

Executive summary

**Panorama of Productive  
Development Policies**  
in Latin America  
and the Caribbean

**2025**

How to escape the trap of  
low capacity for growth



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Explanatory notes:

Three dots indicate that data are not available or are not separately reported.

A dash indicates that the amount is nil or negligible.

A full stop is used to indicate decimals.

The word “dollars” refers to United States dollars, unless otherwise specified.

A slash between years (e.g. 2024/2025) indicates a 12-month period falling between the two years.

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

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# Foreword and Executive summary

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Foreword

Executive summary

Introduction

- A. Productivity and productive development policies in Latin America and the Caribbean
- B. Science, technology and innovation policies for productive development
- C. Cluster and other productive coordination initiatives for productive development in Latin America and the Caribbean
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## Foreword

Most countries in Latin America and the Caribbean are caught in three development traps that are limiting progress in the well-being of their populations: one of low capacity for growth, another of high inequality and low social mobility and cohesion, and a third of weak institutional capacities and governance. These challenges are compounded by climate change and the need to move towards environmentally sustainable development.<sup>1</sup>

One imperative for escaping the first trap is a redoubling of efforts to promote the productive transformation of economies with a view to boosting productivity and achieving higher, sustained, inclusive and sustainable growth. This transformation, understood as a process of sophistication, diversification and positive structural change, is a priority that can no longer be postponed in the region's countries. It will not come about spontaneously or by the agency of an invisible hand, but requires deliberate, long-term public policies that are coordinated with all key stakeholders. This effort to set a direction for collective action is first and foremost an effort of governance and is the central feature of the new generation of productive development policies that are required.

The transformation called for is more important than ever in the current international context, one that is characterized, first, by geopolitical tensions and technological rivalry, which have intensified in recent years and led to a new phase of increasing trade barriers that in turn have heightened global economic uncertainty and affected international investment flows and global value chains; second, by the climate emergency, which requires an accelerated energy transition that entails costs in the short term but is opening a strategic window for sustainable productive transformation; and, third, by a technological revolution driven by advances in digitalization, artificial intelligence and other technologies that is changing production paradigms, opening up great opportunities but also disrupting labour markets and the geographical distribution of production.

In other words, if the low economic and productivity growth and the lack of economic diversification and technological sophistication of previous decades already necessitated a more ambitious approach to productive transformation, the new global context has reinforced this need and rendered it critical. Failure to meet the challenge risks countries being unable to take advantage of the opportunity to promote growth and productive transformation by building on their strategic assets and comparative advantages, with the new context instead becoming a fresh source of vulnerability, and with the prospect of a third lost decade.

In 2024, as part of its call for the implementation of new growth and productive transformation strategies, the Economic Commission for Latin America and the Caribbean (ECLAC) published a new flagship document that filled a major gap in the debate on public policies for growth and development, the *Panorama of Productive Development Policies in Latin America and the Caribbean, 2024*.<sup>2</sup> The intention is to establish this report as a recognized annual resource for the subject. Its first edition achieved five objectives: (i) it proposed a new vision for these policies; (ii) it carried out an initial exercise to characterize and quantify the fiscal effort devoted to productive development policies in the region; (iii) it compared the institutional and governance arrangements underpinning this effort; (iv) it examined initiatives at the subnational level;

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<sup>1</sup> Economic Commission for Latin America and the Caribbean. (2024a). *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-\*).

<sup>2</sup> Economic Commission for Latin America and the Caribbean. (2024). *Panorama of Productive Development Policies in Latin America and the Caribbean, 2024* (LC/PUB.2024/15-P/Rev.1).

and (v) it formulated 113 recommendations to guide countries and their territories in scaling up and improving their productive development policies.<sup>3</sup> These reflections have been widely disseminated at international, regional, national and subnational events.

This year, we are pleased to present the 2025 edition of the *Panorama of Productive Development Policies in Latin America and the Caribbean*. This edition begins with a chapter diagnosing productivity in the region and some recent experiences with productive development policies. The next three chapters delve into three strategic and complementary dimensions: science, technology and innovation policies; cluster and other productive coordination initiatives; and green and inclusive productive development policies. These three themes are crucial when considering how to implement productive development policies and how to escape the trap of low capacity for growth and transformation.

The first chapter, “Productivity and productive development policies in Latin America and the Caribbean”, provides a conceptual framework and a general diagnosis that underpins much of the report. It analyses recent productivity trends in the region, broken down by sector of economic activity, territory and company size, and presents the key elements of the new ECLAC vision. It also examines recent experiences in five countries (Brazil, Chile, Colombia, Mexico and Peru) that have implemented comprehensive policies in this area, identifying institutional and policy advances and challenges.

The second chapter, “Science, technology and innovation policies for productive development”, highlights the need to direct science, technology and innovation (STI) efforts towards productive transformation. It analyses national STI strategies, their institutional frameworks and the instruments implemented, then goes on to formulate recommendations differentiated by countries’ level of institutional maturity with a view to strengthening the design, governance, financing, coordination and application of these policies.

The third chapter, “Cluster and other productive coordination initiatives for productive development in Latin America and the Caribbean”, addresses the challenge of coordinating cooperation among key actors around strategic productive development agendas. It defines the concept of cluster and other productive coordination initiatives and presents the ECLAC strategy for showcasing and strengthening these through the Platform for cluster and other territorial productive articulation initiatives in Latin America and the Caribbean. The chapter includes a characterization of these initiatives, an analysis of related policies and a set of recommendations for enhancing their impact.

The fourth chapter, “Green and inclusive productive development in Latin America and the Caribbean”, examines how productive transformation goals can be conjoined with those of environmental sustainability and social inclusion. In the context of an energy transition that presents great opportunities for productive transformation in the region, green and inclusive productive development policies are conceived as a subset of productive development policies that aim particularly at the creation and adoption of clean technologies, while also generating decent jobs, productive inclusion and a reduction in inequalities. Setting out from a conceptual and methodological framework, the degree to which productive development policies and climate policies in the region are aligned with the goals signed up to in the Paris Agreement is analysed, and recommendations are made to improve their design and implementation at national and regional level.

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<sup>3</sup> Economic Commission for Latin America and the Caribbean. (2025). *Scaling up and improving productive development policies: 113 recommendations for Latin America and the Caribbean*.

The themes addressed in the four chapters were selected for their strategic importance and complementarity. Improving productivity is the core challenge when it comes to boosting growth and productive transformation; science, technology and innovation are key drivers of productive transformation; productive coordination is the term used for the mechanisms of governance and collaboration between key stakeholders to multiply the impacts of productive development efforts; and environmental sustainability and social inclusion are principles that should inform the best version of this transformation. Together, these themes configure a road map for progress towards higher and more transformative and sustained growth that can also accelerate movement towards the Sustainable Development Goals.

With this publication, ECLAC is reaffirming its commitment to supporting the countries of Latin America and the Caribbean in the effort to formulate modern, effective productive development policies that are tailored to their realities. As has already been pointed out, today's geoeconomic and geopolitical circumstances make the task more important than ever.

This report is intended as a useful tool for governments, the private sector, academia, cooperation agencies and all stakeholders with an interest in the region's productive development, at a time when strategic clarity, transformative ambition and collective action are more urgently needed than ever before.

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



# Executive summary

## Introduction

Most countries in Latin America and the Caribbean are caught in three development traps that are limiting progress with the well-being of their populations: one of low capacity for growth, another of high inequality and low social mobility and cohesion, and a third of weak institutional capacities and governance. These challenges are compounded by climate change and the need to move towards environmentally sustainable development.

One imperative for escaping the first trap is a redoubling of efforts to promote the productive transformation of economies with a view to boosting productivity and achieving higher, sustained, inclusive and sustainable growth. To this end, it is essential to scale up and improve productive development policies.

This year's edition of the *Panorama of Productive Development Policies in Latin America and the Caribbean* includes four chapters that address the following themes: a diagnosis of productivity in the region and some recent experiences with productive development policies; science, technology and innovation (STI) policies; cluster and other productive coordination initiatives; and green and inclusive productive development policies.

The four themes were selected for their strategic importance and complementarity. Improving productivity is the core challenge when it comes to boosting growth and productive transformation; science, technology and innovation are key drivers of productive transformation; productive coordination is the term used for the mechanisms of governance and collaboration between key stakeholders to multiply productive development efforts; and environmental sustainability and social inclusion are principles that should inform the best version of this transformation. Together, these themes configure a road map for progress towards higher and more transformative and sustained growth that can also accelerate movement towards the Sustainable Development Goals.

## A. Productivity and productive development policies in Latin America and the Caribbean

Two interrelated factors largely explain why the region finds itself in a trap of low growth capacity, namely low productivity and underinvestment. It is therefore essential for governments and society as a whole to put productivity at the centre of public debate.

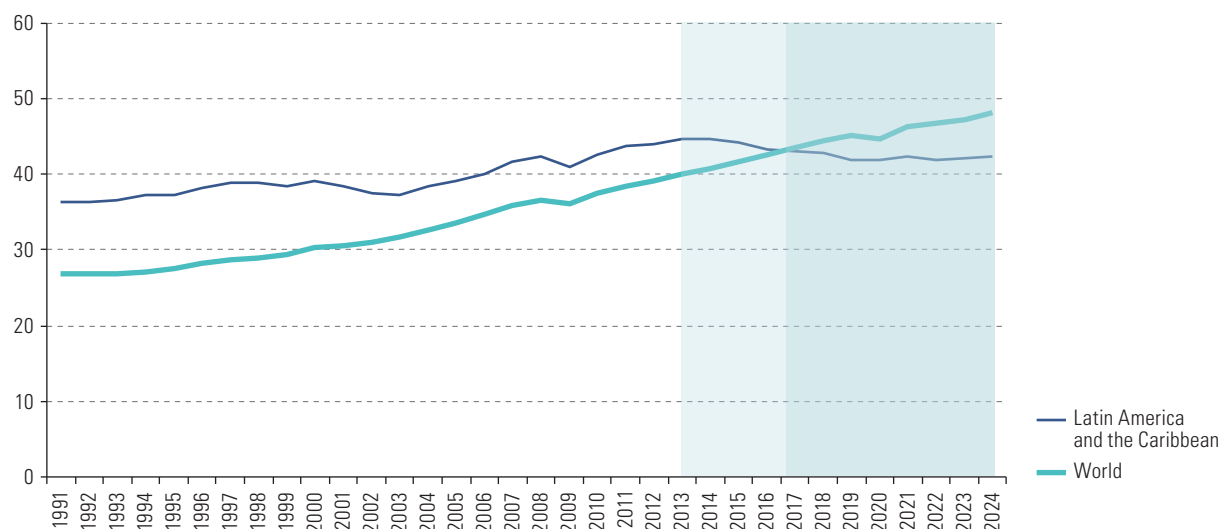
With regard to labour productivity trends in Latin America and the Caribbean, following an increase between 1990 and 2013, the last decade has seen a sharp decline (see figure 1). The poor performance of the region contrasts with growth in average global productivity. A milestone in this relative decline came in 2017, the first year in which the region's productivity fell below the global average, since when it has continued to drop further behind.

Productivity levels and changes alike depend on a variety of factors, giving rise to different perspectives in the observation of productivity differentials. Chapter I presents and analyses three of these perspectives: productivity by economic activity, productivity by territory and productivity by company size.

**Figure 1**

Latin America and the Caribbean (29 countries)<sup>a</sup> and world (192 countries): labour productivity per employed person, 1991–2024

(Thousands of constant dollars at 2021 prices at purchasing power parity (PPP))



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of International Labour Organization. (2025). *ILOSTAT*. <https://ilostat.ilo.org/>.

<sup>a</sup> The countries considered are Argentina, The Bahamas, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

## 1. Productivity by economic activity

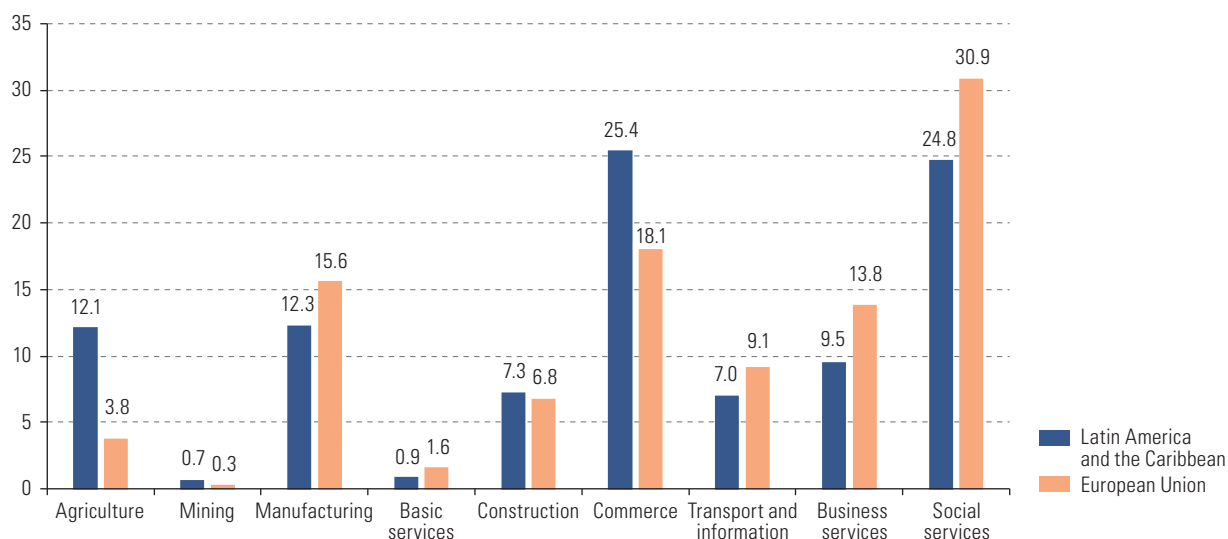
Where productivity by economic activity is concerned, in 2023 there continued to be wide disparities in productivity levels between sectors, with some, such as mining, basic services and business services, exhibiting relatively high productivity, and others, such as agriculture and commerce, having low productivity.

A second factor on top of the “intrinsic” differences in productivity between sectors is the high proportion of employment in lower-productivity sectors. Very high-productivity sectors (mining and basic services) account for only a tiny fraction of employment, while the vast majority of jobs are in lower-productivity activities, and although this is to be expected in any economy, the difference between Latin America and the Caribbean and more developed economies is that low-productivity sectors account for substantially larger shares of total employment (see figure 2).

Labour productivity in Latin America and the Caribbean is only 29.7% as high as in the European Union (see figure 3). This difference is largely explained by the productivity gap in almost all sectors of economic activity (the exception being mining and hydrocarbons).

**Figure 2**

Latin America and the Caribbean (28 countries)<sup>a</sup> and European Union (27 countries):<sup>b</sup> employment shares, by economic activity, 2023  
(Percentages)



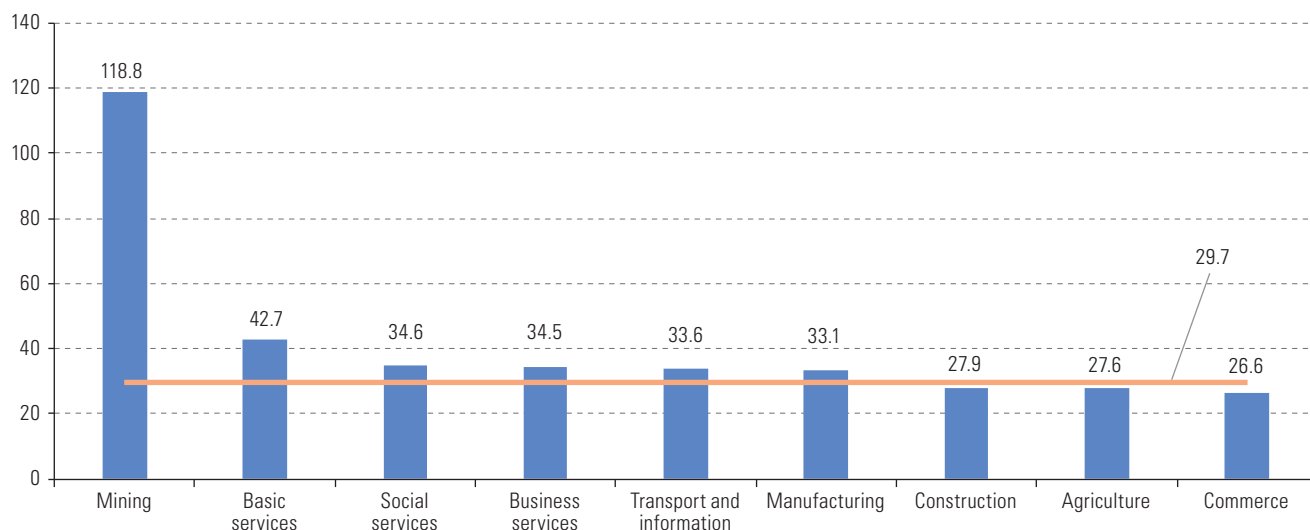
**Source:** Economic Commission for Latin America and the Caribbean. (2025). *CEPALSTAT*. <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>; International Labour Organization. (2025). *ILOSTAT*. <https://ilostat.ilo.org/>; European Union. (2025). *Eurostat*. <https://ec.europa.eu/eurostat>.

<sup>a</sup> The countries considered are Argentina, The Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

<sup>b</sup> The countries considered are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Kingdom of the Netherlands, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

**Figure 3**

Latin America and the Caribbean (28 countries)<sup>a</sup> and European Union (27 countries):<sup>b</sup> external relative labour productivity, by economic activity, 2023  
(European Union productivity index = 100)



**Source:** Economic Commission for Latin America and the Caribbean. (2025). *CEPALSTAT*. <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>; International Labour Organization. (2025). *ILOSTAT*. <https://ilostat.ilo.org/>; European Union. (2025). *Eurostat*. <https://ec.europa.eu/eurostat>.

**Note:** External relative labour productivity measures labour productivity in Latin America and the Caribbean as a proportion of labour productivity in an external region, in this case the European Union, for the purposes of comparison.

<sup>a</sup> The countries considered are Argentina, The Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

<sup>b</sup> The countries considered are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Kingdom of the Netherlands, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

## 2. Productivity by subnational territory

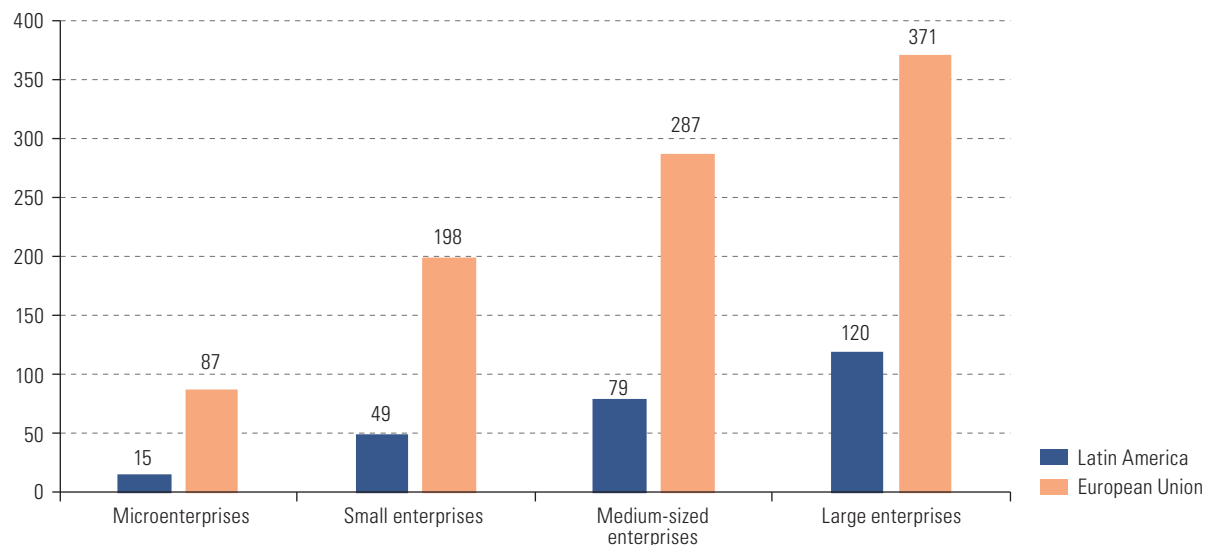
The performance of territorial productivity over the last decade shows that the direction of change has been negative in most of the 172 territories for which comparable labour productivity time series are available. The most significant and striking productivity declines have occurred in territories that started the previous decade with higher productivity. Mineral and hydrocarbon production has played a major role in many of these, so a plausible explanation for this reduction is that the decline in international commodity prices over the last decade has had a greater impact on these territories than on others.

Consistently with the above, the general decline in labour productivity in Latin America and the Caribbean over the last decade correlates with the decline in productivity in most subnational territories. This widespread trend has coexisted with the phenomenon of territorial productivity convergence, meaning that territories with higher and lower productivity have been converging in respect of labour productivity and that inequality between territories on both variables has decreased over the last decade. The fact that this convergence has generally been accompanied by negative productivity growth is indicative of a process of “regressive convergence”.

## 3. Productivity by company size

The third perspective examined in chapter I are labour productivity differentials by company size. In this regard, Latin America has two characteristics that set it apart from more developed regions. The first is low labour productivity in companies of all sizes compared to their counterparts in the European Union, and the second is the much greater productivity gap in smaller companies, especially microenterprises (see figure 4).

**Figure 4**  
Latin America (4 countries)<sup>a</sup> and European Union (27 countries)<sup>b</sup> labour productivity, by company size, 2023  
(Thousands of current dollars)



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of official data from the countries and European Union. (2025). *Eurostat*. <https://ec.europa.eu/eurostat>.

**Note:** Labour productivity is defined as the value of sales per employee.

<sup>a</sup> The countries considered are Argentina, Brazil, Chile and Mexico.

<sup>b</sup> The countries considered are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Kingdom of the Netherlands, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

When a 10-year period is taken, not only has overall productivity declined, as already noted, but the gap between large and smaller domestic companies has widened, which is detrimental to integration within the production system. This suggests a need to consider ways of incentivizing productive linkages between companies of different sizes, for which cluster and other types of productive coordination initiative are a very powerful vehicle (see chapter III), and of improving productivity through technological extension efforts in less productive companies.

## 4. Productive development policies in Latin America and the Caribbean

The second part of chapter I identifies countries where work on productive development strategies has been going on within the framework of national development plans. A first objective is to identify the extent to which the region has made use of productive development strategies and policies and presented proposals for coordinated productive development strategies or policies in a structured format, as opposed to de facto programmes and instruments with no organizing or structuring strategy or policy. A second objective is to analyse whether these plans include certain features that might contribute to their success, e.g. whether (i) there is prioritization between production activities; (ii) the resources available for the plan are specified; (iii) multi-stakeholder and multilevel governance mechanisms are in place, including participation by subnational actors; and (iv) evaluation and adjustment mechanisms are provided for.<sup>1</sup>

With regard to the first objective, five countries of the region were identified as having structured productive development policy strategies in place: Brazil with its New Industry Brazil plan, Chile with its Sustainable Productive Development Programme, Colombia with its National Reindustrialization Policy, Mexico with its Plan Mexico and Peru with its National Industrial Development Policy.

A brief analysis of the supporting documents for these five productive development policies shows that some countries in Latin America and the Caribbean are implementing strategies with a very high political profile to achieve productive transformation of their production matrices by pursuing environmentally sustainable and socially beneficial growth. This is being done explicitly, and sometimes with a clear focus on particular sectors, the result being a regional trend towards advocacy of this type of policy and a growing realization that there is a role for the State in economic growth and revitalization based on a modern approach to collaboration with the business sector and other key stakeholders in pursuit of productive development. It also transpires that these efforts incorporate several positive aspects of productive development policies as suggested by the Economic Commission for Latin America and the Caribbean (ECLAC) (see table 1).

Again, when considering how productive development policies in the region might be improved, a number of points accompanying the recommendations that will be presented in the remaining chapters of this publication should be highlighted. It should be noted that these are general recommendations, and their relevance and applicability will depend on specific conditions in the different countries or territories as regards both the degree of sophistication of their productive apparatus and their institutional capacities.

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<sup>1</sup> The present analysis is not an evaluation of these policies, since a reasonable time must elapse after measures are implemented before it is possible to identify their impact, given that the effects of productive development policies may be medium- and long-term. Furthermore, identifying policy impact requires firm-level information, and this usually necessitates specific studies by country or policy type, something that exceeds the scope and objectives of this chapter.

**Table 1**  
Identification of variables analysed in national policy documents

Country	Productive development plan	Prioritization of sectors	Resources determined in advance	Leadership at the highest presidential level	Collective construction	Territorialization	Cluster or other productive coordination initiatives used	Evaluation and follow-up mechanisms
Brazil	New Industry Brazil plan	✓	✓	✓	✓	✓	✓	✓
Chile	Sustainable Productive Development programme	✓	✓		✓	✓	✓	
Colombia	National Reindustrialization Policy	✓			✓	✓		✓
Mexico	Plan Mexico	✓		✓	✓	✓		
Peru	National Industrial Development Policy	✓			✓	✓		✓

**Source:** Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.

First, governance mechanisms need to be used to strengthen coordination between actors and efforts at different levels of government, while strengthening the commitment of all actors, particularly in the private sector, to productive development policies. Just as essential is to build up technical, operational, political and prospective (TOPP) capabilities in the institutions responsible for productive development policies and ensure continuity. Productive development policies must be State policies and, as such, not subject to the vagaries associated with political cycles. Lastly, it is essential to further territorialize these policies and create and strengthen cluster and other productive coordination initiatives so that they act as a driving force in the implementation of productive development policies by national and subnational agencies in the territories.

For the countries of Latin America and the Caribbean to be able to transform their economies, thereby escaping the low growth capacity trap, productive development policy efforts will need to be scaled up and improved with the aim of increasing productivity and incomes and thereby enhancing social welfare.

## B. Science, technology and innovation policies for productive development

The productive transformation discussed in chapter I requires deliberate and coordinated public policies, developed and implemented in partnership with the private sector and other key actors, in which science, technology and innovation (STI) play a central role. In a context of limited fiscal space, increasing resources for STI policies may be unfeasible or difficult in practice, meaning that there is a need to go further and review how such policies are designed, executed and evaluated.

The hypothesis underpinning chapter II is that the impact of policies depends not only on the volume of resources allocated, but also on the quality of strategies, institutional design, the capabilities of the entities involved and consistency between instruments and objectives.

The analysis presented is based on a methodology combining a review of publicly available information with specific studies, surveys, interviews with key actors and processing of specialized databases, and it identifies regional patterns and persistent challenges in STI policies while proposing specific recommendations differentiated by the level of maturity of policies and organized into six areas: strategies, coordination spaces, institutional capabilities, instruments, financing, and cooperation.

Three methodological contributions are highlighted in the chapter: the use of budgetary information to characterize the institutions central to STI policy; the development of tools to assess TOPP capabilities; and the development of categories for the degree of maturity of countries' STI policies.

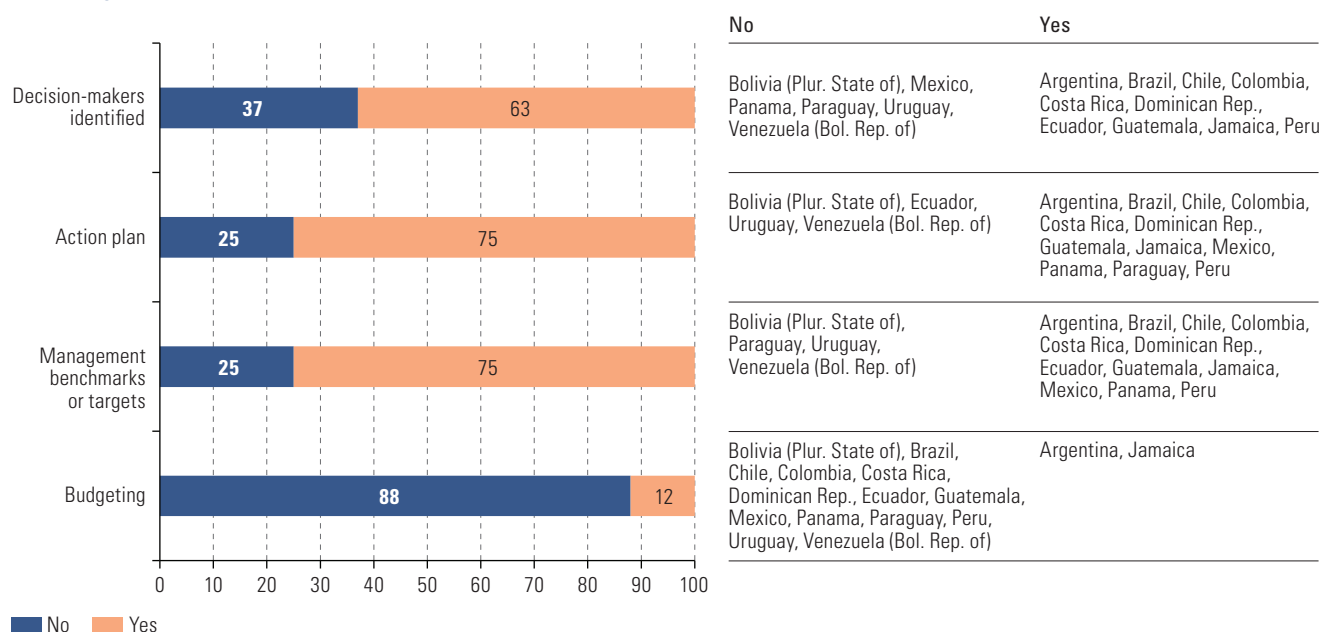
## 1. National strategies

Well-formulated national STI strategies and plans serve to provide a long-term vision, set priorities, coordinate stakeholders and channel resources towards important objectives. If they have political backing and are developed in a participatory manner, they become effective tools for aligning public and private actions.

Only 16 countries in the region were identified as having formal documents, variously called plans, strategies or policies, for STI. Analysis of these reveals great heterogeneity but also good prioritization and targeting practices, mainly at the sectoral level. Challenges remain, however, as these documents tend to be declaratory exercises that do not specify the decision-making authorities, the budget available or the methods for tracking progress, which limits the capacity for action (see figures 5 and 6).

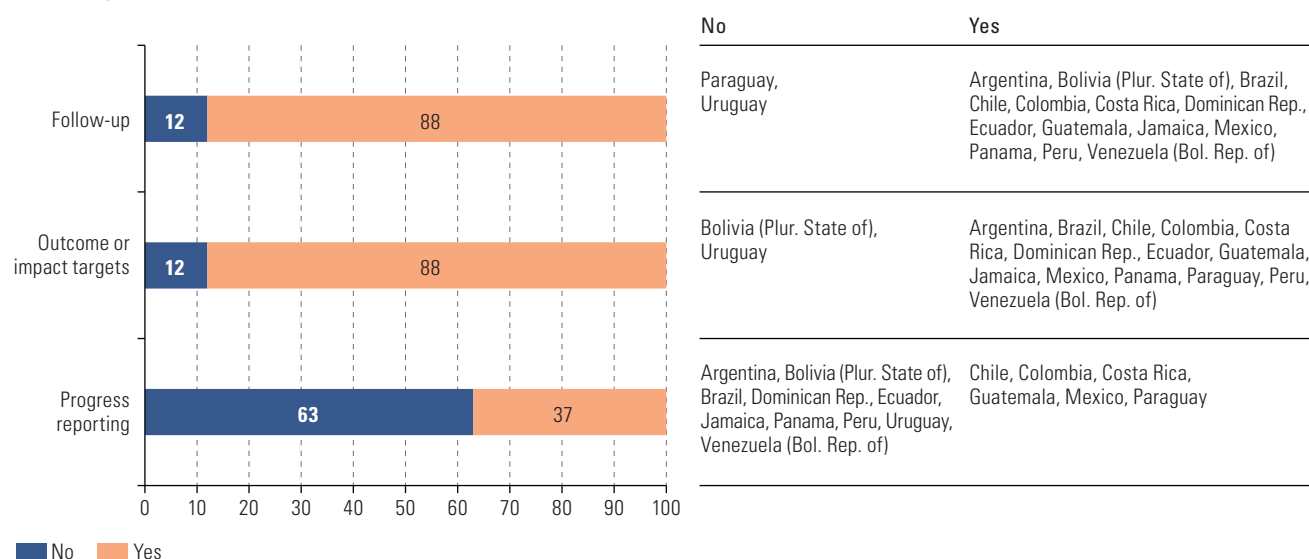
The strategies analysed also evince limitations when it comes to coordination with other themes of interest or strategic agendas, as only 44% establish explicit links with other public policies, such as productive development strategies or policies, or other sectoral agendas.

**Figure 5**  
Latin America and the Caribbean (16 countries): implementation practices in selected science, technology and innovation policies  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of official information and national studies.

**Figure 6**  
Latin America and the Caribbean (16 countries): monitoring and evaluation practices in selected science, technology and innovation policies  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information and national studies.

## 2. Institutional arrangements

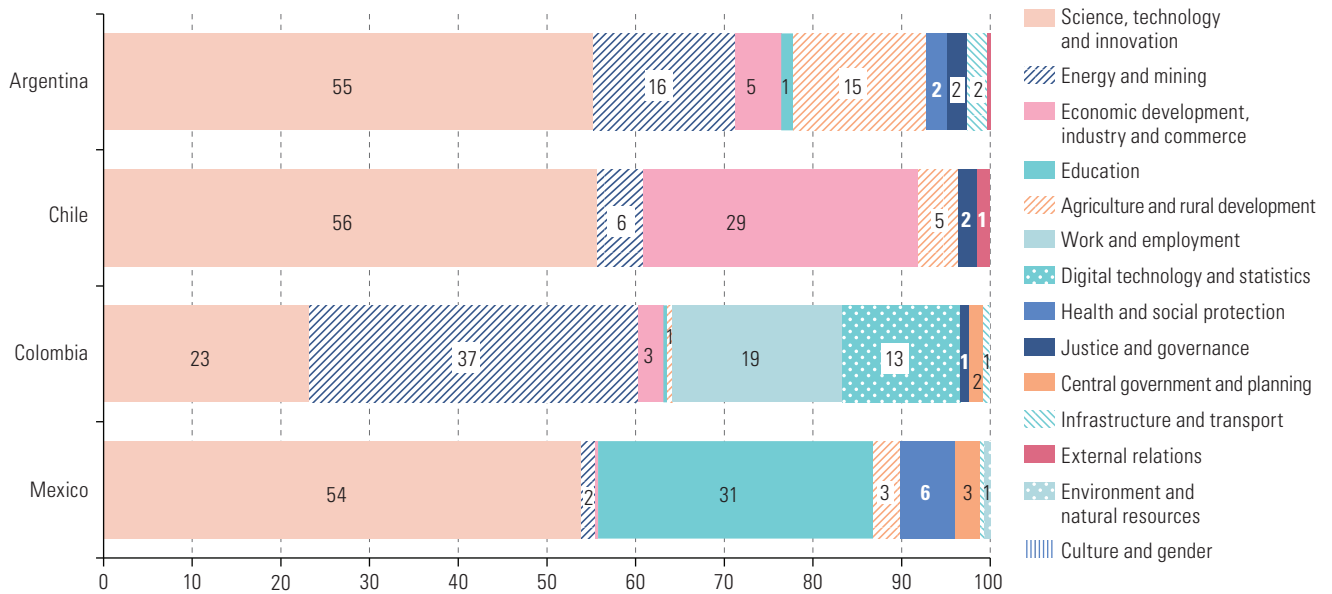
The STI function is a cross-cutting one present across multiple government ministries and agencies, which complicates coordination and linkages. Budget analysis of entities with policy functions in these areas in Argentina, Chile, Colombia and Mexico shows that entities in the STI ministerial sector account for no more than 56% of the government budget in this area and in some cases are not the main implementers (see figure 7). Between three and four entities account for more than 85% of the budget allocated to these policies, and sectors such as education, health, agriculture and ICTs play an important role in implementation.

There are formal STI coordination mechanisms, but with limited capacity for impact. Specialized bodies operate in 20 countries, while in 13, most of them in the Caribbean, coordination is carried out by governing bodies through bilateral interactions. These may be advisory or coordinating mechanisms with mixed participation, or exclusively public. Of 11 cases analysed, 55% have more than 20 members, 46% report directly to the president's office and only 18% have their own budget allocation. None has explicit influence over funding or budgeting and, except in Brazil, no minutes are published, which limits transparency and accountability.

Taking only the core institutions involved in STI policy, which include both the governing bodies that coordinate policies and the main entities responsible for administering policy instruments, there is a wide variety of institutional arrangements. For simplicity's sake, these have been classified into four categories (see table 2).

**Figure 7**

Latin America and the Caribbean (4 countries): distribution of budget allocated to science, technology and innovation policies, by ministerial area, 2024 or latest year available  
(Percentages of total science, technology and innovation expenditure)



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of Budget Directorate of Chile, Chamber of Deputies of Mexico, National Planning Department of Colombia, official information and national studies; Britto, F. (2025). *Sistema de ciencia, tecnología e innovación e innovación productiva de la República Argentina. Análisis del nivel nacional y las jurisdicciones subnacionales de Buenos Aires, Córdoba, Santa Fe y Ciudad Autónoma de Buenos Aires* [Unpublished manuscript]. Economic Commission for Latin America and the Caribbean; Balbontín, R., Roeschmann, J. A. and Zahler, A. (2018). *Ciencia, tecnología e innovación en Chile: un análisis presupuestario. Estudios de Finanzas Públicas Series*. Budget Directorate. Ministry of Finance; Budget Directorate. (2024). *Ley de Presupuestos del Sector Público: año 2024 (Ley N° 21.640 publicada en el Diario Oficial el 18 de diciembre de 2023)*. Ministry of Finance. [https://www.dipres.gob.cl/597/articulos-330063\\_doc\\_pdf.pdf](https://www.dipres.gob.cl/597/articulos-330063_doc_pdf.pdf); Chamber of Deputies. (2024). *Presupuesto Público Federal para la función ciencia, tecnología e Innovación, 2023-2024 (SAE-ASS-11-24)*. <https://www.diputados.gob.mx/sedia/sia/se/SAE-ASS-11-24.pdf>.

**Note:** Although the quantification methodology differs from one country to another, the results are presented in a comparable form to illustrate the cross-cutting nature of STI policy in government. The figures do not include financial credits or tax incentives. For Argentina, Britto (2025) uses 2023 data from the Budget Office of the Ministry of Economic Affairs; for Chile, the methodology employed by Balbontín et al. (2018) is extended using the central government budget (Budget Directorate, 2024); for Colombia, the investment component of the 2022 national budget is analysed using the Investment Project Monitoring System (<https://spi.dnp.gov.co/>); and for Mexico, information from the federal budget for the STI function is used (Chamber of Deputies, 2024).

**Table 2**

Latin America and the Caribbean (33 countries): classification of countries by governing and administrative bodies responsible for science, technology and innovation policy, 2025

Governing body			
Devoted solely to STI	Shared with other themes or agendas		
<b>Group A</b> 7 countries (21%) Argentina, Brazil, Chile, Colombia, Honduras, Peru, Venezuela (Bolivarian Republic of)	<b>Group C</b> 7 countries (21%) Barbados, Costa Rica, El Salvador, Jamaica, Nicaragua, Trinidad and Tobago, Uruguay	Yes	Also has one or more entities administering policy instruments
<b>Group B</b> 4 countries (12%) Guatemala, Mexico, Panama, Paraguay	<b>Group D</b> 15 countries (46%) Antigua and Barbuda, Bahamas, Belize, Bolivia (Plurinational State of), Cuba, Dominica, Dominican Republic, Ecuador, Grenada, Guyana, Haiti, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname	No	

**Source:** Economic Commission for Latin America and the Caribbean, on the basis of official information and national studies.

**Note:** This classification only includes public entities with an explicit mandate to administer STI policy instruments (such as innovation agencies and specialized funds, councils or institutes). Universities, research centres and other institutions that carry out STI activities but do not perform policy instrument administration functions are not included.

Likewise, different profiles are observed in STI budget allocations: according to an analysis of 22 entities in 12 countries, governing entities tend to diversify their policy resources across different activities (research and development (R&D), human capital formation, innovation), while administrative entities concentrate spending on a single activity, which reflects differences in policy decisions, institutional experience and existing capabilities.

Analysis of the budget allocations of entities responsible for STI policy reveals that funding has stagnated or contracted in relative terms. Between 2010 and 2024, the budget allocations of most central entities in seven selected countries were below 0.5% of the total national public budget, and the trend was flat or declining.

Differences in strategies, coordination mechanisms and budgets may be due to gaps in TOPP capabilities. Interviews with eight central STI entities in six countries provided material for an initial characterization exercise. On the technical side, strengths in planning and targeting were found to be accompanied by limitations in evaluation and user segmentation. Operationally, there were still challenges with data utilization and a lack of binding citizen participation. Politically, despite participation in legislative processes and coordination with stakeholders, mechanisms could be unstable and vulnerable to changes in political conditions. Lastly, prospective capabilities remained poorly institutionalized, with one-off or outsourced exercises prevailing.

### 3. Instruments

Analysis of international databases reveals marked heterogeneity between countries in Latin America and the Caribbean with regard to STI policy instruments. While Argentina and Brazil have more than 100 instruments, 12 countries have fewer than 10. In addition, most instruments operate on a limited scale in comparison with other regions, suggesting low financial capacity and fragmentation of efforts, and less integration between instruments.

As regards support mechanisms, non-reimbursable grants for research, development and innovation are the norm, together with scholarships for advanced human capital, generally awarded through competitive processes. Although some institutions provide financial instruments or support services, the use of tax incentives, loans and guarantees, and innovative public procurement remains limited.

The design and operational characteristics of instruments also limit their impact. Funding for research and development activities predominates, to the detriment of business innovation, and the results bear little relation to production priorities. Administrative entities tend to confine themselves to project evaluation and administrative monitoring. Competitive funds are fragmented, with few resources and short time horizons, and are mainly guided by beneficiary demand, which prevents critical capabilities from being consolidated and means they do not do enough to generate significant transformations.

Lastly, with regard to business innovation, competitive funds for joint project financing with non-reimbursable resources and technical assistance programmes predominate. However, there is still a tendency for calls for proposals to be broad and horizontal, with no explicit sectoral orientation, which reduces the capacity of instruments to foster productive transformation. At least nine countries in the region have introduced tax incentives for research and development, but their application is still in its infancy in terms of both coverage and impact.

## 4. Reflections and proposals

The region requires a new perspective so that STI can be positioned as a strategic tool for tackling urgent problems, especially that of stagnant productivity. To this end, six general proposals are set out below, and chapter II gives details of 68 specific recommendations differentiated by the maturity level (incipient, intermediate or advanced) of STI policies in the countries.

### (a) Align science, technology and innovation policy with productive development policies

STI policies have to be central in the effort to solve structural problems, and to bring about productive transformation in particular, aligning with productive development policies and prioritizing driving sectors. Resource increases should not just be associated with generic narratives about the bounties of STI, but should form part of agendas to strengthen economic growth, tax collection and public investment, with ambitious and tangible goals. A national innovation strategy, led at the highest level and with a long-term vision, broad participation and effective communication, enables resources, actions and incentives to be aligned. Strategies must be reinforced by implementation road maps with performance and impact indicators, multi-year budgets and monitoring and evaluation systems.

### (b) Strengthen coordination and multi-stakeholder governance

There are multiple actors in the region with disparate agendas and weak coordination mechanisms. Necessary measures include strengthening interministerial bodies that can integrate STI into national development strategies, and into productive development policies in particular; institutionalizing spaces for dialogue with broad participation (the private sector, academia and civil society); and altering normative frameworks and incentives to promote collaboration. Moving towards robust governance means endowing coordination bodies with autonomy, management frameworks and a capacity for influence. It is especially important to coordinate the academic and productive sectors and to review the incentives for aligning efforts with productive development priorities.

### (c) Strengthen technical, operational, policy and prospective (TOPP) capabilities

STI governing and administrative bodies need to reflect on their TOPP capabilities and identify opportunities for improvement in their management. A key requirement is to systematize learning and manage knowledge in environments that have high staff turnover and are vulnerable to political cycles. They must also introduce good organizational practices: a culture of evaluation, strategic use of data, standardized processes, relationship-building with key stakeholders and harnessing of human talent. To this end, it is essential to diagnose and measure gaps, set goals and establish clear pathways for action as their level of maturity dictates, consolidating a system of continuous improvement in capabilities.

#### (d) Diversify and scale up instruments

The region needs to move towards more diverse support and incentive systems that complement traditional competitive subsidies with other instruments such as loans, guarantees, technology extension services and public procurement of innovation. The combination of instruments must reflect the different levels of technological maturity and the diversity of actors in the ecosystem. It is essential to evaluate instruments, scaling up those that are efficient and adjusting or discarding those that are inefficient, in order to use public resources strategically. The scale must be appropriate: neither so small as to be irrelevant, nor so large as to compromise fiscal viability.

#### (e) Increase funding for science, technology and innovation initiatives and improve their targeting and quality

It remains essential to increase public STI investment in order to mobilize efforts by the private sector and other actors in the ecosystem. This effort must be accompanied by accurate information on the results of using public resources. The increase should be gradual and sustained, with clear returns. It is also crucial to improve the quality of spending, prioritizing actions that align with productive development policies, avoiding fragmentation of efforts and taking empirically grounded, context-appropriate decisions. There can be no effective strategy without prioritization, and there can be no prioritization without trade-offs, which means discarding less important options to concentrate resources on the most strategic ones.

#### (f) Take advantage of opportunities for regional and extraregional cooperation

Regional STI coordination is crucial for achieving scale, cutting costs, sharing risks and building up joint capabilities that no country could achieve alone. Complementary actions include connecting to global sources of knowledge, making strategic use of the diaspora, leveraging industrial policies from other parts of the world and strengthening science diplomacy.

The Conference on Science, Innovation and Information and Communications Technologies, a subsidiary body of ECLAC and a permanent forum for political and technical dialogue, seeks to improve STI policies and their coordination with productive development policies. This forum has a key role to play in aligning efforts and ensuring that STI becomes an engine of productive transformation for Latin America and the Caribbean.

### C. Cluster and other productive coordination initiatives for productive development in Latin America and the Caribbean

The importance that ECLAC attaches to cluster and other productive coordination initiatives stems from its new vision of productive development policies whereby these policies are understood primarily as collaborative efforts by multiple actors from the public and private sectors, academia and civil society geared towards joint work on forward-looking strategic agendas that foster the productive transformation of economies in pursuit of sustainable and inclusive development.

From this perspective, cluster and other productive coordination initiatives are a concrete way of giving effect to different forms of multilevel, multi-stakeholder collaborative governance that serve to legitimize sectoral and territorial prioritization decisions, mobilize human and material resources from different territories and apply the principles of experimentalist governance.

## 1. What are meant by productive coordination initiatives

ECLAC uses the concept of productive coordination initiatives (PCIs) to refer to different types of strategic collaboration between companies and institutions in pursuit of productive development. PCIs have three characteristics: (i) they are geared towards goals and targets for competitiveness and productivity improvements and productive transformation generally; (ii) they follow a strategic approach entailing alignment of efforts around key goals and medium- and long-term commitment by participants; and (iii) they are based on the creation and operation of participatory governance mechanisms.

The broad definition of this concept encompasses different modalities of productive coordination, among which ECLAC has classified the following five types: cluster initiatives, initiatives to promote production chains, local productive initiatives, initiatives to promote business networks and initiatives for the development of supply relationships.

## 2. Strengthening productive coordination initiatives in the region: the ECLAC strategy

Given the potential contribution of PCIs to productive development in Latin America and the Caribbean, ECLAC has launched a strategy to support them, and this is embodied in the Platform for cluster and other territorial productive articulation initiatives.

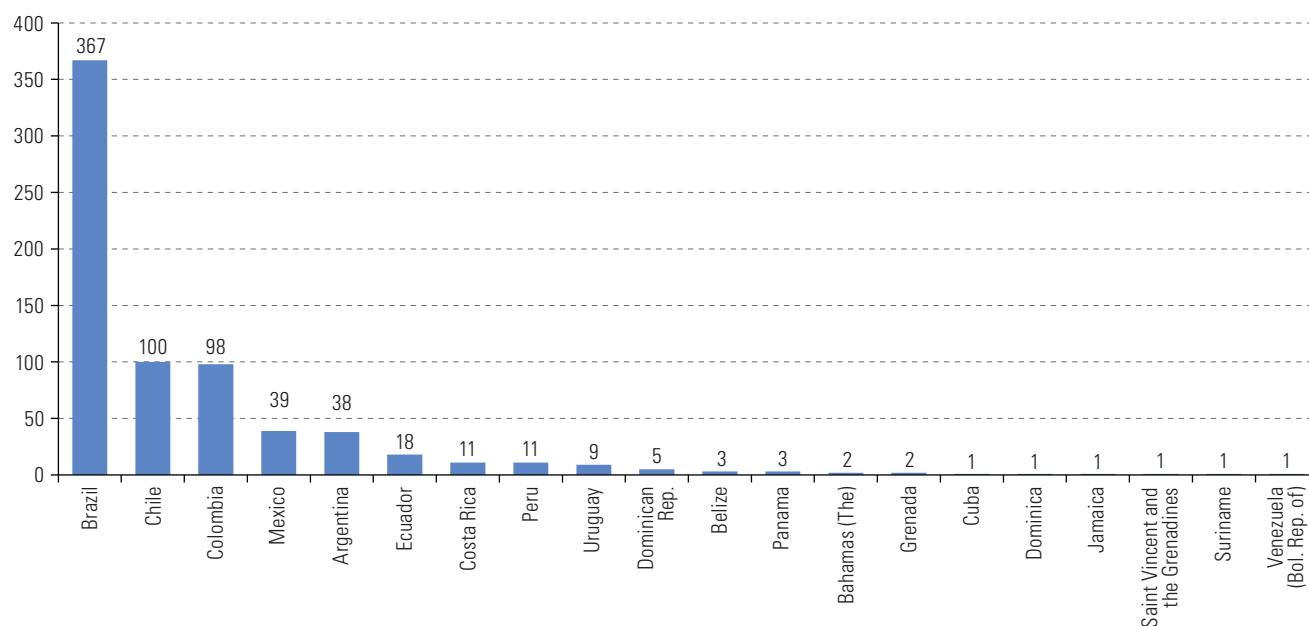
In addition to georeferencing and showcasing more than 400 PCIs in the region, the Platform serves as a support tool for the systematic dissemination of information and knowledge, the implementation of training activities, interaction between PCIs, the formulation of joint projects and the provision of technical assistance.

## 3. Productive coordination initiatives in Latin America and the Caribbean

There are no databases in the region that systematically collect information on PCIs operating in the different countries. The database developed by ECLAC, which comprises 712 PCIs (a little over 400 initiatives mapped on the Platform and more than 310 identified by ad hoc research in Brazil, Mexico and the Caribbean countries), is one of the main sources of information on PCIs for 20 countries of Latin America and the Caribbean (see figure 8), and is among the most comprehensive.

The information presented in chapter III serves to describe some of the main characteristics of PCIs in the region, such as their sectoral distribution, their strategic focus and the financing methods adopted.

**Figure 8**  
Latin America and the Caribbean (20 countries): productive coordination initiatives, by country, 2023–2025  
(Numbers)



Source: Economic Commission for Latin America and the Caribbean.

## 4. Policies and programmes that foster cluster and other productive coordination initiatives

Chapter III analyses PCI policies, i.e. all efforts made by public or private institutions with a view to strengthening common action and participatory governance among groups of companies and institutions that operate in related sectors and have the common goal of improving their productive performance.

Chapter III proposes a distinction between direct and indirect PCI policies and emphasizes that the ideal scenario would be one in which PCIs were adopted as a spearhead for vertical efforts centred on the production priorities set out in a country or territory's productive development policies.

Although there are some experiences that come close to that ideal, PCI policies are often unrelated to these productive priorities, so that, for example, the sectors to be supported are chosen at the national level, but no action is taken to foster the development of cluster initiatives in territories on the basis of these choices. Worse still, there are cases where countries do not use existing PCIs in priority sectors to focus resources and efforts that could improve their productivity.

By means of interviews and a review of information on the websites of the entities promoting PCIs, data were collected on 29 PCI policies in 10 countries and a subregion (the Caribbean), and an in-depth analysis was conducted.

Some of these programmes are delivered by national institutions, as in Chile, Colombia (Colombia Productiva and Confecámaras), Costa Rica, Ecuador, Peru and Uruguay. Others are run by institutions in intermediate and local territorial entities, as in Argentina, Brazil, Colombia (chambers of commerce) and Mexico, while in the Caribbean there are ad hoc programmes of a multinational nature.

The PCI policies of 8 of the 11 countries analysed were launched subsequent to 2020, showing that there has been a resurgence of interest in these efforts in the region.

Direct PCI policies are also analysed by how they select beneficiary initiatives, support strategic planning and deliver non-reimbursable resources and other services. The analysis throws up a wide variety of mechanisms and models that vary between countries and even between levels of government within the same country, indicating that policies of this type can be adapted to different institutional capacities and production structures and to the availability of human, technical and financial resources at the entities implementing them.

## 5. Evaluation and results of productive coordination initiative policies

The results, both internationally and in Latin America and the Caribbean, suggest that PCIs, especially cluster initiatives, can be an effective instrument for fostering significant productive transformations in the economies of suitable territories by bringing together the efforts of different economic actors in pursuit of shared objectives and improving productive development policies.

However, there have been few efforts to evaluate PCI policies, especially impact assessments, mainly because of the conceptual and methodological complexity entailed in measuring the effects of these initiatives and the programmes that sponsor them.

Chapter III provides a summary analysis of four of the methodological difficulties encountered in evaluating the effects of PCI policies: (i) deciding who is to carry out the evaluation and to what end; (ii) identifying which impacts are to be evaluated and which variables used to measure them; (iii) establishing causality; and (iv) the limited availability of data.

Where Latin America is concerned, the chapter notes that the limited number of evaluations of policies and initiatives by comparison with the number of policies and PCIs that exist shows these processes to be still very much in their infancy in the region. In the research for the chapter, 16 exercises conducted between 2011 and 2025 to analyse the effects of PCI policies were mapped for six countries.

In five cases, the analyses focus on evaluating the impacts of PCIs on participating companies and direct beneficiaries. In all the other cases, no causality analyses are performed, but rather qualitative and quantitative methods are combined to analyse the results achieved by PCI policies and the associated initiatives, or to evaluate their operational characteristics.

It should be noted that measurement practices in Latin America over the last few years have focused mainly on monitoring, this being a methodology that facilitates repetition and comparison over time.

Lastly, the chapter summarizes information based on evaluation results about the effects of PCI policies in some Latin American and Caribbean countries, highlighting the productive transformation effects created by the policies that fostered productive agglomerations in Brazil, medical device clusters in Costa Rica and aerospace clusters in Querétaro (Mexico), among others. The analysis is supplemented by references to international experiences, such as those of Catalonia and the Basque Country in Spain and those of Germany, France and Canada, which are of particular interest as benchmarks for many countries in the region.

## 6. Guidelines

The items presented in chapter III show that PCIs can be key instruments for organizing productive transformation efforts and that there is ample scope to improve the depth and quality of implementation of these initiatives within the framework of productive development policies in the region. Accordingly, the chapter concludes by offering a number of guidelines and recommendations for scaling up and improving PCI policies:

- (a) Use PCIs to work on strategic agendas for sectors prioritized by national and subnational productive development policies.
- (b) Increase the resources invested.
- (c) Ensure the continuity of PCI policies.
- (d) Enhance incentives for innovation by promoting convergence between PCI and STI policies.
- (e) Enhance collaboration between PCIs.
- (f) Strengthen the capabilities of professionals.
- (g) Strengthen institutions and their TOPP capabilities.
- (h) Enhance evaluation capacity and encourage the adoption of an experimentalist approach to governance.
- (i) Invest in internal and external communication.
- (j) Explore the possibility of working on PCI-based sectoral and thematic regional productive development agendas for driving sectors.
- (k) Boost the Platform for cluster and other territorial productive articulation initiatives developed by ECLAC.

## D. Green and inclusive productive development policies in Latin America and the Caribbean

Chapter IV analyses the opportunities presented by climate action to overcome the three development traps.

Firstly, it establishes the diagnosis that climate inaction dangerously aggravates all three development traps. Rising temperatures will result in a 6.3% drop in per capita GDP in the region by 2030, exacerbating the trap of low capacity for growth. The disproportionate impacts of climate change on the most vulnerable people and systems imply a worsening of the trap of high inequality and low social cohesion. Furthermore, the State capacities of the region's countries are expected to come under even greater pressure as the need to respond to climate disasters grows, exacerbating the trap of weak institutional capacities and governance.

Secondly, chapter IV emphasizes that climate action coupled with green and inclusive productive development policies, understood as a subset of the productive development policies advocated by ECLAC, is contributing to the transformations that are essential for a more productive, inclusive and sustainable future. In recent years, in fact, climate policy has become a driver of economic growth rather than an obstacle to it. Latin America and the Caribbean needs cumulative investment of US\$ 2.8 trillion

by 2030 to meet its climate commitments, and this expenditure would boost economic growth in the short term. However, the long-term benefits of decarbonization in terms of productivity, growth and development can only be realized through productive development policies which ensure that at least some of the sustainable, low-carbon solutions required are generated in the region.

Chapter IV examines national productive development policies in selected countries of the region to ascertain the extent to which they are aligned with climate policies, as per the climate commitments forming part of the nationally determined contributions established by the countries under the Paris Agreement. The analysis covers four countries with post-2020 nationally determined contributions and wide-ranging productive development policies: Brazil, with its New Industry Brazil policy; Chile, with its Sustainable Productive Development Programme; Colombia, with its National Reindustrialization Policy; and Mexico, with its Plan Mexico. The methodology consists in analysing the types of link between productive development policies and nationally determined contributions: explicit and direct; implicit and indirect; no link; absent in both the nationally determined contribution and the productive development policy; present in the productive development policy and absent in the nationally determined contribution.

The findings (see table 3) suggest that, at the sectoral level, most mitigation targets are reflected in productive development policies. At the aggregate level, however, there is great potential for improving the consistency of productive development policies with mitigation targets, considering that economy-wide mitigation targets are implicit or absent in most of the productive development policies analysed. The failure to incorporate aggregate mitigation targets explicitly into productive development policies means that efforts to promote green productive development may not be strong or rapid enough to contribute to national climate objectives.

	Brazil	Chile	Colombia	Mexico
Target type: absolute (compared to historical base year)				
Target type: relative (compared to business as usual emissions or greenhouse gas intensity)				
Economy-wide 2030 target				
Economy-wide 2050 target				
Economy-wide net zero target				
Sectoral targets or measures: energy				
Sectoral targets or measures: transport				
Sectoral targets or measures: industry				
Sectoral targets or measures: agriculture				
Sectoral targets or measures: waste				
Sectoral targets or measures: land use, land-use change and forestry				
Coal phase-down				
Carbon capture and storage				

- Explicit and direct link to the nationally determined contribution in the productive development policy.
- Implicit and indirect link to the nationally determined contribution in the productive development policy.
- No reference to the nationally determined contribution in the productive development policy.
- Not part of the nationally determined contribution and not mentioned in the productive development policy.
- Not part of the nationally determined contribution but mentioned in the productive development policy.

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

**Table 3**  
Latin America  
(4 countries): mitigation

With regard to adaptation, the results indicate that most of the adaptation measures present in the nationally determined contributions are not reflected in productive development policies. Only one productive development policy (Brazil's) explicitly mentions an adaptation plan or measure, while another (Colombia's) contains an implicit reference, and half the countries' productive development policies (i.e. Chile's and Mexico's) make no reference to the subject. None of the productive development

policies includes sectoral adaptation objectives or measures, or adaptation options, needs or priorities. The weak link between the adaptation dimension of nationally determined contributions and productive development policies may represent a missed opportunity for green productive development, as adaptation-related technologies and solutions are fertile ground for development that remains outside the scope of current productive development policies.

With regard to secondary benefits and equity considerations, the analysis shows that nationally determined contributions could incorporate aspects of productive development as secondary benefits. The analysis also points to the need to spell out the links with just transition and equity aspects in nationally determined contributions and productive development policies to promote productive inclusion and tackle the high inequality trap.

In the area of implementation, the findings are that all the productive development policies analysed refer to climate-related productive development mechanisms and instruments, but in a heterogeneous way and without these being reflected in the nationally determined contributions. The four productive development policies and nationally determined contributions cover climate-related investment and contain climate-related regulatory and internationalization instruments. Most productive development policies provide for instruments related to STI, human talent gaps and climate financing. However, technology extension services, digital transformation and infrastructure mechanisms and instruments are not present in either the nationally determined contributions or the productive development policies of half the countries analysed.

With regard to the portfolio of driving sectors contributing to mitigation or adaptation proposed by ECLAC (see table 4), all the productive development policies and nationally determined contributions analysed include explicit mention of the energy transition, sustainable mobility, the circular economy and the bioeconomy. Most also include agriculture and sustainable water management. However, no nationally determined contribution or productive development policy mentions the care sector, which is important in the context of adaptation and resilience, bearing out the finding that productive development policies have not yet adequately incorporated the issue of adaptation. None of the nationally determined contributions analysed refers to advanced manufacturing (which is important for circular economy production plants, for example) or modern or ICT-enabled services (which are important for decarbonization and for services used in precision agriculture, including advanced weather forecasting), but these are present in one or two productive development policies.

**Table 4**  
Latin America  
(4 countries):  
driving sectors for  
a great productive  
transformation

	Brazil	Chile	Colombia	Mexico
Advanced manufacturing related to climate mitigation, adaptation or sustainability				
Modern or ICT-enabled service exports related to climate mitigation, adaptation or sustainability				
Care services related to climate mitigation, adaptation or sustainability				
Energy transition				
Sustainable mobility				
Circular economy				
Bioeconomy				
Agriculture				
Sustainable water management				
Sustainable tourism				

- Explicit and direct link to the nationally determined contribution in the productive development policy.
- Implicit and indirect link to the nationally determined contribution in the productive development policy.
- No reference to the nationally determined contribution in the productive development policy.
- Not part of the nationally determined contribution and not mentioned in the productive development policy.
- Not part of the nationally determined contribution but mentioned in the productive development policy.

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

The conclusion is that productive development policies must be strengthened and scaled up to contribute more effectively to the achievement of national climate goals, as established by the countries in their nationally determined contributions. The current situation presents a unique window of opportunity for a big push by the Latin American and Caribbean region for transformative investments oriented towards a more productive, inclusive and sustainable future. By prioritizing green and inclusive productive development, the Latin American and Caribbean region could position itself globally as a leader in the provision and adoption of green solutions by leveraging its water, biodiversity, renewable energy, food production, ecotourism and other assets. Green and inclusive productive development policies represent an opportunity for the region to achieve international recognition as a sustainable production platform whose goods and services could carry a sustainability hallmark, with a production system based on a clean energy mix and on traceability and compliance with international environmental standards. The challenges ahead are numerous, but the potential benefits of the process undoubtedly outweigh the effort entailed.

Recommendations to this end include specifying aggregate mitigation goals in productive development policies, incorporating and strengthening links between productive development policies and adaptation aspects, enhancing the consistency between productive development policy implementation mechanisms and nationally determined contributions, coordinating governance arrangements for productive development policies and nationally determined contributions, and strengthening citizen participation and just transition aspects. The nationally determined contributions themselves could also be strengthened by incorporating productive development policy elements, specifically in relation to secondary benefits and implementation mechanisms.

Lastly, the capacities required to manage indispensable transformations need to be strengthened, and to that end this 2025 edition of the *Panorama of Productive Development Policies in Latin America and the Caribbean* provides recommendations for specific actions at the subnational, national, regional and international levels to build a more productive, inclusive and sustainable future.



Latin America and the Caribbean is caught in a trap of low capacity for growth, largely because productivity has stagnated and even declined over the past decade. Escaping this trap requires a profound productive transformation, and the way to achieve this is to scale up and improve productive development policies following the new vision that the Economic Commission for Latin America and the Caribbean (ECLAC) has been advocating.

The *Panorama of Productive Development Policies in Latin America and the Caribbean, 2025* addresses four themes that were selected for their strategic importance and complementarity: (i) productivity, which is the core structural challenge; (ii) science, technology and innovation, as key drivers of productive transformation; (iii) productive coordination via cluster initiatives and other governance and collaboration mechanisms, which is essential for mobilizing key actors and multiplying impacts; and (iv) environmental sustainability and social inclusion based on green and inclusive productive development policies, these being principles that should guide the best version of this transformation. Together, these themes form a road map for progress towards higher, sustained, inclusive and sustainable growth that can also accelerate the achievement of the Sustainable Development Goals.

