Sustainable Development Goal (SDG) Take urgent action to combat climate change and its impacts







# (>) Regional overview

- Climate change is the challenge of the century for humankind. Its causes and consequences call for urgent action to meet the Paris Agreement goals of limiting the rise in the global average temperature through low greenhouse gas (GHG) emissions development, while increasing capacity to adapt to its adverse effects by fostering climate resilience.
- The Latin American and Caribbean region is committed to climate action, has relatively clean energy and electricity mixes and considerable renewable energy potential, and has the strategic minerals and key sectoral mechanisms necessary for the energy transition and the transition to carbon neutrality, respectively. Even with this favourable backdrop, the region needs to increase the rate of decarbonization by four to five times in order to meet the emissions reduction commitments set out in nationally determined contributions.
- Despite generating only 10% of global GHG emissions, Latin America and the Caribbean is highly vulnerable to the effects of climate change, mainly on account of its geographical location and socioeconomic characteristics. The region's efforts to adapt and reduce vulnerability to the impacts of climate change are concentrated in sectors that are highly sensitive to changes in climate, such as those linked to water resources, biodiversity, coastal zones, agriculture and health.
- Significant progress has been made in terms of disaster risk reduction. All countries in the region have some form of early warning system, 21 have a national disaster risk reduction strategy, and there is more adequate funding to respond to emergencies. However, gaps remain in terms of investment in disaster risk reduction, particularly in reconstruction processes, territorial coverage and hazard mainstreaming. There is a need to urge better coordination of climate change, sustainable development and disaster risk reduction agendas in the region.



# (>) Key facts on the region

- Land-use change, forestry and agriculture account for a significant share of regional emissions, owing to the importance of the primary sector and the low technification of these activities in the region. Some 58% of GHG emissions in Latin America and the Caribbean come from land-use change (38%) and agriculture, forestry, and other land use (20%). Emissions from the energy sector account for 25% of the region's total, including the share of the transport sector (11%), electricity generation and use, and others.<sup>1</sup>
- Higher-income population groups emit a greater proportion of GHGs in the region. However, lower-income populations are the most vulnerable and suffer most from the consequences, as they do not have the means to adapt to the new climate conditions.
- The Latin American and Caribbean region will need to significantly increase the pace at which it has been decarbonizing its economies and move from a historical decarbonization rate of -0.9% per year on average (recorded between 2010 and 2019) to more than four times that rate (average of -3.9% per year) to reach the emission reduction targets set in the nationally determined contributions. In fact, in order to move towards the target of limiting global average temperature increase to no more than 1.5°C, the region's decarbonization rate needs to be eight times faster than the historical rate.<sup>2</sup>
- More than half of fossil fuel subsidies in the region target oil and about 20% go to natural gas and electricity end-use. While fossil fuel subsidies have trended downward over the last decade, in 2021, US\$ 75.6 billion was allocated to fossil fuel subsidies in the region, a figure that fell to US\$ 56.6 billion in 2022, amid poor economic performance.

<sup>&</sup>lt;sup>2</sup> ECLAC, The economics of climate change in Latin America and the Caribbean, 2023: financing needs and policy tools for the transition to low-carbon and climate-resilient economies (LC/TS.2023/154), Santiago, 2023.



<sup>&</sup>lt;sup>1</sup> Economic Commission for Latin America and the Caribbean (ECLAC), "Regional data bank for statistical follow-up to the SDGs in Latin America and the Caribbean," 2023 [online] https://agenda2030lac.org/ estadisticas/regional-data-bank-statistical-follow-up-sdg-1.html?lang=en [accessed on 14 December 2023].

Only five countries in the region have introduced a national carbon tax, although progress is being made in the design of carbon market mechanisms.

 The region is particularly vulnerable to extreme weather events, especially in the Caribbean, where they can cause major setbacks. For example, Dominica sustained damage and losses amounting to 226% of its GDP when it was devastated by Hurricane Maria in 2017. While some achievements have been made in reducing the impact of disasters, country reports show that countries are not on track to meet the targets of the Sendai Framework for Disaster Risk Reduction 2015–2030.

## (>) Good practices in the region

- In Latin America and the Caribbean, 29 of the 33 countries have either submitted updated nationally determined contributions or successive nationally determined contributions to the United Nations Framework Convention on Climate Change (UNFCCC). In addition, 15 countries in the region have submitted their national adaptation plans and 8 countries have defined their long-term strategies. Of particular note are Brazil, Chile, Grenada, Saint Lucia and Uruguay, which have even submitted sectoral adaptation plans.
- In Latin America and the Caribbean there is an increase in climate ambition compared to the first nationally determined contributions that countries submitted in 2015. The region's 2030 climate targets reflect emission reductions of between 24% and 29% compared to the business-as-usual scenario and prioritize sectors such as energy, land use, land-use change and forestry, transport, agriculture and waste.
- Progress has been made in the region's institutional framework and there are areas dedicated to climate change in government ministries (such as finance, planning, energy or agriculture), as well as in some central banks. Progress has also been made on legislation to address climate change: there are national climate change laws in place in 11 countries, while 4 others are in the process of adopting them.



- Latin American and Caribbean countries have advanced in the use of tools such as geographical information systems and disaster risk assessment. However, challenges remain in relation to the collection and interoperability of data and its lack of disaggregation by sex, age and disability status of individuals.
- In the region, 21 countries have a national disaster risk reduction strategy in line with the Sendai Framework. In addition, the network of Caribbean Chambers of Commerce was created in 2019, with the aim of achieving greater collaboration between stakeholders on disaster risk reduction and greater inclusion in dialogue of traditionally sidelined groups, such as local governments and civil society.
- The region has made significant progress in terms of emergency response funding, as well as in budget allocation and financing for disaster risk reduction and resilience-building. However, the economic downturn has recently resulted in a decrease in budget allocations.
- Latin American and Caribbean countries have made progress in pre-disaster preparedness. Noteworthy in that regard are early warning systems such as the Climate Risk and Early Warning Systems initiative in the Caribbean, which in 2022 and 2023 even supported Ecuador, Peru and Trinidad and Tobago in the implementation of their multi-hazard early warning systems.
- In terms of building back better, several initiatives stand out, including that of the United Nations Development Programme in conjunction with Antigua and Barbuda and Dominica, which focuses on repairing or rebuilding key infrastructure to improved construction standards, as well as the recovery approach adopted in 2018 by the heads of government of the Caribbean Community, which emphasizes the need to protect those most at risk, safeguard infrastructure and improve operational preparedness.



### Sustainable mobility





#### Early warning



# ECLAC recommendations

- To achieve a transition that effectively addresses climate change, not only are more ambitious targets in future nationally determined contributions needed, but also major transformations in the productive structure of Latin American and Caribbean economies. Sectors offering major opportunities include the energy transition, renewable energy, lithium and green hydrogen industries; sustainable mobility, mainly based on electromobility; the circular economy and the benefits of reducing the use of virgin raw materials; the bioeconomy, based on more sustainable agriculture; sustainable water management; and sustainable tourism.<sup>3</sup>
- Increased (public and private) finance for climate-related investments and clear signals to private investors are needed, as accelerating climate action also means transforming climate action plans into investment plans and projects.
- Greater coordination and coherence between economic policies, environmental policies and social policies are needed to address the scale of the climate challenge.
- Disaster risk management should be an integral part of the climate change management strategy. National disaster risk reduction financing plans that translate into strategies that can build long-term resilience and are adequately funded are crucial. This is of particular concern, especially for the economies of

<sup>3</sup> Ibid.



many small island developing states (SIDS) that depend on single industries, such as tourism, where every external shock can have a significant economic impact.

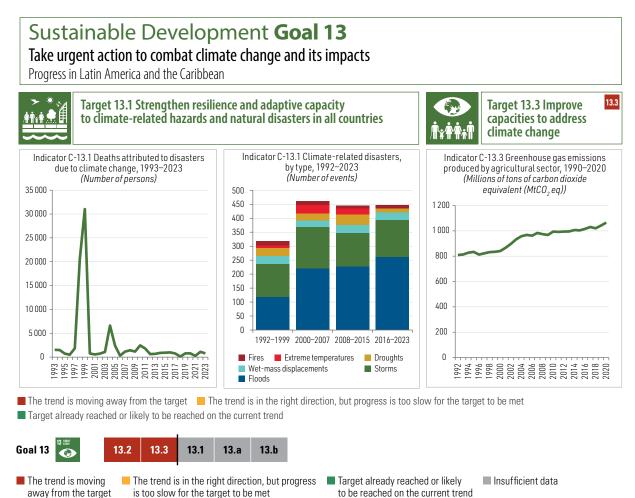
 There is a need to raise awareness of the costs and benefits of investing in resilience-building and prevention, as well as to overcome challenges related to guaranteeing human rights in the context of disaster response, including the differentiated needs of persons with disabilities or living with chronic diseases, and gender mainstreaming.

> THE LATIN AMERICAN AND CARIBBEAN REGION IS COMMITTED TO CLIMATE ACTION, HAS RELATIVELY CLEAN ENERGY AND ELECTRICITY MIXES AND CONSIDERABLE RENEWABLE ENERGY POTENTIAL





# **Key regional statistics**



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