welfare state must generate certainty in this regard, especially vis-à-vis a citizenry that, in the current development pattern, feels that it has no control over its life and its future (Pastor, 2020).

The bottlenecks laid bare by the pandemic and its effects have created a historic opportunity to build universal, comprehensive and sustainable social protection systems. The global situation may be seen as a critical juncture: an exceptional moment of deep crisis that redefines what is possible (Capoccia and Kelemen, 2007). In an extreme situation, many actors become more willing to change the status quo, thus opening windows of opportunity for social, economic and political changes (Weyland, 2008).

A social compact is a political tool based on broad, participatory dialogue that serves to achieve consensus and structural agreements.<sup>17</sup> The region's starting point is weak, as its societies are highly unequal and marked by enormous mistrust of governments, social institutions, political parties and the private sector, as well as among individuals (ECLAC, 2021a). Therefore, the process of forging social compacts must afford special attention to the need to give voice and influence to sectors and groups of the population that are discriminated against or excluded, in order to broaden the dialogue and the ownership of its outcomes, ensuring the inclusion of all voices under the same conditions. As well as addressing the great malaise of excluded groups, the new social compact must include large vulnerable middle sectors, whose well-being rests on weak foundations and is fragile vis-à-vis shocks that are tending to become more frequent or intense.

ECLAC has proposed that achievement of a social compact will also require a new fiscal covenant that, among other factors, enables the provision of quality public services and endows social protection systems with financial sustainability, especially in addressing the pandemic. Those services and that sustainability are interdependent requirements that must be met in order to drive a big push for equality and sustainability, leaving no one behind.

The fiscal covenant is the natural complement to the social compact, and should promote progressive and sustainable taxation that guarantees constant and sufficient resources for social investment capable of viably supporting well-being, the enjoyment of rights and resilience-building in the population. From this point of view, a targeted tax reform to benefit those living in poverty is no longer enough. Much of the citizenry expects reform to happen with the participation of all strata and in a progressive manner, with a contribution from the most advantaged sectors to produce an effective redistribution of resources.

A series of fiscal measures have been put in place in the countries of the region to tackle the effects of the health crisis caused by COVID-19. In this context, it is now necessary to move towards a new compact that enables fiscal policy, among other actions, to contribute to the financial sustainability of social protection systems, to ensuring universal and quality coverage in public services, and to addressing the effects of the crisis on the labour market and the consequences of the drop in public revenue. In addition, this new compact must allow the use of fiscal stimulus measures to help drive an inclusive and transformative economic recovery with equality.

In short, by exposing and exacerbating the limitations of the current development pattern, the pandemic offers an opportunity to implement new social and fiscal compacts. We must look not towards the past, but towards a welfare state adapted for the future, in order to face the new structure of risks, guarantee the expansion of rights and integrate and link up the new technological and digital tools in its management, urgently addressing the unfair distribution of income, work time and time spent on domestic and care tasks. This means eliminating gender gaps and the asymmetric distribution of power, resources and free time between women and men in the shift towards a new pattern of development.

## E. Conclusions

The combination of inflation and low growth of the 1970s ended the (Keynesian-inspired) social compact built into the monetary and exchange-rate system of the Bretton Woods institutions, which combined an economy open to trade with policy spaces to pursue full employment. This difficult balance between

<sup>17</sup> In addition to medium and long-term objectives, other more immediate components should be made explicit. At the current juncture, for example, the guarantee of greater access to health, the provision of income support or the expeditious vaccination of the entire population could bridge the short and long terms in the new social compact.



international cooperation and national welfare states was one of the pillars of the stability of political democracy in many of the advanced countries in the post-war period, as well as of the expansion of GDP and world trade.

Is the world on the threshold of a period that could produce a new social compact? The pandemic hit a global and regional economy that had already lost momentum, especially after the global financial crisis of 2008. The previous growth pattern reproduced asymmetries and imbalances with rising costs, which became starker with the pandemic. This, together with lessons left by the 2008 crisis, may have created a critical juncture conducive to the adoption of profound reforms. Rising costs, combined with heightened political malaise, could be marking the end of one era and the beginning of another.

There is nothing predetermined as to what kind of compact (implicit or explicit) might emerge from the growing perception that the old compact has stopped working, or indeed never worked as it should. There are several possible reconfigurations of forces and interests, some of which would make it possible to overcome the current difficulties, while others would worsen them. The proposal by ECLAC and the United Nations to build forward is based precisely on the identification of the asymmetries and disequilibria that have driven the social, political and economic transformations of recent decades. It is also based on the need to help forge a common perception of the challenges and possible solutions, as well as to propose instruments and strategies compatible with the values enshrined in the Sustainable Development Goals. It is about reaching agreements based on science, information and accumulated knowledge and shared objectives (formulated in the framework of a democratic debate) around a sustainable future.

As the costs of not acting become more apparent, the legitimacy of actors and institutions becomes weaker. The growing polarization is a barrier to dialogue and even to the dissemination and acceptance of solid scientific information (consider, for example, the protests against vaccines or lockdowns). Institutions and even coexistence itself are deteriorating. Although democracy continues to be perceived as the best possible form of government, citizens view the way it functions in a very poor light. This generates a paradox. On the one hand, the importance of externalities, the need for public goods (global, regional and national) and the persistence of traps in which low technological learning is combined with low-productivity employment and inequality, make public policy and State policies with long-term objectives all the more important. However, at the same time, they cast the shortcomings of the region's institutions into the light and arouse citizens' disaffection with the State as it stands. Weak rule of law, the administration of justice and accountability, insufficient transparency, and the inefficiency or poor quality of certain public services, among others, are manifested in declining levels of institutional trust. This opens up a "performance" gap, insofar as much is expected from the State, as well as a "democratic legitimacy" gap, with the State's effectiveness or motivation in favour of the common interest being questioned.

The main challenge going forward is therefore political and institutional: the challenge of closing performance and legitimacy gaps. The diagnosis and the road map are clear. So, too, are the costs of ignoring the signals sent by the economy, the environment and inequality. Recovering multilateralism and international cooperation, achieving convergence and institutional strengthening of regional integration schemes, and forging agreements on the objectives of productive transformation based on sustainability and equality in each country, are all convergent strategies and complementary measures to surmount the crisis and redress imbalances. Gone is the idea that the market (with occasional price corrections) can solve these problems on its own. Public policy, strategically steered by the State, is at the heart of the debate. States must strengthen their capacities and strengthen cooperation within

the framework of the international and regional system. They must become more transparent and accountable to their citizens at the national level, in order to design and implement policies can enable to a new pattern of development.

As discussed in this document, these tasks are at the heart of efforts to achieve the goals of the 2030 Agenda within a period that is growing ever shorter. This means linking up the actions to achieve the Sustainable Development Goals with the vision of Our Common Agenda proposed by the Secretary-General of the United Nations. This is the path along which Latin America and the Caribbean must advance effectively in a decade of action and delivery, by undertaking and fulfilling greater commitments to overcome the problems of this change of era: slow growth, poverty, environmental emergency and persistence of the culture of privilege.

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