

Halfway to 2030 in Latin America and the Caribbean

Progress and recommendations for acceleration

Sixth report on regional progress and challenges in relation to the 2030 Agenda for [Sustainable Development](#) in Latin America and the Caribbean



Forum of the Countries
of Latin America and
the Caribbean on
**SUSTAINABLE
DEVELOPMENT**
Santiago
25–28 April **2023**



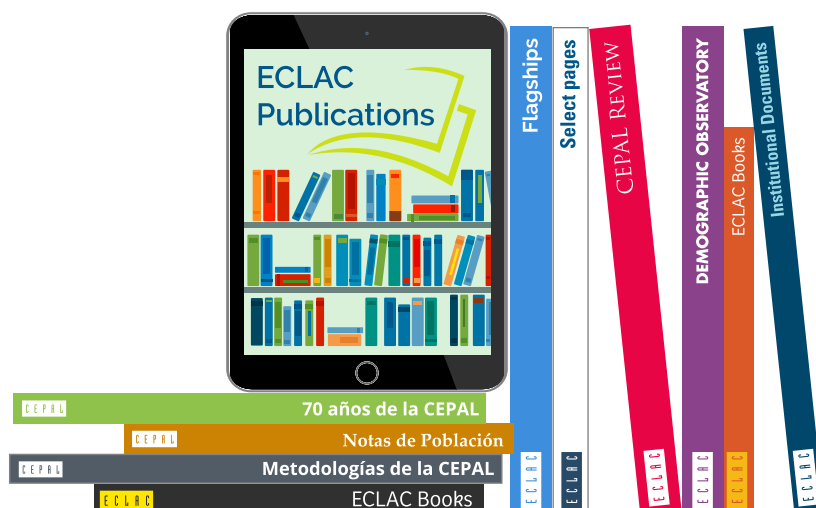
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a productive, inclusive
and sustainable future

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Foreword

The countries of Latin America and the Caribbean are halfway through the time frame set for achieving the Sustainable Development Goals (SDGs) that underpin the 2030 Agenda for Sustainable Development. The progress towards the Goals and targets was drastically hampered by the coronavirus disease (COVID-19) pandemic, which has taken a heavy toll across the globe since 2020 and undermined efforts to achieve the Agenda in many regions of the world, including Latin America and the Caribbean, hardest hit by the pandemic. The last biennium has also been marked by global developments that have adversely affected progress towards the SDGs, such as the conflict in Ukraine, trade tensions and geopolitical conflicts, forced migration and a resurgence of inflation.

The cascading shocks that have affected the countries have created a real development crisis in the region. Economic growth of just 1.2% is expected in 2023. However, the development challenges date back further: 2023 marks the end of a 10-year period over which growth in the region will have averaged only 0.8%, lower than the 2% recorded in the last decade of the 1980s.

It is not only the economic slowdown and recent shocks but also the slow growth in the 10 years from 2014–2023 that have cumulatively undermined the achievement of many of the SDGs, putting many of the targets off-track and at risk of not being met by 2030. The Economic Commission for Latin America and the Caribbean (ECLAC) estimates that only 25% of the targets for which information is available appear to be on course to be met by 2030. However, an estimated 48% of them are moving in the right direction, albeit too slowly, and the remaining 27% are moving backwards.

There is an urgent and vital need to implement policies and take action to reverse negative trends, strengthen those that are moving in the right direction but are insufficient to achieve the targets, and ensure that the targets that are currently on track will be achieved.

This report looks at three key issues. First, it reviews overall progress towards the achievement of all the SDGs, with a more in-depth focus on progress towards five of them: clean water and sanitation (Goal 6); affordable and clean energy (Goal 7); industry, innovation and infrastructure (Goal 9); sustainable cities and communities (Goal 11); and partnerships for the goals (Goal 17). Given the worrying trend towards backsliding in some indicators and targets, immediate action will be needed to incentivize investment, strengthen institutions and related governance, and mobilize joint efforts and shared commitments, engaging the public and private sectors and civil society.

Second, it posits that getting back on track to meet the SDG targets by 2030 requires not only greater investment and financing but also a paradigm shift in public policymaking. Specifically, there is a need to improve governance, shore up institutions and partnerships, and envisage longer time horizons in public policy. The vision for society set forth in the 2030 Agenda calls for the design of forward-looking public policies that bring together all social actors to build desirable scenarios for the future, as well as the road maps and processes for dialogue and participation required to achieve them. The scale of the challenges facing the countries of Latin America and the Caribbean is such that it necessitates dialogue and decisions that are not limited to the short-term, and in this sense, the SDGs can be of great help in articulating and shaping a shared vision of the future.

Third, the report analyses the institutional processes that have been put in place for the implementation and monitoring of the SDGs. It describes how countries have linked their development plans and planning processes to the SDGs, and how they continue to actively participate in voluntary national

reviews to assess and improve policies. It also highlights the growing interest in carrying out actions to implement the 2030 Agenda at the subnational level and illustrates how voluntary local reviews have emerged as a means for subnational stakeholders to support the implementation and monitoring of the SDGs. Equally important to note is the active engagement of civil society and its establishment of internal mechanisms as well as partnerships with governments to proactively monitor and advocate for progress on the SDGs in a positive and constructive manner.

As this report shows, it is clear that the 2030 Agenda has generated an institutional footprint that has unequivocally strengthened countries' capacities to meet the challenges of the future and paved the way for building solid partnerships and enhancing evidence-based policies. This institutional footprint is key to driving and coordinating new forward-looking actions in pursuit of the SDGs.

Building on the institutional capacities developed over the past eight years through the establishment of institutional processes and mechanisms to monitor and analyse progress towards the SDGs, this report is a call to action on a number of transformative initiatives whose synergistic capacity and forward-looking vision can bring together multiple actors and have a positive impact on several Goals at the same time.

We at ECLAC trust that the countries of Latin America and the Caribbean, with the unwavering support of the United Nations agencies, funds and programmes, will breathe new life into the commitments and means of implementation of the SDGs, with high-impact initiatives that will kick-start and speed up progress towards the achievement of the Goals and targets, and that will also revive and nurture the hopes of the people of the region that a more prosperous, productive, inclusive and sustainable future is possible, and that it is already in the making.

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



CHAPTER I

Latin America and the Caribbean is facing a development crisis

Introduction

- A. International context, cascading crises and the regional macroeconomic situation
- B. Globalization present and future: crisis, environmental emergency and technological revolution
- C. Production structure and policies for sustainable development
- D. Inequalities, employment and social policies

Bibliography

Introduction

The countries of Latin America and the Caribbean face profound challenges in achieving the Sustainable Development Goals (SDGs). The international context is not promising, as it holds major uncertainties and the course for the coming years is unclear. Low growth in the world's major economies in conjunction with inflationary pressures, both stemming from the crisis caused by the coronavirus disease (COVID-19) pandemic, have been exacerbated by the conflict in Ukraine. This has resulted in heightened geopolitical tensions and increased volatility in the global financial system.

Against this backdrop, this year the region will complete a decade of very weak growth, with concomitant low rates of investment and deficient employment and productivity growth. In addition, interest rate hikes in recent years have stymied the expansionary policies needed to stimulate the economy.

The globalization process is facing changes stemming from geopolitical tensions, but also from various converging technological revolutions that are transforming the production paradigm of the late twentieth and early twenty-first centuries, business models, supply chains, and the flow of trade in goods and services. Latin America and the Caribbean, which has a low level of regional integration, is at a turning point in its relations, both with the world and within the region itself.

The aforementioned economic challenges, both global and regional, are currently being compounded by additional difficulties and uncertainties generated by a series of cascading crises: environmental crises, both climate and biodiversity loss; and social crises in the areas of health, employment, education, food security, security of fresh water supply, energy security, and cost of living (poverty and inequality).

While this situation complicates public actions, it also makes it necessary to address the different challenges and crises simultaneously and to align the efforts of the different actors to overcome them, framed by two key principles of the 2030 Agenda for Sustainable Development: inclusiveness and participation. Doing so requires creativity and determination to drive the process of transforming the development model through decisive and creative public policies, with a very clear focus and direction, supported by a strengthened institutional framework. This will make it possible to achieve the SDGs through a more inclusive and environmentally sustainable form of productive development in the region.

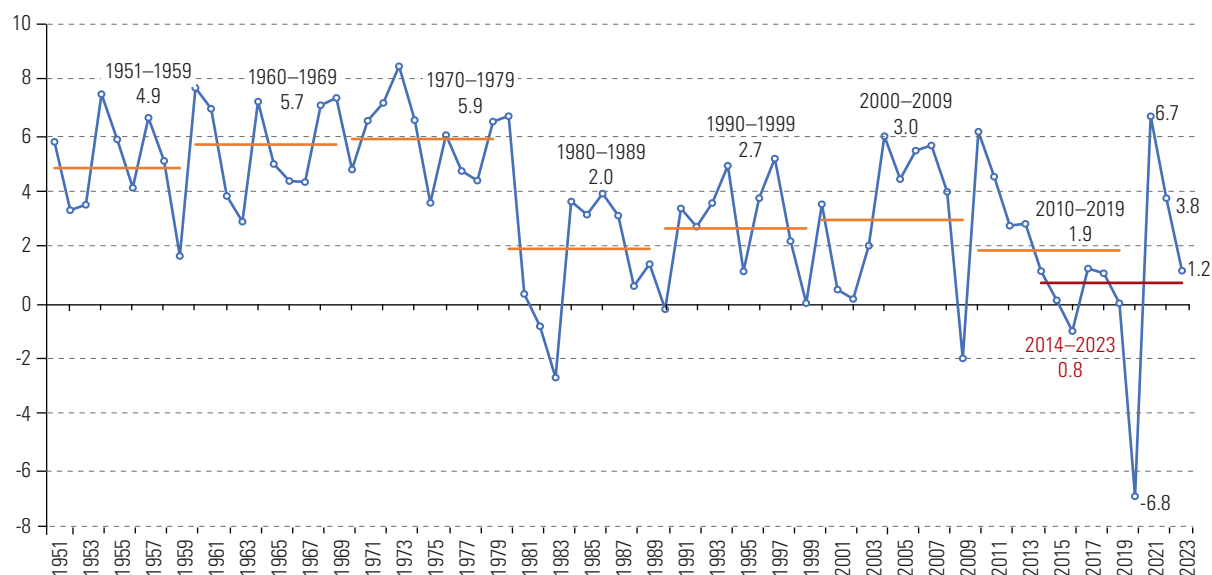
The measures that the region's countries need to adopt must, therefore, not only reactivate their economic and productive systems, but simultaneously transform them to move towards low-carbon, high-tech economies. This will make it possible to confront climate change and reduce its adverse environmental effects while also reducing the social disparities and historical dualisms that characterize the countries of the region.

A. International context, cascading crises and the regional macroeconomic situation

1. General macroeconomic trends

After the Latin American debt crisis of the early 1980s and the “lost decade” which lasted until 1989, Latin America and the Caribbean was unable to recapture the growth trend of earlier decades. Whereas growth rates had averaged around 5% or even 6% between 1950 and 1980, they dropped to almost half in the 1990s and 2000s and to just over a third in the decade of 2010 (see figure I.1).

Figure I.1
Latin America and the Caribbean: GDP growth rate, 1951–2023
 (Percentages)



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

Note: The figure for 2022 is an estimate and that for 2023 is a projection.

A break in the low growth trend since the 1990s occurred during the “commodity supercycle” —between 2003 and 2011— when the region’s economies grew by almost 5% per year on average.¹ However, since the end of the supercycle in 2011, a slowdown took hold in the region, with growth rates have falling continuously. The situation was compounded in 2020 by the crisis caused by the coronavirus disease (COVID-19) pandemic, which produced the sharpest annual contraction in the last 100 years, of -6.8%. This has left deep scars that reversed progress in key social objectives such as employment, poverty and inequality, owing to the destruction of productive and human capacities. The results have affected women disproportionately, thereby reinforcing gender inequalities,² while also exacerbating the region’s long-standing structural problems.³

In 2021 and 2022, the situation was worsened by strong inflationary pressures, the high levels of sovereign debt bequeathed by the crisis and —more recently— the conflict in Ukraine and its effects. These cascading crises have affected all of the region’s countries, albeit with varying intensity and characteristics. Consequently, following a sharp 6.7% bounce in growth in 2021 and an estimated expansion of 3.8% in 2022, the Economic Commission for Latin America and the Caribbean (ECLAC) estimates the region to return to its sluggish pre-pandemic growth path in 2023, with an expansion of just 1.2% (see figure I.2).

These figures mean that the decade ending in 2023 will have recorded the lowest growth (0.8% on average) since at least 1950, which is why ECLAC has assessed this decade as even more lost than the “lost decade” of the 1980s.⁴

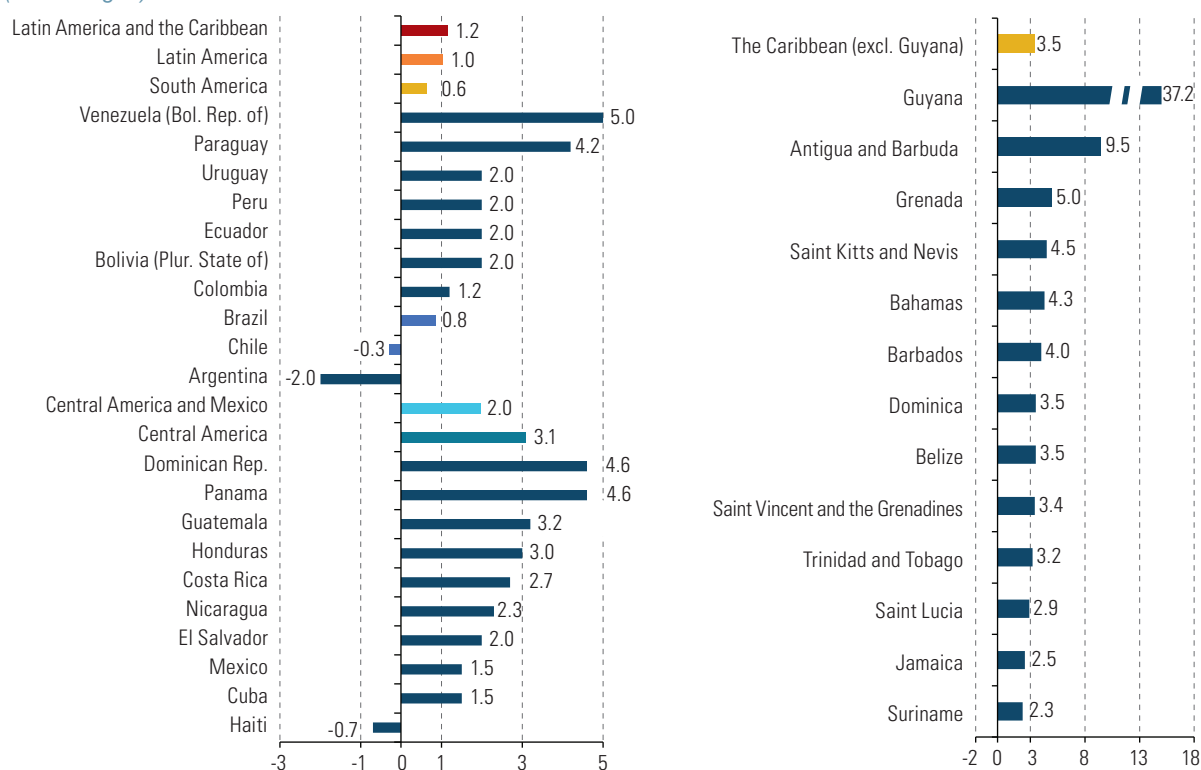
¹ Excluded from this average are the figures for 2009, when the region’s economy contracted as a result of the global financial and economic crisis, as well as 2010, the year of recovery from said crisis.

² See ECLAC (2021a).

³ Low investment and productivity, informality, unemployment, low coverage of social protection and health systems, and high levels of inequality and poverty (see ECLAC, 2021b).

⁴ This average is not influenced by the drop recorded in 2020 as a result of the COVID-19 crisis, since, even if the figure for that crisis year and the rebound in 2021 are excluded from the average, the average remains almost unchanged (1.1%).

Figure I.2
Latin America and the Caribbean (33 countries): projected GDP growth rates, 2023
(Percentages)



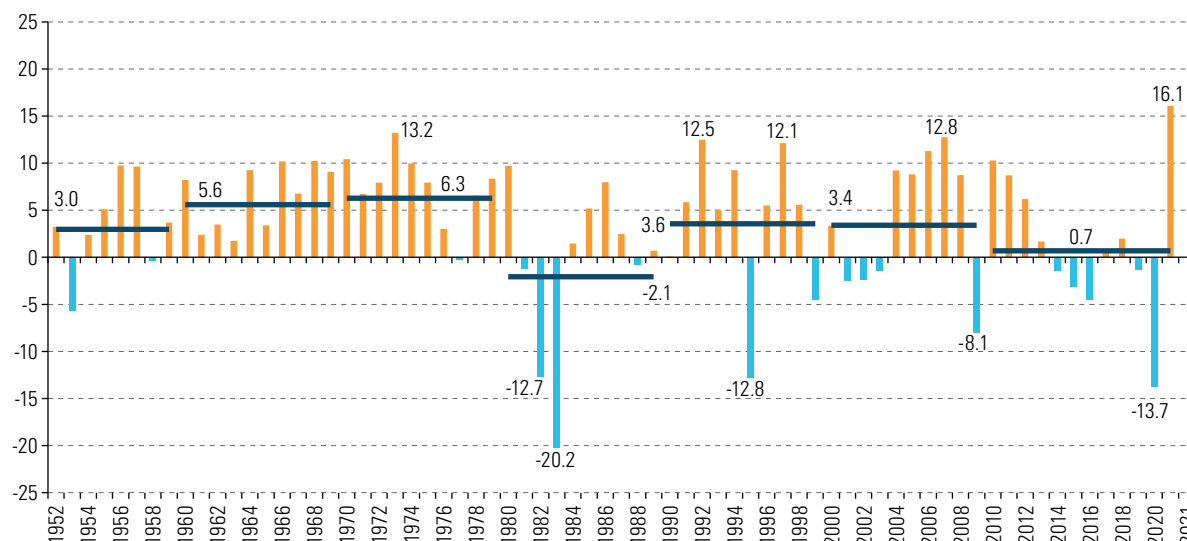
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Note: Central America includes Cuba, the Dominican Republic and Haiti.

Along with weak economic growth, the behaviour of investment has also become a structural constraint on development in the region. As in the case of GDP, the dynamics of investment in the region changed after the debt crisis; and momentum generally declined from the 1990s onwards, in both the private and the public components. While gross fixed capital formation (investment) grew by an average of 5.9% per year in real terms between 1951 and 1979, the equivalent rate between 1990 and 2021 was just 2.9%. In 2014, investment began a contraction that lasted for three years, such that it grew by just 0.7% between 2010 and 2021, the lowest rate since the crisis of the 1980s (see figure I.3). Although the level attained by investment in 2021 represented a significant increase, it was similar in real terms to that of 2011. This sluggish growth has meant that the region's investment-to-GDP ratio is the lowest in the world and has remained stalled at around 19% of GDP for the past three decades.

Reviving investment is crucial for achieving sustainable and inclusive growth, since it serves as the bridge between the short and the long term, and it is essential for overcoming the cascade of crises that the region is experiencing. This will require greater coordination between fiscal, monetary and exchange-rate policies, and full use of the range of instruments available to the authorities to prevent growth and investment becoming subordinate to anti-inflationary policies. In addition, macroeconomic measures need to be supported by a simultaneous and coherent package of industrial, trade, social and environmental policies. These should pursue long-term goals of productive development, productivity, social progress and the material well-being of the population, with environmental sustainability in the framework of the 2030 Agenda for Sustainable Development.

Figure I.3
Latin America and the Caribbean: annual growth rate of real gross fixed capital formation, 1951–2021
(Percentages)

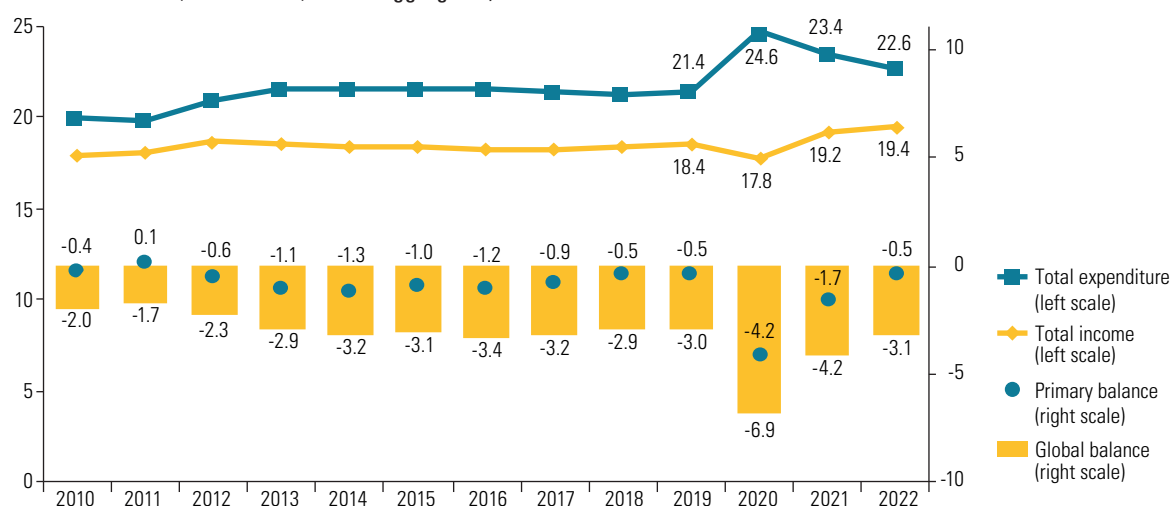


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

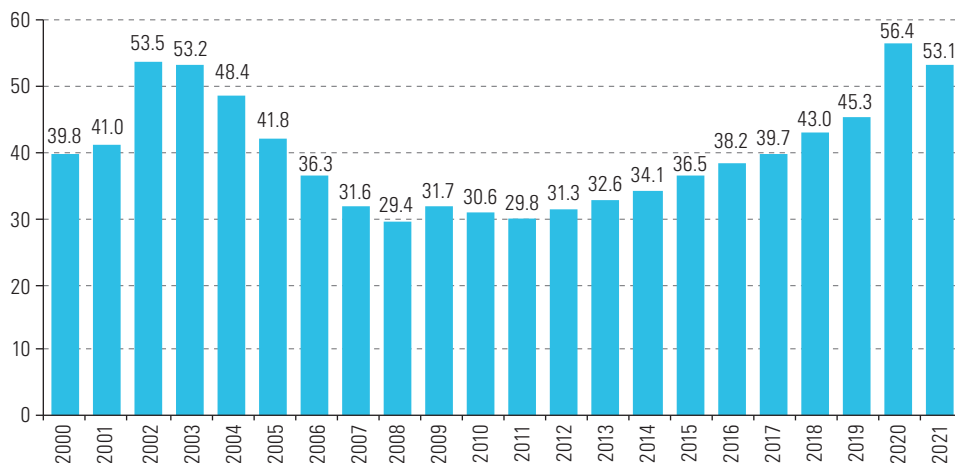
The macrofiscal conditions prevailing in the last decade have not been conducive to achieving the SDGs. Prior to the crisis triggered by the COVID-19 pandemic in 2020, the region's fiscal position was already weak, with persistent and high global deficits and burgeoning central government debt. The situation was particularly acute in the Caribbean countries, which also suffered a succession of natural disasters (see figure I.4). In response to concerns about public debt sustainability, countries adopted fiscal consolidation measures to pare back their primary deficits; which inhibited a robust economic recovery. Consequently, the region confronted the outbreak of the pandemic with an inadequate response capacity, as reflected in low levels of investment in public health and limited social protection systems.

Figure I.4
Latin America and the Caribbean (28 countries): fiscal aggregates and central government gross public debt, 2000–2022
(Percentages of GDP)

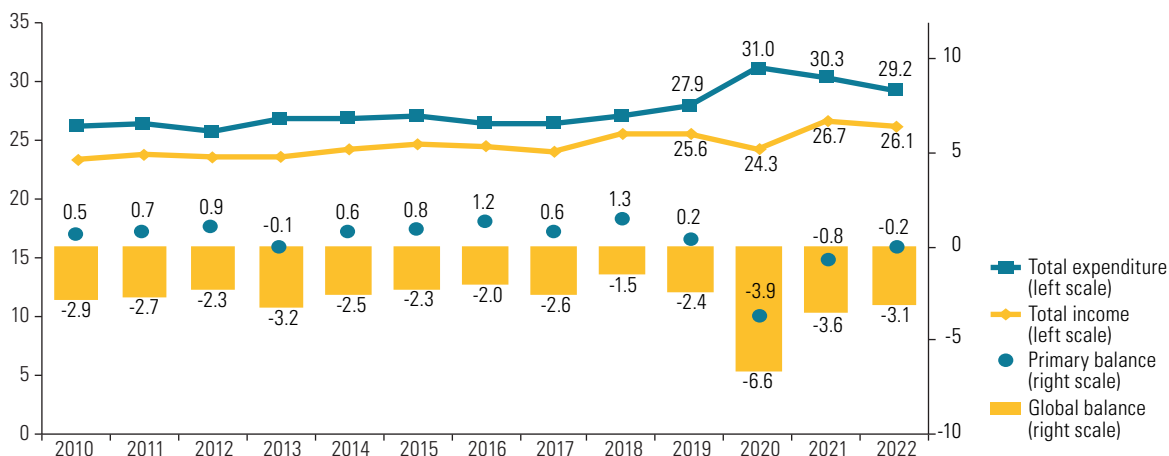
A. Latin America (16 countries):^a fiscal aggregates, 2010–2022



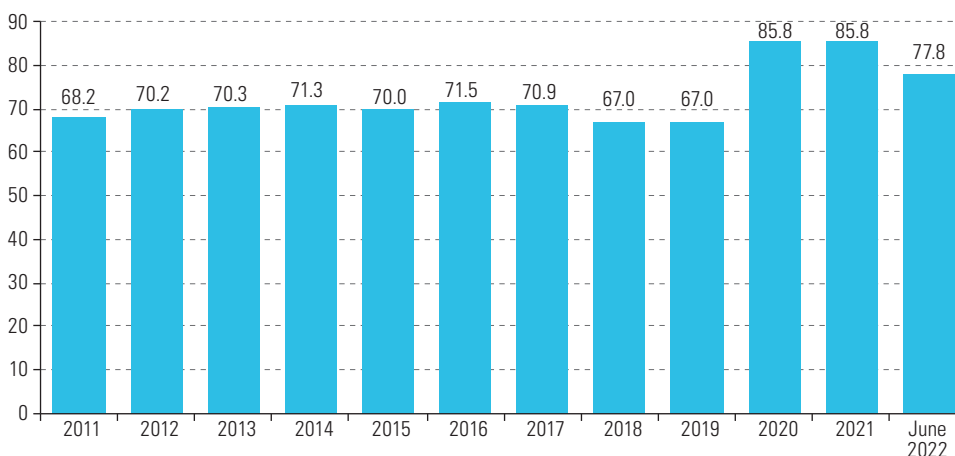
B. Latin America (16 countries):^a gross public debt, 2000–2021



C. The Caribbean (12 countries):^b fiscal aggregates, 2010–2022



D. The Caribbean (12 countries):^b gross public debt, 2011–2022



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Preliminary Overview of the Economies of Latin America and the Caribbean, 2022* (LC/PUB.2022/18-P/Rev.1), Santiago, 2023.

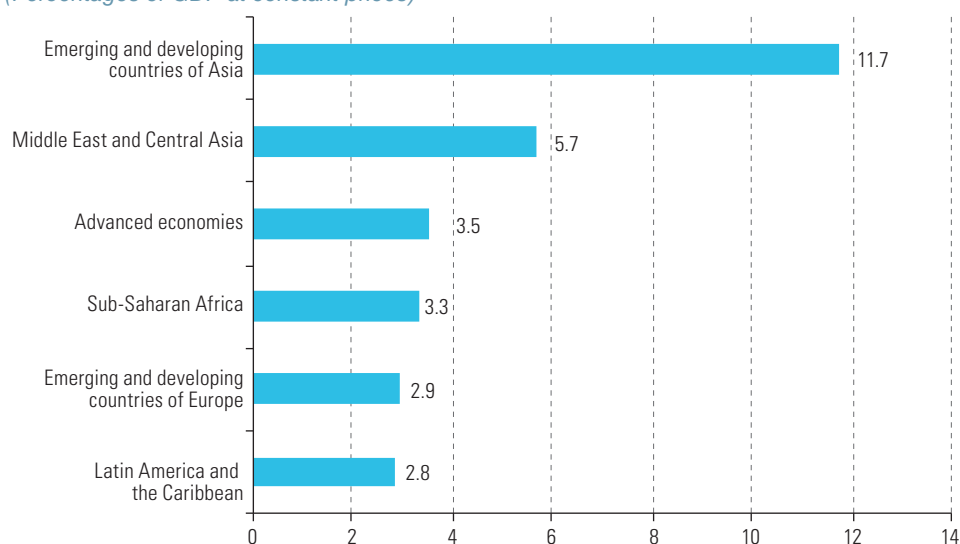
Note: The figures for 2022 are projections.

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

^b Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, and Trinidad and Tobago.

The fiscal consolidation trend has reasserted itself, as countries have retired the emergency programmes they put in place to cope with the pandemic between 2020 and 2022. The economic and social aftermath of the COVID-19 crisis persists, thereby undermining potential growth in the medium term. In this context, a central concern is the region's low level of public investment (see figures I.5 and I.6). Latin America and the Caribbean is the region with the lowest investment rates in the world—well below those achieved in the developing economies of Asia. The lack of investment has left the region's countries with a public capital stock that is insufficient to provide the public services needed to build dynamic economies. Reversing this trend is crucial for fostering sustainable development. However, the current macrofiscal situation has made this process more complex, through rising capital costs, interest rate hikes, heightened sovereign risk levels, currency depreciations and potential credit rating downgrades.

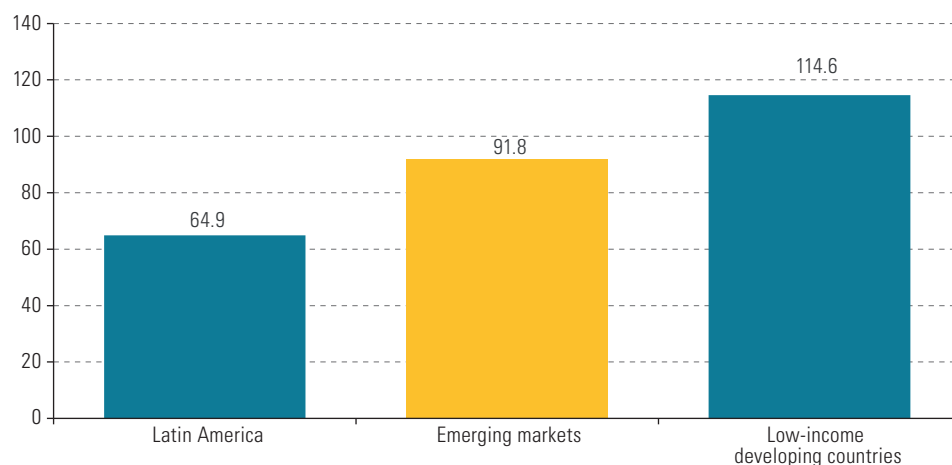
Figure I.5
Selected country groupings and regions: general government gross fixed capital formation, 2019^a
 (Percentages of GDP at constant prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022.

^a Weighted average of GDP measured at purchasing power parity in international dollars at constant prices.

Figure I.6
Selected country groupings and regions: general government capital stock, 2015
 (Percentages of GDP)



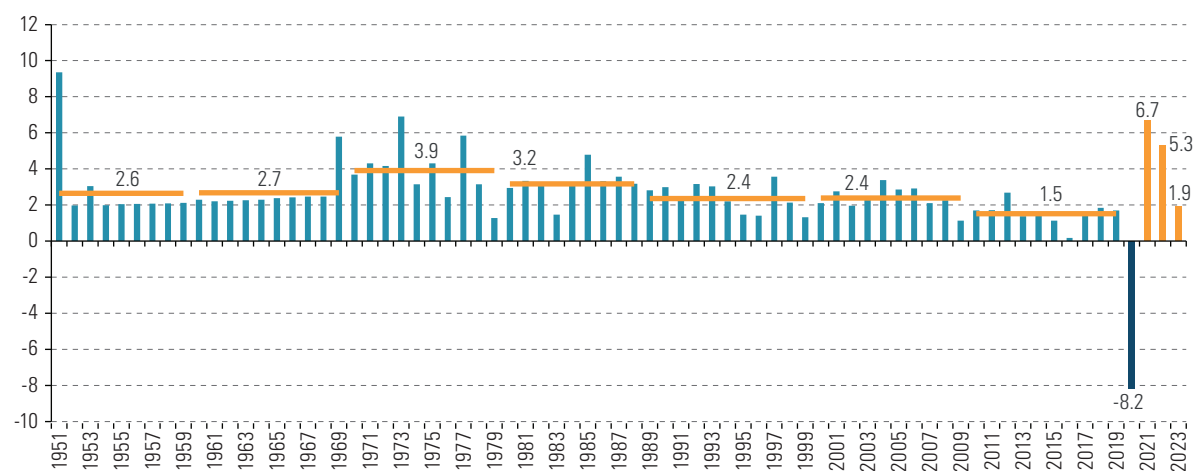
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), Investment and Capital Stock Dataset (ICSD) [online] <https://data.imf.org/?sk=1CE8A55F-CFA7-4BC0-BCE2-256EE65AC0E4>.

Achieving the SDGs and fulfilling the promise of the 2030 Agenda for Sustainable Development poses a significant challenge for Latin America and the Caribbean. The return to the low economic growth path coupled with growing social demands and the need to address climate change, are strong reasons to reformulate fiscal policy. An active fiscal policy is needed to boost economic growth and investment, and to underpin social well-being, resilience to the challenges of climate change and the sustainable management of land, coastal and marine natural resources. In the face of the major investment demands that the 2030 Agenda entails, it is essential to strengthen the fiscal capacity of the State, by giving it the resources needed to make greater public expenditure viable. A fiscal sustainability framework is required that prioritizes the mobilization of domestic resources, particularly tax revenue. It is also crucial to adopt a strategic vision for public expenditure, designing an integrated framework of financing and prioritizing investments in projects that generate high returns in terms of sustainable development—in other words, projects with adequate economic returns under environmentally sustainable governance, which also yield social benefits for a substantial part of the population.

The region's weak economic growth since 2011 has been accompanied by flatlining labour productivity, low-quality job creation and significant gender and age asymmetries in labour markets.

Figure I.7 shows how employment in the region has trended since 1951, along with its average growth by decade. Job creation has been declining since the 1970s, when the regional average growth in employment was 3.9%. The period 2010–2019 recorded the lowest growth rate of the number of persons employed in the last seven decades, at 1.5%, less than half of the rates recorded in the 1970s and 1980s.

Figure I.7
Latin America: rate of growth of employment, 1951–2023
(Percentages)



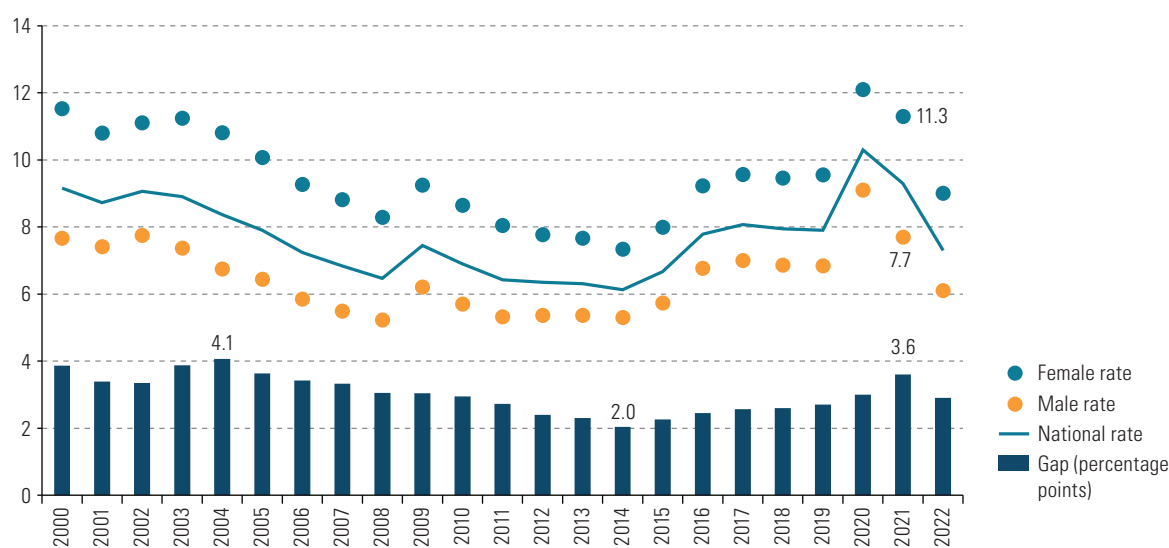
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and data from the International Labour Organization (ILO); figures for 2022 are estimates; figures for 2023 are projections from ECLAC, *Preliminary Overview of the Economies of Latin America and the Caribbean, 2022* (LC/PUB.2022/18-P/Rev.1), Santiago, 2023.

Figure I.7 also shows that the measures adopted to confront the pandemic caused an unprecedented 8.2% reduction in the number of persons employed in 2020 and that the process of normalizing activities in 2021 and 2022 resulted in a sharp rise in employment, although the region only managed to regain the pre-pandemic levels in 2022. Projections by ECLAC (2022a) suggest that the weaker growth expected for 2023 will also mean less buoyant employment in that year.

With regard to labour market issues, aside from quickening the pace of job creation, the real challenge is to create quality jobs, as Latin America and the Caribbean is characterized by high rates of informality—estimated at 48.1% regionwide in 2022.

The region's labour markets have also displayed significant disparities between men and women in variables such as unemployment. Figure I.8 shows that the female unemployment rate has averaged 3 percentage points higher than the male rate since 2000 —9.5% compared to 6.5%, respectively, between 2000 and 2022. It should be noted that the gap had narrowed to 2 percentage points by 2014, but since then it has tended to widen again, and the differences were exacerbated further by the effect of the pandemic. In 2021 the female unemployment rate was 11.3%, compared to the male rate of 7.7%.

Figure I.8
Latin America: total and gender-specific unemployment rates and gender gap, 2000–2022
(Percentages and percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and data from the International Labour Organization (ILO); figures for 2022 are estimates; figures for 2023 are projections from ECLAC, *Preliminary Overview of the Economies of Latin America and the Caribbean, 2022* (LC/PUB.2022/18-P/Rev.1), Santiago, 2023.

This mediocre performance of labour markets, especially in the aftermath of the pandemic, has fuelled an increase in poverty and inequality in the region, pushing countries further off course for achieving the SDGs. Reversing this situation requires more ambitious labour and productive policies. New policy approaches for achieving this need to be considered, taking account of the new realities associated with the technological revolution and the new production paradigms being generated. Productive development policies must also be supported by an appropriate macroeconomic and financial framework.

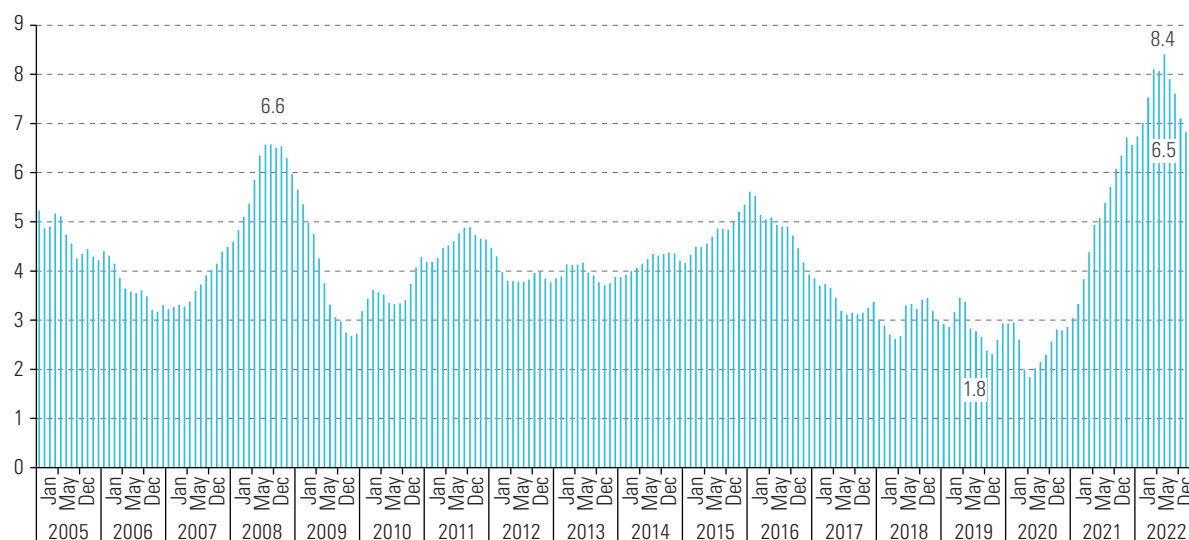
2. Monetary policy tools to address the cascade of crises

In addition to the challenges posed by low economic and employment growth, the economies of Latin America and the Caribbean have become increasingly exposed to the vagaries of international financial markets; and this has significantly constrained the actions of the region's monetary authorities. In order to maintain policy space, the region's monetary and exchange rate authorities have significantly broadened the range of tools available to them to prevent greater external volatility from significantly disrupting macrofinancial stability and to mitigate the impact of abrupt changes in capital flows in the region's economies.

This toolkit expansion was seen clearly during the global financial crisis (ECLAC, 2008 and 2009). However, it was more ambitious and striking in the context of actions taken to mitigate the effects of the pandemic (ECLAC, 2020), where conventional monetary and exchange rate measures were complemented by unconventional ones. This aimed to prevent the collapse of payment systems and financial intermediation, which would have exacerbated the damage suffered by the region's economies. Important changes in macroprudential regulations have also been introduced to underpin the “normal” functioning of financial systems and to mitigate the effects of substantial financial capital outflows from the region's economies. These efforts to provide liquidity and support the region's payment and credit systems have been facilitated by a substantial reduction in inflation, which provided space for the monetary authorities to adopt expansionary monetary policies.

However, since mid-2021 and particularly since the outbreak of the conflict in Ukraine, inflation has gathered pace both throughout the region and in the rest of the world (see figure I.9). In June 2022, 12-month inflation in the economies of Latin America and the Caribbean stood at 8.4% as a regional average; and, while it has since eased, average inflation was still 6.5% in late 2022 —3.6 percentage points above the December 2019 level. The rise in inflation has been driven by the rising trend in food and oil prices on international markets. This, in turn, has been exacerbated by the start of the conflict between the Russian Federation and Ukraine, compounded by other supply-side issues (such as weakening supply chains and higher freight and general goods transportation costs). These originated during the pandemic, became acute following the outbreak of the conflict and, despite having eased, still persist.

Figure I.9
Latin America and the Caribbean: variation in the 12-month consumer price index (CPI),
January 2005–December 2022
(Percentages)



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

Note: The averages do not include the following economies that are subject to chronic inflation: Argentina, the Bolivarian Republic of Venezuela, Cuba, Haiti and Suriname.

To tackle the higher inflation, the region's monetary authorities have adopted restrictive monetary policies since mid-2021, including a significant hike in monetary policy interest rates and a sharp deceleration in the growth of the monetary aggregates (see table I.1). The monetary measures have been supported by actions in the foreign exchange domain, in particular market greater intervention

by central banks, with a consequent loss of international reserves. The rise in inflation has thus posed a major dilemma for the region's authorities: higher inflation reduces consumers' purchasing power, thereby exacerbating poverty and inequality, but restrictive monetary policies could exacerbate the slowdown in economic activity by discouraging consumption and, in particular, investment.

Table I.1
Latin America and the Caribbean (countries that use the interest rate as the main monetary policy instrument): trend of monetary policy rates (MPR), December 2020–December 2022
(Percentages and percentage points)

	MPR on 31 December 2020	Start of MPR hikes	Latest hike	MPR on 9 December 2022	Number of hikes in 2022	Variation compared to December 2021 (Percentage points)
Brazil	2.00	March 2021	August 2022	13.75	5	4.50
Chile	0.50	July 2021	October 2022	11.25	7	7.25
Colombia	1.75	October 2021	October 2022	11.00	7	8.00
Costa Rica	0.75	December 2021	October 2022	9.00	7	7.75
Dominican Republic	3.00	November 2021	October 2022	8.50	8	4.00
Jamaica	0.50	October 2021	November 2022	7.00	7	4.50
Mexico	4.00	June 2021	November 2022	10.00	7	4.50
Paraguay	0.75	August 2021	September 2022	8.50	9	3.25
Peru	0.25	August 2021	December 2022	7.50	12	5.00
Uruguay	4.50	August 2021	November 2022	11.25	8	5.50

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

The slack pace of inflation since June 2022 suggests that the worst is over. However, inflation rates in most of the region's economies remain well above pre-pandemic levels; and their future trends remain highly dependent on the behaviour of food and energy prices on international markets. Moreover, the heavy fiscal burden of food and energy subsidy programmes in several of the region's countries makes it unlikely that these programmes can be sustained for much longer, which could herald a resurgence in inflation.

The region's monetary and foreign exchange authorities also face the challenge of alleviating exchange rate volatility, in order to avert significant increases in the prices of imported goods, which ultimately affect the overall dynamics of the consumer price index (CPI) and the trend of wages and rising inequality. In this regard, policymakers in the region should continue to use the full range of instruments at their disposal to ensure macrofinancial stability, and avoid an excessive focus on certain variables, such as interest rates. The monetary authorities should also strengthen coordination with other policy areas, in particular fiscal policy, so that measures aimed at reducing inflationary pressures and exchange rate volatility do not narrow the fiscal policy space further by increasing financing costs. The monetary and fiscal authorities need to coordinate their efforts to ensure that anti-inflationary policies do not crowd out financing for investment, especially in activities such as agriculture and agribusiness, where product prices have surged, and also in higher productivity activities that make it possible to create quality jobs.

B. Globalization present and future: crisis, environmental emergency and technological revolution⁵

The international context presents profound uncertainties stemming from changes in the dynamics of globalization. These are associated with the various converging technological revolutions that are

⁵ Sections B, C and D of this chapter are based on Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022.

changing production paradigms, business models, supply chains and trade flows in goods and services, as well as with new geopolitical realities that have also altered the composition of world trade and the dynamics of the “global factories”.

The international environment affects and compromises the region’s ability to progress towards environmentally sustainable growth and development, and to respond to its commitments and legitimate ambitions to achieve the Sustainable Development Goals.

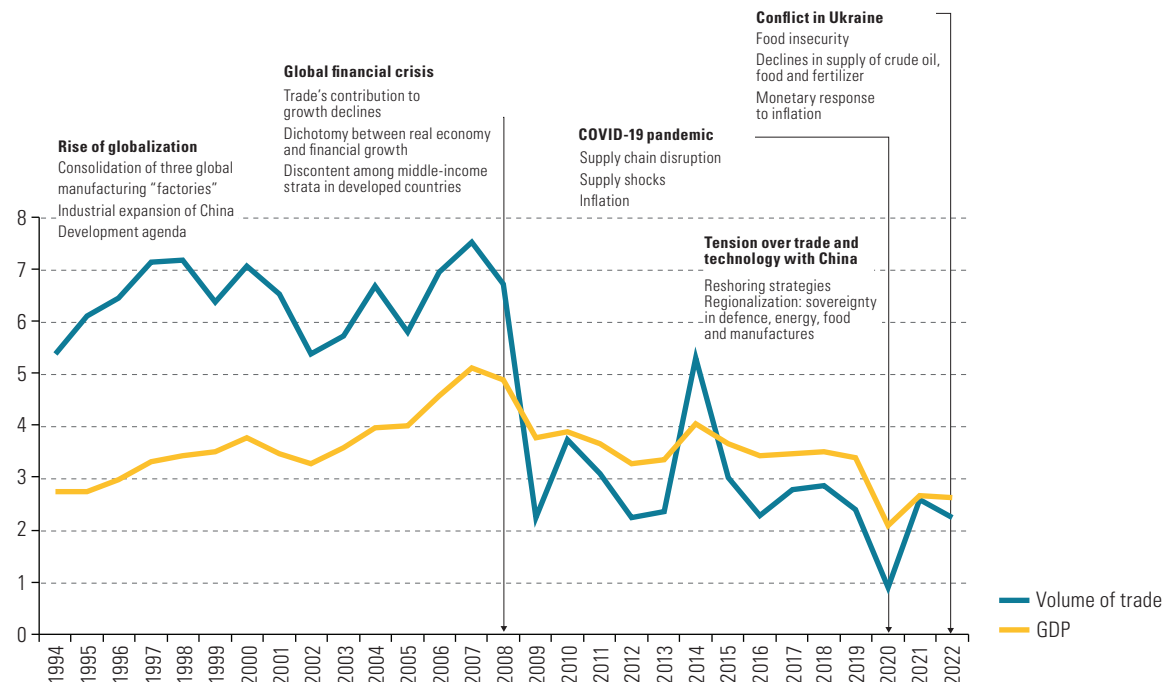
In addition to the uncertain future of globalization, the environmental emergency and the technological revolution are the two megatrends that are causing structural change in the globalization process, particularly trade and value chains.

This section analyses the transformations that the global economy and the environment are undergoing, and how they largely determine the policy options available to the region’s countries.

1. Crisis and changes in globalization

Excluding the crisis generated by COVID-19, the global financial crisis of 2008–2009 and the eurozone crisis of 2009–2013 were the deepest since the Great Depression, in terms of duration and effects on GDP and trade (see figure I.10).

Figure I.10
The rise and slowdown of globalization: annual change in world GDP and the volume of international trade in goods, 1994–2022^a
(Percentages, five-year rolling averages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022, on the basis of information from the World Trade Organization (WTO) and the International Monetary Fund (IMF).

^a The figures for 2022 are projections.

The economic policy response to the global financial crisis and the eurozone crisis did not address the common underlying causes in either case: instead, it focused on regulating and bailing out the financial system, and systemically important financial institutions (SIFIs) in particular. Regulatory measures also failed to respond to the dynamic and changing nature of the global financial system. They helped reduce the reliance of global banking on leverage, but did not reduce financial concentration; and the number of mergers and acquisitions in 2000–2018 far exceeded the number recorded in the pre-crisis period. Regulation also failed to cover the entire financial system, and it ignored the most significant transformation that the system underwent after the global financial crisis: namely the shift in financial intermediation from an activity based on the banking system to one based on the nonbank sector—in particular, the asset management industry.

The expansion of the international capital market since the global financial crisis has gone hand in hand with rising debt in developing countries, which intensified after the onset of the pandemic, as developing countries became more reliant on short-term flows. Burgeoning debt has not only affected governments, but also the non-financial corporate sector, which has become a major source of vulnerability as it tends to operate with currency mismatches. In several developing countries, the gap between liabilities and assets denominated in foreign currency has tended to widen since 2007.

The COVID-19 crisis increased the importance of the asset management industry, which, in addition to the fact that the financial system was largely rescued through quantitative easing, helped improve the performance of global capital markets, including the global bond market, and increased its importance as a source of financing. Although quantitative easing aimed to finance an expansionary fiscal policy, its implementation was also a way of supporting stock markets. Moreover, it has been highly beneficial to the banking system, by increasing its liquidity and profitability. Unfortunately, however, the additional liquidity has not necessarily been channelled to the real sector.

In the case of international trade and the global production system, tensions have emerged between the three “global factories” in the last decade, raising questions about the future of globalization, trade in goods and services, and foreign direct investment (FDI). After the 2008–2009 financial crisis, both goods and services trade and FDI remained subdued compared to earlier years. The COVID-19 pandemic intensified these trends and accentuated the slowdown in globalization (except in its digital dimension, which benefited from mobility restrictions). The result was a 5% reduction in the volume of global merchandise trade in 2020, a 17.7% fall in the value of services exports (dragged down by the slump in tourism), and a 35% drop in the value of global FDI.

The factors underlying the decline in merchandise trade, services trade and FDI over the past 15 years include the increasing tensions in economic relations between the major powers, especially since 2017. In particular, relations between the United States and the European Union, on the one hand, and China, on the other, are engaged in intense economic and technological competition. Moreover, the economic transformations that have taken place in China—the world’s leading exporter and second largest importer of goods—have significantly reduced its dependence on foreign trade. China is now able to produce various inputs and final products that it previously had to buy abroad, while its population’s greater purchasing power has meant that an increasing share of its production is now targeted to the domestic market.

On the technological front, the advances associated with the Fourth Industrial Revolution have made it possible to automate an increasing number of production processes (thereby reducing incentives to relocate production to countries with low labour costs). As a result digital services have grown faster than trade in physical goods. The likely scenario of increased regionalization of supply chains and their governance poses a risk that global trade will fragment, in both productive and regulatory terms. Such a situation would be particularly risky for Latin America and the Caribbean, and for South America especially, since, unlike other regions, it has not managed to create a highly integrated regional space that would enable it to reduce its exposure to changes in its main partners’ trade and production policies.

Since 2021, international investors have been cautious about announcing greenfield investment projects, except in certain technology-intensive sectors, such as semiconductors. The vibrancy of announcements in the semiconductor sector can be explained, firstly, by market factors, as demand for semiconductors rose sharply; and, secondly, by geopolitical considerations. The announcement of new facilities in the United States and in European Union countries cannot be dissociated from the initiatives that these economies are promoting to strengthen their semiconductor industry, and others that they consider strategic, in order to counterbalance China's position. China has also acted decisively in this domain: in May 2015 it approved the Made in China 2025 initiative, with aims that include increasing local semiconductor content from 40% in 2020 to 70% in 2025. In this context, Latin America and Caribbean countries need to redouble their efforts to achieve regional integration through more and better physical infrastructure, along with initiatives on trade facilitation, regulatory harmonization and rules of origin.

2. The environmental emergency is exacerbating the effects of the economic and social crisis

Alongside the growing impact of stagflation and the ongoing health crisis, societies are also facing an increasingly acute environmental crisis, which, in turn, has major social implications. As the manifestations of climate change proliferate, its impact on food production, health and human well-being will become increasingly apparent.

The direct drivers of biodiversity loss and degradation, are supplemented by indirect causes such as overpopulation, unsustainable consumption and production patterns, cultural values, market failures and weak international, national and local governance. For example, government incentives or subsidies that boost unsustainable production or consumption, and therefore harm ecosystems, represent about 2% of global GDP per year, equivalent to US\$ 1.8 trillion (Koplow and Steenblik, 2022). At the same time, governments spend US\$ 67.8 billion per year in an attempt to compensate for the damage caused by unsustainable production and consumption systems (OECD, 2020).

The multiple manifestations of climate change (prolonged droughts, powerful storm surges or local temperature extremes, loss and degradation of biodiversity and of terrestrial and marine ecosystem services) cause damage to various species and ecosystems. Beyond the intrinsic value of preserving the diversity of life forms on the planet, the profound impacts on nature caused by activities that undermine sustainability create risks for productive systems and social well-being and help to deepen global crises. For example, 75% of emerging communicable diseases are zoonotic and linked to ecosystem degradation.

Food systems and the associated production chains are highly vulnerable to soil degradation and the loss of animal pollination. These trends have social consequences, since nearly half of the world's population (and particularly the most vulnerable) depend directly on natural resources for their livelihoods. However, ecosystem degradation and biodiversity loss also threaten global supply chains; and rising temperatures detract from productivity, growth, and labour supply (Heal and Park, 2016).

Another environmental issue related to the determinants of climate change and observed impacts is air pollution. Coal-fired power generation and the burning of fossil fuels for transportation produce both local pollutants and greenhouse gas (GHG) emissions. Air pollution is responsible for 9 million deaths per year (one in every six), of which 90% occur in low- and middle-income countries (Fuller and others, 2022). This is an example of how the impacts of climate change are hindering achievement of several of the SDGs.

With the exception of Trinidad and Tobago, and more recently Guyana, Caribbean countries remain dependent on imported fossil fuels. However, in view of the imperatives posed by climate change and the constant disruptions caused by the subregion's natural vulnerabilities, the subregion is moving towards adopting renewable energy as a strategy both to comply with the Paris Agreement and to reduce its reliance on imported fossil fuels.

3. From the connected economy to digitalization of the economy

Another issue that has a major impact on countries' policy options for achieving sustainable development is economic digitalization. Data-driven business models are penetrating ever more sectors of the economy, thereby changing production processes and value chains. The dynamics of digitalization are also evident in the exponential growth of international bandwidth capacity since 2000. This trend is unfolding in a context in which trade flows in goods and services, as well as foreign direct investment, have been highly volatile since the 2008 global financial crisis and suffered steep falls in 2020 owing to the pandemic. Digital expansion has not been hindered by the problems affecting some of the traditional variables of economic performance and has maintained a growth path that has encouraged the emergence of new players that have become increasingly relevant in the economy as a whole.

Large technology enterprises, such as Apple, Microsoft, Alphabet, Amazon, Nvidia, Tencent and Meta, are among the most valuable firms in the world and are icons of globalization. Their micro-level profits spread throughout the country to which they belong, which has geopolitical implications owing to the competition for leadership in the new digital economy.

In this context, traditional industries face the challenge of incorporating digital technologies into their products, developing digital services based on data use, and introducing robots and smart systems into innovation, production, logistics and marketing processes. Technological innovations, especially advances in artificial intelligence and robotics, have the potential to generate labour savings. However, they may also cause an increase in inequality, which will need to be addressed by innovative policies so that the process is positive overall in the context of sustainable development.

Digital transformation can make an important contribution, not only by reactivating and repairing the damage caused by the pandemic, but also by helping to overcome structural development problems and address the urgent and necessary post-pandemic transformational recovery. Empowering the contribution of digital transformation requires integrated policy frameworks along with governance and implementation mechanisms that affect the fundamental factors or drivers of digital transformation. These include connectivity infrastructure, regulatory frameworks, skilled human resources, and institutional and governance architectures for digital transformation (Salazar-Xirinachs, 2021).

The factors described in this section could reinforce the countries' moves towards self-sufficiency or sovereignty, in domains such as defence, health, food security, access to renewable and non-renewable energy sources, and the production of manufactured goods that are considered strategic, whether high-tech (microprocessors) or mature technologies (fertilizers), as well as national or regional control over the companies that produce them. It is thus clear that a new stage of globalization is beginning, in which geopolitical factors will take precedence over efficiency criteria in investment decisions, in terms of the organization of global supply chains, where trade in services, linked to the digital revolution and e-commerce, can be expected to grow strongly.

C. Production structure and policies for sustainable development

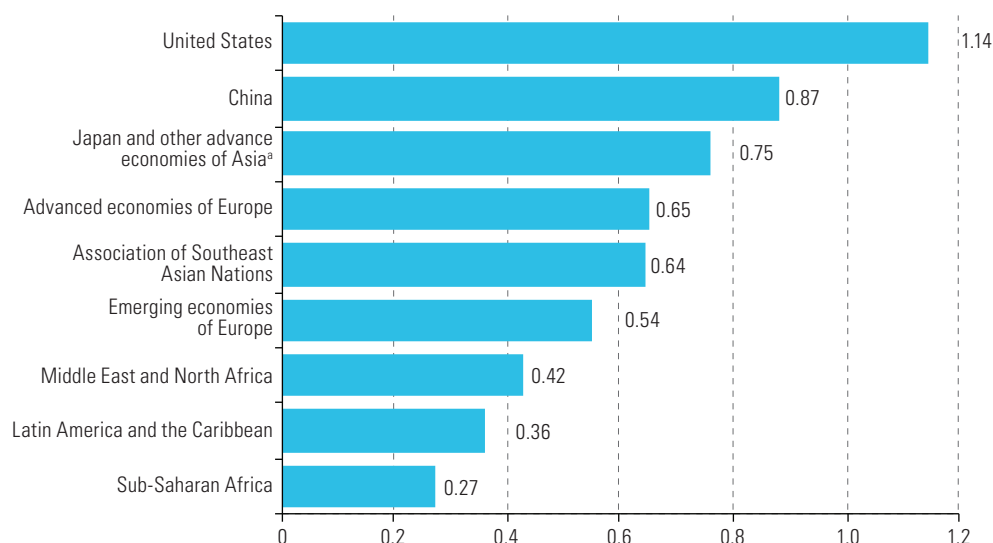
The countries that achieved higher growth rates and reduced their per capita income gaps relative to the more advanced countries (convergence) were those that were able to diversify their production structure by expanding into more technology-intensive sectors with more vibrant demand on world markets. The region has been unable to move towards more dynamic patterns of specialization (on either the supply or the demand side), and this has hindered its performance.

Transforming the production structure in the direction of greater productivity, inclusion and sustainability of development requires public policies that steer growth, since this will not happen spontaneously as a result of market forces or the current factor endowment. Thus, understanding the success stories of international convergence entails understanding how policies have been used to redesign prices, incentives and spaces for collaboration among key actors in order to stimulate the emergence and growth of new dynamic sectors.

1. Patterns of structural transformation, trade and growth: a comparative analysis

It has long been assumed that the pattern of specialization is irrelevant for long-term growth: economies should specialize in their statically defined comparative advantages, which would enable them to maximize resource efficiency. Nonetheless, empirical evidence shows that the countries that trade the most with each other are those that are most diversified, not those that are highly specialized in a few goods (especially commodities). Among the emerging regions, Latin America and the Caribbean is more diversified than sub-Saharan Africa and similar to the countries of the Middle East and North Africa; but it is less diversified than the emerging economies of Europe, China and the developed country regions (see figure I.11).

Figure I.11
Selected regions and countries: average export diversification, 2010–2019



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022, on the basis of United Nations, UN Comtrade Database.

Note: Export diversification is measured as $(RCAI)^{-1}$, where $RCAI = \sum_k \frac{x_{i,k,t}}{\sum_k x_{i,k,t}} \log(1 + RCA)$, with RCAI being the revealed comparative advantage index, x exports, i output, k the country and t the point in time. The higher the value, the higher the export diversification.

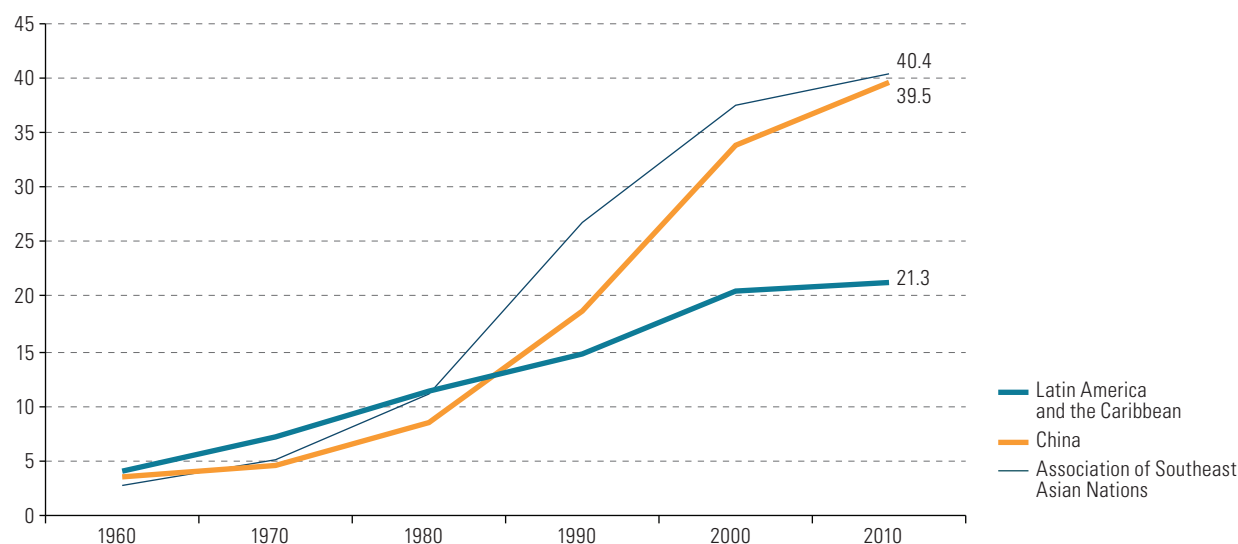
^a Hong Kong (China), Taiwan Province of China, Republic of Korea and Singapore.

Diversification is important; but even more important is the direction it takes. Some sectors of the economy have a higher technological content than others, and the more a country's exports are concentrated in these sectors, the more likely it is to achieve higher rates of innovation and productivity. The countries that have achieved higher growth rates and reduced their per capita income gaps relative to the more advanced countries (convergence) are those that have managed to diversify their production structure towards sectors that are more technology-intensive and have more robust demand on world markets.

Latin America and the Caribbean has not achieved a dynamic production structure that would enable it to interact successfully with the rest of the world. This represents a deficit in both Keynesian and Schumpeterian terms.⁶ The fact that the more technology-intensive sectors also tend to have higher income elasticities of demand implies that Keynesian and Schumpeterian efficiency overlap considerably and are mutually reinforcing.

In terms of Pavitt's (1984) typology, Schumpeterian efficiency increases as the export basket shifts from natural resources and supplier-dominated sectors to specialized suppliers and science-based sectors. The most successful cases of convergence in the second half of the twentieth century —those of Asian countries, and China in particular— have achieved a rapid transformation of their pattern of international integration (see figure I.12).

Figure I.12
Latin America and the Caribbean and selected Asian economies: the flight to high technology manifested by the export shares of science-based and specialized supplier industries, simple average by country grouping and decade, 1960–2010
(Percentages of total exports)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022, on the basis of United Nations, UN Comtrade Database.

The behaviour of the income elasticity of demand for exports varies between subregions: it is lower in the South American economies (in which the export basket is more concentrated in natural resources) and higher in the case of the economies of Central America and Mexico, which have maintained a greater presence of manufactured exports. A similar pattern obtains in the Caribbean, albeit with a larger share of natural resources. Thanks to the reduction or elimination of restrictions on international trade through unilateral measures and the signing of bilateral and multilateral agreements, supported by policies to attract FDI and promote exports, the economies of Central America and Mexico are among the most open in the region. The creation of various tax incentive regimes has helped to attract multinational companies that have

⁶ Schumpeterian efficiency refers to the weight of the most technology-intensive sectors in total exports; and Keynesian efficiency refers to the weight of the sectors with the highest income elasticity of global demand in total exports. While the Schumpeterian efficiency measure aims to capture technological opportunities, the Keynesian measure seeks to capture the opportunities opened up by the expansion of demand and markets. The income elasticity of demand tends to be higher for goods associated with manufactures and lower for those associated with natural resources, for which external demand is less dynamic and more subject to price and market instability.

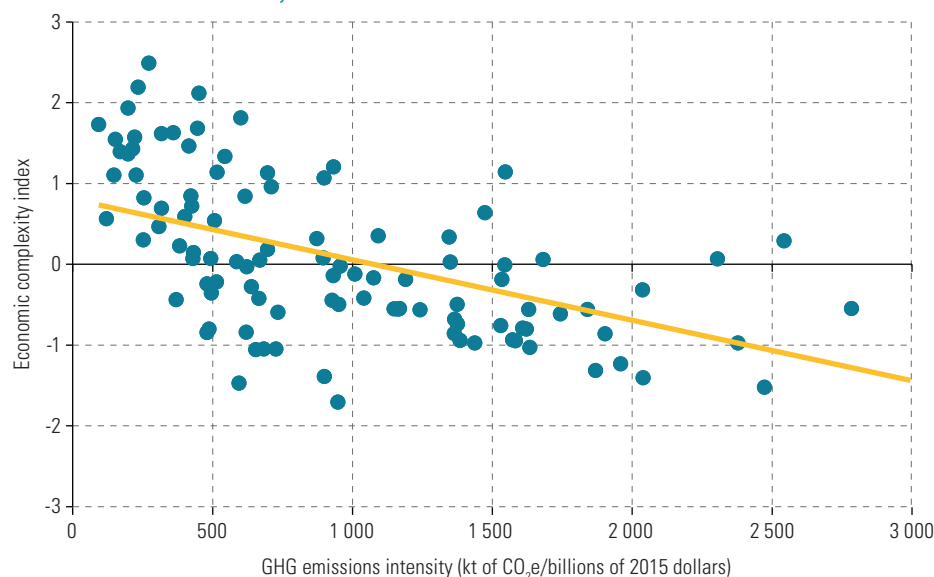
set up important export platforms in the subregion. However, the low domestic value-added of most these countries' exports, and the still small share of the most dynamic sectors, largely explains why the export drive has not generated faster and more sustainable and transformative growth for the overall economy of each country.

In the countries of the subregion formed by Central America and Mexico, exports within this grouping embody a significant component of inputs sourced from outside the subregion. There are no conclusive data showing the existence of long and deep subregional production chains; the foreign value-added obtained from countries within the subregion, embodied in exports outside it, is even less than that of exports to countries within the subregion; and the share of domestic value-added in the gross value of exports is lower in the subregion than in the more advanced economies.

Meanwhile, services exports are gaining an ever-larger presence in world trade. The share of modern services (as defined by Loungani and Mishra, 2014) in total service exports is higher in advanced economies (around 40 percent) than in emerging or developing economies, where it represents a quarter or less. In particular, Latin America and the Caribbean is one of the regions where modern services represent a smaller share of exports.

The proposed structural change can also produce environmental benefits; between 2020 and 2022, Latin America and the Caribbean set significant targets for scaling up emission reduction commitments: 25 countries have already updated their nationally determined contributions, under the Paris Agreement to combat climate change. The new unconditional commitments for 2030 envisage a 22% reduction in emissions relative to the baseline scenario, compared to the 13% announced in 2015 (Samaniego and others, 2022). An analysis shows that the region's main emission sources are primary activities, whereas the main emission sector in the rest of the world is energy. This means that structural change in Latin America and the Caribbean would not only make it possible to move towards activities of higher value-added, but also to reduce the pollution emitted per unit of economic value (see figure I.13). In addition, complex economies are more likely to develop capacities to produce goods more efficiently.

Figure I.13
Economic complexity index and average greenhouse gas (GHG) emissions intensity
of a set of 133 countries, 2015–2019



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, "World Development Indicators" [online database] <https://databank.worldbank.org/source/world-development-indicators> [accessed on 3 February 2023]; and Growth Lab at Harvard University, "The Atlas of Economic Complexity" [online database] <https://atlas.cid.harvard.edu> [accessed on 3 February 2023].

The persistence of the technological and productive backwardness of Latin America and the Caribbean, relative to the international environment, can clearly be discerned in the behaviour of productivity in the region. Between 2000 and 2019, 76% of the region's GDP growth is explained by additional employment and just 24% by productivity growth. The equivalent figures are 4% and 96%, respectively, in the case of China, 36% and 64% in the United States, and 54% and 46% in Europe. Productivity in Latin America and the Caribbean has been declining steadily relative to that of the United States since the 1980s (ECLAC, 2020).

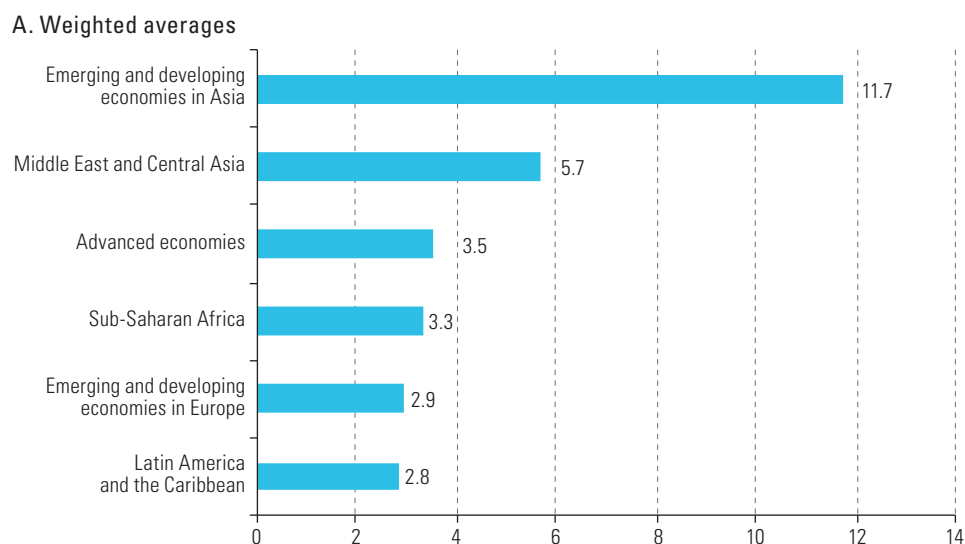
Maintaining steady progress towards the SDGs requires narrowing the technological gap, especially in economies that are exposed to international competition. The incorporation of technological progress makes it possible to increase productivity and maintain competitiveness, without which economic growth would be under threat. The procyclical nature of short-term capital movements and liquidity cycles in the international financial system exacerbate the volatility of growth rather than correct it.

2. Productive development policies

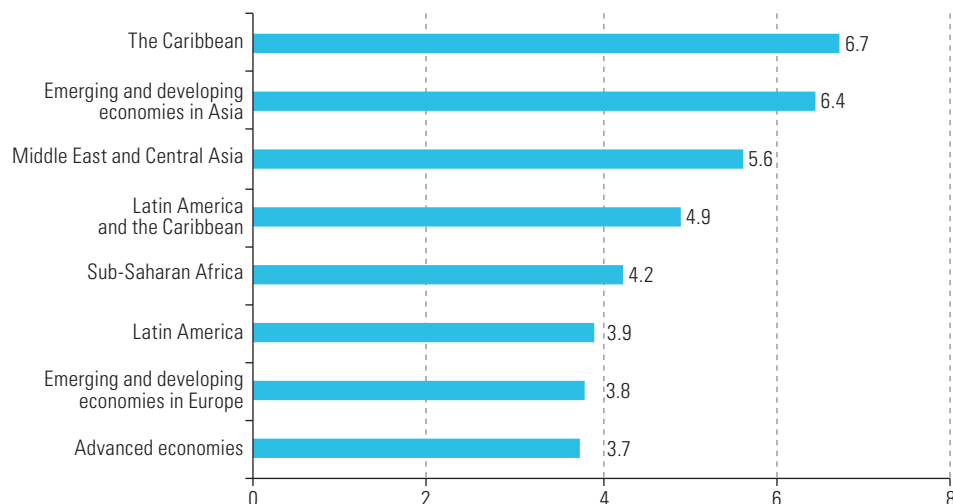
Since the external debt crisis of 1980–1983, which triggered the “lost decade” of 1980–1990, the region has experienced a declining trend in its per capita GDP growth rate. The sustained loss of economic dynamism has been accompanied by greater volatility of growth. The aforementioned commodity supercycle, in which the region experienced its highest GDP growth rate in more than four decades, had a temporary impact on growth without altering the downward trend. The short- and longer-term effects of the pandemic, followed by the rebound in 2021, and the combined effects of the conflict in Ukraine and the international interest rates hikes, all reinforce the downward trend. Growth in the decade 2014–2023, at 0.9%, has been lower than the 2% of the lost decade of the 1980s.

International experience shows that the trend of per capita GDP is linked to the behaviour of the two most dynamic components of aggregate demand: gross fixed capital formation and exports of goods and services (see figure I.14). The region's low rate of public investment hinders its potential for convergence with the advanced economies. In contrast, in emerging and developing Asian economies, high levels of public investment have helped narrow the infrastructure gap. For Latin America and the Caribbean to get back on track towards the SDGs, it is essential to increase the rate of investment.

Figure I.14
Selected groupings and regions: general government gross fixed capital formation, 2019
(Percentages of GDP at constant prices)



B. Simple averages



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022, on the basis of International Monetary Fund (IMF), “Investment and Capital Stock Dataset” [online] <https://data.imf.org/?sk=1CE8A55F-CFA7-4BC0-BCE2-256EE65AC0E4>.

Note: The weighted averages are calculated on the basis of purchasing power parity GDP in international dollars at current prices.

Increasing external financial openness and the greater flexibility of prices and exchange rate regimes, as well as greater reliance on short-term flows, have left the region more exposed to the ups and downs of international credit and capital markets (ECLAC, 2022c). Moreover, the expansion of public investment faces constraints owing to indebtedness, especially since the 2008–2009 crisis, which compromises both governments and the non-financial corporate sector. Although debt levels are rising in all developing regions, the process is especially pronounced in Latin America and the Caribbean, which is the region with the highest external debt service as a percentage of its exports of goods and services (ECLAC, 2022c).

The share of inter-firm loans in FDI flows to the Latin American economies has increased (from 18% in 2005–2008 to 22% in 2010–2014 and to 24% in 2015–2019). This raises the possibility of episodes of instability, because the flows in question mainly obey a short-term rationale. Moreover, the intensive use of the international bond market has not led to an increase in investment.

In the case of production policies, it is important to make three clarifications, in keeping with the evolution of the economies and the complexity of technological transformation phenomena, which justifies a broad sectoral approach. Firstly, “industrial policy” was the term widely used for many years, because manufacturing industry has played an important role in development policy and will continue to do so. However, the modern concept of productive development policy includes processes for the transformation of nature, energy production and services, in addition to secondary processes. Today, production policies require a significant environmental component and must focus on the profound transformations occurring in modern services, led by the digital economy. Secondly, it is essential to start from a systemic approach. Production policies have major sectoral components, particularly in the case of sectors that have a high capacity to permeate the production fabric as a whole. Nonetheless, horizontal demand policies should not be neglected, since they can guarantee the success of activities that are not considered relevant a priori and may prove to have a significant impact. Thirdly, by adopting a systemic approach, production policies also encompass science and technology policies, which are of paramount importance in an era of rapid technological change in many domains. These three considerations justify using the term “productive development policies”, as a more reliable representation of modern industrial policy.

Productive development policies are essential for abandoning the region's productive specialization path and, thus, for aligning the economy, society and public capacities with the SDGs. This involves making the production matrix more knowledge-intensive and generating better jobs, while also decarbonizing it and making it sustainable.

Productive development policy in the region has replicated the dynamics of the economy at large: it has been volatile and fluctuating, and has not been characterized by persistence and long-term accumulation. Scientific-technological and industrial policies lack consistency and permanency; and several layers of poorly articulated policies persist. This situation stems from the fact that the region's productive development policies have not played such a central role in development strategies as they have in the high-performing economies. This diagnostic assessment contrasts with the policy environment in high-performing Asian countries and in the developed countries, which, especially since the 2008 financial crisis, have strongly prioritized industrial and science and technology policies as a way to strengthen and reposition their economies.

Public entities specialized in various aspects of productive development (small and medium-sized enterprises (SMEs), science and technology, credit and support for business improvement, investment attraction and export promotion, among others), which operate relatively autonomously from political power and on the basis of consolidated professional competencies, with a budget that is assured in the long term, are the exception in the region, rather than the rule. Another important aspect is that macroeconomic policies have seldom been harnessed with productive development policies; and the productive development programmes promoted by national governments are generally designed from centre, without adapting adequately to differences at the subnational levels. As a result, industrial development progressed unevenly and was much more important in large and medium-sized countries and also in high-per-capita-income small countries.

The fact that the countries of Latin America and the Caribbean have suffered a clear process of technological and productive backwardness, especially since the 1980s, albeit with brief interruptions, has been noted by ECLAC. This process has undermined the region's growth capacity on both the supply and the demand side. On the supply side, productive diversification has not been sufficient to sustain productivity gains and create new jobs in higher-productivity sectors. As a result, the structure of production and employment in the region remains heterogeneous. On the demand side, the region's heavy specialization in commodities, for which the income elasticity of demand is lower than in more technology-intensive sectors, is a persistent source of external imbalances that restrain growth. Business cycles have short and less intensive upswings because aggregate demand leaks rapidly abroad. Low Schumpeterian and Keynesian efficiencies interact and reinforce each other, creating a low-growth trap that can only be overcome with long-term policies.

Compared to what is happening internationally, in Latin America and the Caribbean these long-term policies have been absent or very weak compared to those implemented by countries elsewhere that have achieved successful international convergence. Industrial and technological policies, on the other hand, have been absent or not strong enough. These policies were often abandoned or their implementation assigned to ministries and secretariats with little political influence and institutional capacity. While Asia has sought to diversify its exports and has pursued coherent strategies for industrialization and the creation of new sectors over time, Latin America and the Caribbean has remained dependent on a small number of primary or low-skilled labour-intensive products. The region has fallen into a low-skill trap from which it needs to break free.

These factors explain the strong impact that the pandemic crises, and later the conflict in Ukraine, have had on the region's economies in terms of GDP, poverty and unemployment. Responding to these crises also requires addressing structural problems, which could become harder to overcome if the global economy fragments into opposing blocs. Latin America and the Caribbean must develop a stronger regional voice to defend an open and strengthened multilateral system.

D. Inequalities, employment and social policies

The increase in formal employment and social policies were two key dimensions of the good results achieved in combating poverty and inequality in the region between 2004 and 2012. This section analyses both dimensions and their interaction with other sources of inequality, such as gender and environmental degradation. Productive transformation is essential for creating more formal jobs with rising productivity and for combating the inequality that restricts productivity and employment growth.

Latin American and Caribbean countries have yet to put in place universal social protection systems that contribute both to social justice and to economic growth and resilience. This pending institutional framework is essential to enable societies to confront crises, such as the one caused by the COVID-19 pandemic, and to maintain good progress towards all of the targets set for achieving the SDGs.

1. Labour market, productivity and informal employment

Structural heterogeneity is most visible in the share of total employment that is low-productivity or informal. Informality includes all occupations and forms of production undertaken by persons who receive an income, but whose working conditions are not formalized or legally regulated. This situation leaves workers highly vulnerable in terms of income and working conditions, and also in access to labour rights and social protection. The weak capacity of higher-productivity sectors to absorb labour by creating formal jobs results in highly segmented access to quality employment and social protection, as well as high levels of household income inequality.

The segmented labour market has generated the high levels of inequality that characterize the region. According to ECLAC estimations, in Latin America the proportion of the population employed in low-productivity jobs in 2020 was 52.0% among women and 49.2% in the case of men; informality is also more prevalent in rural areas (76.2%) than in urban zones (44.8%), while persons with disabilities and migrants tend to face greater barriers to formal employment. Lastly, young people are over-represented in informal employment.

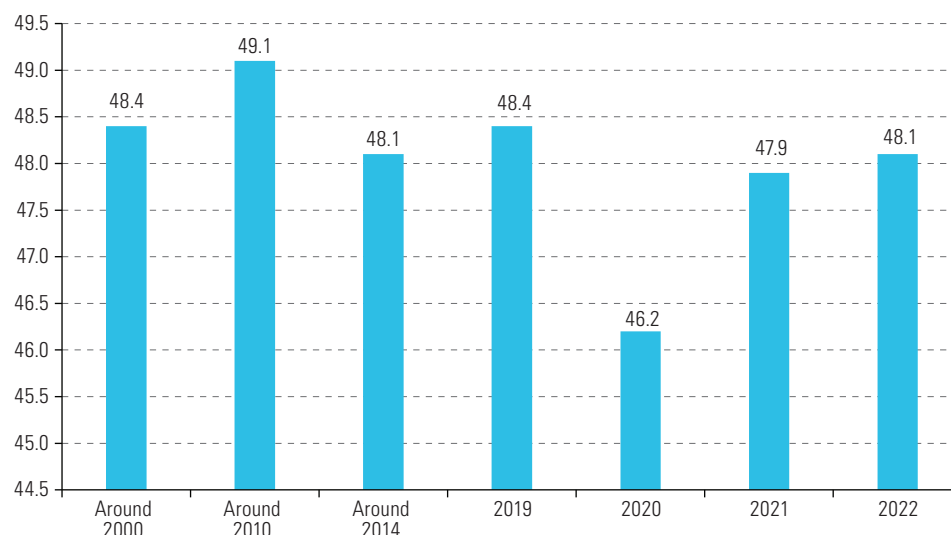
The decade of 2000 was one of increasing formalization in the region, in a context of higher economic growth and the implementation of specific public policies (ECLAC/ILO, 2014; Salazar-Xirinachs and Chacaltana, 2018). In the following decade, this process slowed—and in some cases even reversed—in a new context of economic stagnation and worsening employment indicators (see figure I.15). Subsequently, in 2020, the health crisis had a severe impact on the region's labour markets, with informal workers being affected in particular. This situation is unprecedented, because as formal employment declined in other crisis episodes, informal jobs started to increase and thus played a countercyclical role. Since the most acute period of the pandemic, the partial recovery of jobs has been led by the informal market.

Although many countries have endeavoured to create decent jobs, new concerns are emerging over the impact of technological progress on the labour market and the risk of increased informality. This could result from the destruction of formal jobs in traditional sectors, insufficient creation of formal jobs in new sectors or the emergence of new jobs based on skills that most workers do not necessarily possess. Similarly, the growing prevalence of work mediated by digital platforms has created major challenges to achieving decent employment, owing to job insecurity, low pay and underemployment. Although women are less involved than men in this type of work, for those who do it, it provides an alternative that can be reconciled with care responsibilities. It is very important to ensure that the creation of skills and new jobs outpaces the destruction of jobs owing to technological change. To this end, training policies and private job creation policies must find coordination and consensus mechanisms.

Figure I.15

Latin America:^a population aged 15 years or older employed in low-productivity sectors (informality), weighted average, around 2000, 2010 and 2014 and 2019–2022

(Percentage of the total employed population aged 15 years or older)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of *Social Panorama of Latin America 2000-2001* (LC/G.2138-P), Santiago, 2001 (for data around 2000), Household Survey Data Bank (BADEHOG) (for data around 2010 and 2014) and official figures from the countries (for data between 2019 and 2022).

^a Data for around 2010 and 2014 correspond to Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. Data for 2019–2022 correspond to Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Uruguay.

2. Middle strata at risk

Since the 1980s, many economies, especially in the developed world, have suffered from increasing inequality. This trend is the result of stagnation or reduction in the share of wages in total income, the effects of technological change on wage structures, and the deterioration of social policies compounded by processes of wealth concentration in the upper strata. The middle strata are a factor of political stability and can help consolidate democratic regimes. According to Algan and others (2019), the new populist wave in developed countries is being fuelled by growing social discontent and resentment towards traditional politics, and even towards public policies that benefit “others,” such as migrants. Sometimes these sentiments also target the most vulnerable groups that have benefited from specific social policies in the absence, or shrinking, of a genuinely universal welfare state. These tensions, combined with the crisis of legitimacy and trust affecting democratic institutions, undermine the governance of countries and their various institutions, thereby making it harder to achieve the SDGs.

However, in many developing countries, there was an opposite trend in income distribution: income inequality decreased in Africa and Asia, and also dropped slightly in Latin America and the Caribbean (by about 3%), albeit with major variations within each region.

In Latin America and the Caribbean, many households were lifted out of poverty between 2000 and the middle of the 2010 decade. In some cases, this has led to claims that the region's countries are becoming predominantly “middle class” societies. However, the precarious nature of income, productive activities and access to social protection renders people vulnerable to various shocks, which can mean slipping back into poverty, as shown by the crisis caused by the COVID-19 pandemic. Strengthening

upward mobility processes is essential, and this depends on the economies' capacity to sustain high growth rates, on the strength and coverage of social protection systems, and on investments in education and vocational training, among other factors.

In sum, for reasons related to the structure of production and the gaps in social protection systems, compounded by the complex global and regional situation, the progress achieved in expanding the middle strata is at risk, and its stability and continuity are not guaranteed. On the contrary, most of the population belongs to the vulnerable strata —either in a situation of outright poverty or else at risk of slipping back into poverty in the event of a negative shock to the economy. This vulnerability affects the capacity of Latin American and Caribbean countries to achieve the SDGs, since negative shocks, such as the COVID-19 pandemic, hamper progress in this direction and put achieving the Goals in jeopardy.

It is therefore crucial to reformulate the social contract, taking account of the needs and risks of the middle-income strata, among the majority sectors to be supported by welfare systems in general and social protection systems in particular. It is also essential to strengthen social protection systems to avoid setbacks for non-poor but vulnerable populations, while maintaining the momentum for these populations to develop effectively into a middle class that is more resilient to cyclical shocks. Uncertainty and adversity represent a collective and shared threat —more of a constant than an exception.

3. Towards a care society

The care society is at the heart of progress towards equality —between genders in particular. Unpaid care work enables the market-based economic system to exist (Larguía and Dumoulin, 1976; Benería, 1979), through the sexual division of labour based on unequal power relations, in which women have historically been associated with domestic and care work. The burden of care work limits the possibility of earning one's own income and having time for self-care, leisure, and other activities that are central to autonomy. When the State provides little support, organization or regulation for care provision, women's unpaid work underpins the maintenance of society and the reproduction of the labour force (Fraser, 2016; Oliveira and Alloatti, 2022). Moreover, the sexual division of labour widens the class gap between women who can pay for care services and those who cannot. Racial, ethnic, and territorial issues also need to be considered, given the region's slavery and colonial past.

The multiple crises of recent years, especially the climate crisis and the COVID-19 pandemic, have reinforced the structural challenges of gender inequality. In this scenario, recent major setbacks, especially those caused by the pandemic, jeopardize attainment of the SDG targets and fulfilment of the regional gender agenda.

ECLAC advocates moving towards a care society that includes taking care of people and the planet from a gender and human rights perspective. It involves building a democratic and egalitarian society in which care is seen as one of the most important social responsibilities, and in which men must relinquish their patriarchal privileges and assume their share of care-giving responsibilities. This process also requires a reformulation of macroeconomic policies, the production structure and care of the planet; and it must be based on the fair organization of wage labour, care and reciprocity relations.

The care society proposed by ECLAC is an instrument for the implementation of the 2030 Agenda for Sustainable Development and the Regional Gender Agenda. The redistribution and valuation of care activities are also linked to efforts to attain the targets of most of the SDGs, especially those related to ending poverty in all of its forms (Goal 1); ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture (Goal 2); ensuring healthy lives and promoting well-being (Goal 3); ensuring inclusive and equitable quality education (Goal 4); achieving gender equality and empowering all women and girls (Goal 5); promoting inclusive and sustainable economic growth, full and productive employment and decent

work for all (Goal 8); building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation (Goal 9); 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). (ECLAC, 2022b).

In addition to governments with the capacities needed to lead these processes, new political, social, fiscal and environmental pacts need to be forged, involving a wide range of actors. Comprehensive care policies and systems are needed to strengthen and complement the existing social protection systems, to implement changes in the labour domain that provide for greater co-responsibility for care. At the same time new frameworks are needed for planetary care and increased digital inclusion of women, in order to distribute the fruits of progress more equitably.

4. The migration phenomenon

International migration has always been a major development and human-rights concern. According to the latest data from the United Nations Department of Economic and Social Affairs (DESA), a total of 281 million people (3.6% of the world's population), were living outside their country of origin in 2020 compared to 173 million in 2000 (2.8%) and 221 million in 2010 (3.2%). This is the highest number ever recorded (United Nations, 2020). The majority (63%) of international migrants originate from middle-income countries. However, nearly half of the world's international migrants were living in their region of origin. While Europe has the highest level of intraregional migration in the world, Latin America and the Caribbean was the region with the highest relative growth in intraregional migration between 2000 and 2020.

The COVID-19 pandemic put a temporary brake on international migration, owing to the closure of national borders and subsequent restricted opening. However, since February 2022, the conflict between the Russian Federation and Ukraine has fuelled one of the fastest growing refugee emergencies in history and the largest since World War II.

In Latin America and the Caribbean, major disparities persist between the native and migrant populations in terms of access to formal employment, social protection and decent work. These are linked to the difficulties of regularization and the lack of institutions that facilitate labour market integration, despite the pandemic having revealed that certain sectors of production depend on migrant labour. Another issue worth highlighting is the underuse of migrant skills, which occurs when migrants with a high level of education are unable to obtain employment at a skill level that matches their education.

In the long term, migrants must be enabled to contribute their full potential to sustainable development. International migrants contribute to development and GDP growth in their host countries, through their work and the taxes they pay. They also make a significant contribution to their countries and households of origin through remittances, which remained resilient during the most difficult phase of the pandemic.

5. Climate change exacerbates inequalities between and within countries

Although climate change is a global phenomenon, there is a double asymmetry between the generation of GHG emissions and the distribution of their impacts: the countries and the social groups that contribute most to causing climate change are those that suffer least from its effects or are best able to minimize them. Although Latin America and the Caribbean accounts for just 10% of GHG emissions, it is much more vulnerable to the effects of climate change than the most polluting countries and regions. Central America and the Caribbean are two subregions whose share of emissions and vulnerability to their effects is particularly asymmetric.

The Caribbean is especially vulnerable in environmental terms and, as noted by ECLAC (2021c), the subregion suffered no less than 326 natural disasters between 2000 and 2021. It has also experienced

coral bleaching, increased sargassum infestation, and rising sea levels. All of these pose enormous economic threats to the Caribbean, given its heavy reliance on environmental resources and services, especially coastal ones, to sustain its economy which is based primarily on tourism and agriculture.

Within countries, poor people are generally more vulnerable to the adverse effects of climate change, while they contribute less to GHG emissions than higher-income groups. A notable aspect of the regressive impact of climate change is the rise in poverty levels in the region, owing to the adverse impact of changes in global temperature on the region's economic growth.

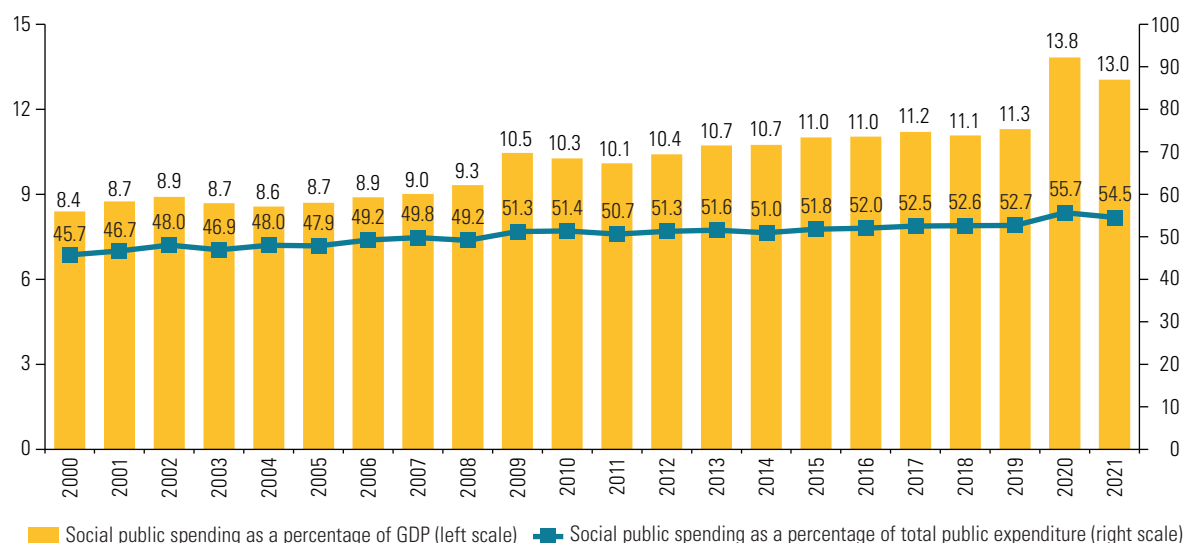
It is possible to achieve a high level of human development while maintaining energy consumption at levels consistent with climate goals. In the quest for sustainability at all three levels (economic, social and environmental), the aim should not only be to decouple GHG emissions from GDP growth, but also to redefine the relationship between GDP and well-being, which has very important implications in terms of equality and the provision of public goods.

6. Social spending: recent momentum and challenges to its continuity

Latin America and the Caribbean is characterized by institutional weakness in terms of the promotion and protection of decent work, compounded by insufficient distributive policies and segmented and restricted social protection systems. In the region, the welfare state has been non-existent or truncated, and large segments of the population remain excluded from access to education, health, security and justice.

During the decades of 2000 and 2010, central government social spending in Latin America remained broadly stable relative to GDP (see figure I.16 below), with a significant increase in public spending at two points in time in particular: after the 2008 global financial crisis (expenditure in the following year rose by 1.2 percentage points of GDP) and after the onset of the pandemic (in 2020, when public social spending increased by 2.5 points of GDP relative to the previous year's level).

Figure I.16
Latin America (17 countries): average central government social spending, 2000–2021^a
(Percentages of GDP and of total public expenditure)

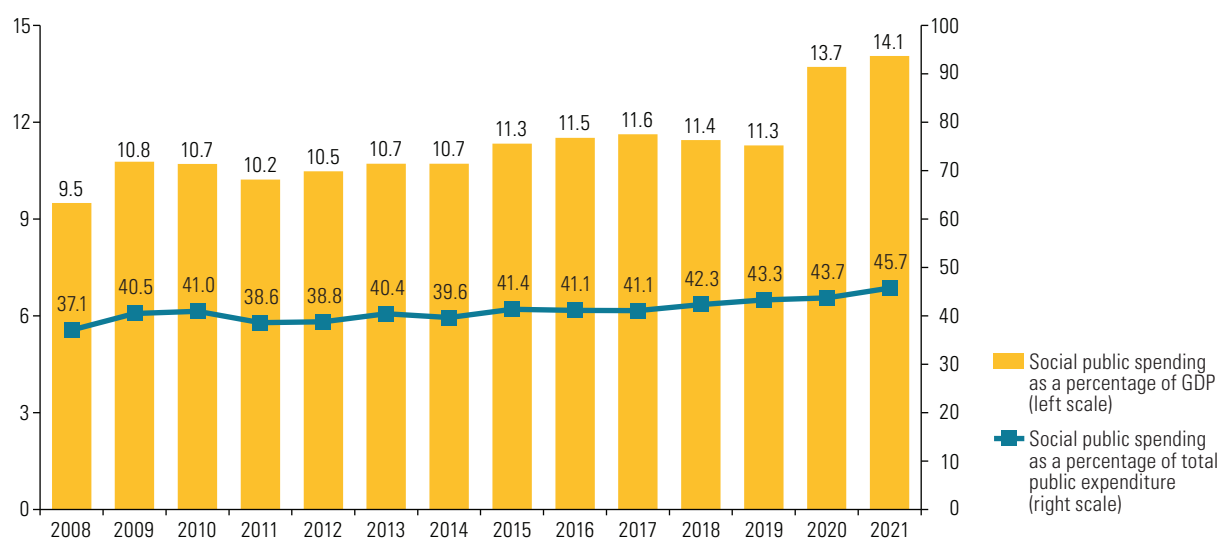


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

^a The figures shown represent the arithmetic mean for the 17 countries. The countries are Argentina, 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. In the Plurinational State of Bolivia, coverage corresponds to central administration, and in Peru it corresponds to general government.

In the case of the Caribbean, it was possible to make calculations spanning 2008–2021 for the Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago (see figure I.17), and a similar trend to that of the Latin American countries was identified, albeit less pronounced.

Figure I.17
The Caribbean (5 countries): average central government social spending, 2008–2021^a
(Percentages of GDP and of total public expenditure)



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

^a The figures shown represent the arithmetic mean for the five countries. The countries are Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago.

The COVID-19 pandemic had a major economic and social impact on the countries of Latin America and the Caribbean. The deterioration in personal well-being and health was exacerbated by structural weaknesses in health and social protection systems. To address these harmful effects, countries implemented both health-care and lockdown policies, while at the same time applying social protection measures to address the social and economic consequences of lockdown, including transfers, subsidies, and suspension of charges for services, among others. These measures undermined already weak tax systems; so, it is now harder to increase public spending to support the achievement of the SDGs.

Another important component of central government expenditure during the pandemic was non-contributory social protection, in which emergency income transfers were a key measure for containing the increase in poverty and inequality.

The data discussed in this chapter summarize the region's responsiveness, measured by the economic resources that social policy institutions deployed to confront the pandemic through a significant increase in public social spending. These actions demonstrated the countries' capacity to respond (Dweck, Rossi and Oliveira, 2020), but also revealed their limitations for acting preventively and comprehensively. The challenge remains to achieve financial sustainability, in order to expand the coverage and quality of these policies, with a view to universalizing access to social protection and constructing genuine welfare states, which are essential conditions for getting back on track towards achieving the SDGs.

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CHAPTER II

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

Introduction

- A. The institutional framework for implementing and monitoring the 2030 Agenda
- B. Territorialization of the 2030 Agenda
- C. The role of civil society in progress on the 2030 Agenda
- D. The Community of Practice on voluntary national reviews in Latin America and the Caribbean
- E. Challenges and progress within the framework of the Caribbean Development and Cooperation Committee (CDCC)
- F. Subsidiary bodies of ECLAC

Bibliography

Introduction

The 2030 Agenda for Sustainable Development is an ambitious and transformative proposal whose Goals and targets are intended to spur action in different domains that are critical for humanity and the planet. Great political and institutional commitment, in addition to buy-in from various sectors, are needed to achieve the proposed Goals.

At different levels and in a range of capacities, States, international organizations, civil society and the productive sector have made changes to policies, measurement of outcomes and working partnerships. Successful outcomes of the 2030 Agenda depend on institutional change and the determination to work steadfastly for long periods, including through severe crises such as the one caused by the coronavirus disease (COVID-19) pandemic.

This institutional change and determination have been reflected in different levels of action by States, and the present chapter therefore analyses territorialization of the 2030 Agenda. Among the efforts being made to achieve the Sustainable Development Goals (SDGs) are territorial development policies that aim to bridge the divides among and within the countries of the region. Positive indicators at the national level are not sufficient; development must bring an end to inequalities within countries. While much work lies ahead for Latin America and the Caribbean, the paths taken hold promise.

Multilateralism has been enriched through the incorporation of ongoing processes of public dialogue and discussion to overcome the complex challenges of sustainable development, in the acknowledgement that governments cannot do so on their own. Civil society partnerships have been crucial in implementing the mandates of the agencies, funds and programmes of the United Nations. This chapter will examine the role and participation of civil society, along with the institutional mechanisms that encourage and facilitate their involvement in the implementation, follow-up and review of the SDGs.

This chapter also analyses the significant advances in regular and inclusive country-led and country-driven reviews of progress at the national and subnational levels, in the context of countries' follow-up and review mechanisms. Such reviews facilitate peer-to-peer sharing of experiences, including achievements, challenges and their solutions, and lessons learned. The work of the Community of Practice on Voluntary National Reviews for Latin American and Caribbean countries will also be examined. Established by ECLAC in December 2019, it has become a prominent regional platform for peer-to-peer learning.

The work of the Caribbean Development and Cooperation Committee (CDCC), focused on the repositioning, recovery and resilience of the subregion, also addressed in the chapter, is a key example of progress. Lastly, the chapter presents the outcomes achieved by the subsidiary bodies of ECLAC, which report on their significant contributions to implementation of the 2030 Agenda to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development.

A. The institutional framework for implementing and monitoring the 2030 Agenda

1. Governance of monitoring and implementation of the 2030 Agenda: voluntary national reviews (VNRs)

All the countries of Latin America and the Caribbean have established institutional mechanisms for implementing and monitoring the 2030 Agenda (see map II.1). Some countries have already undertaken reforms of these mechanisms by eliminating them, renaming or changing the institution in charge, or broadening its scope to include more stakeholders.

Map II.1

Latin America and the Caribbean: coordination mechanisms for implementing and monitoring the 2030 Agenda for Sustainable Development, January 2023



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Regional Observatory on Planning for Development [online] <https://observatorioplanificacion.cepal.org/en>, recent voluntary national reviews from the countries and information provided by designated focal points.

As shown in map II.1, 14 countries have established ad hoc coordination mechanisms to follow up on implementation of the 2030 Agenda for Sustainable Development. The remaining 19 countries, primarily in the Caribbean, have made an existing public institution responsible for monitoring, reporting either to the office of the president, a ministry or another public office.

In some countries, such as Chile, Costa Rica, the Dominican Republic and Paraguay, institutional mechanisms have been altered to allow more stakeholders to participate. In Argentina, a cross-cutting working group called the National Inter-agency Commission for Implementation and Monitoring of the SDGs has been established as a complement to the National Council for the Coordination of Social Policies, the body that coordinates implementation of the 2030 Agenda. The Inter-agency Commission is made up of representatives from the office of the Chief of the Cabinet of Ministers, all national ministries and the National Institute of Statistics and Censuses (INDEC).

In countries where an ad hoc mechanism has been established, progress has also been made in creating subcommittees or further delineating the functions of participants. In the Dominican Republic, for example, subcommittees that focus on people, prosperity, the planet and institutional frameworks have been created, along with committees on indicators and financing and a strategic inter-agency committee to enable dialogue between the coordinators of these subcommittees and committees. In countries where an existing institution is tasked with monitoring implementation of the SDGs, the unit or units in charge have been specified.

The ad hoc committees established include representatives from institutions from sectors that are key to countries' development, which have enabled collaborative, multisectoral initiatives to be pursued to comprehensively address development problems using shared language. To that end, formal working bodies have been established through the institutional mechanisms. In Paraguay, for example, the SDG Commission has a strategic work plan and internal regulations that enable collaboration with different bodies. Governance mechanisms have produced positive results in some cases, but greater effort is needed to meaningfully implement the SDGs.

In countries that have ad hoc implementation mechanisms for the 2030 Agenda and in those where a specific institution coordinates implementation and monitoring, the respective sectoral ministries and statistical offices are generally responsible for monitoring and reporting on SDG indicators. This presents a challenge because of the lack of human and technical capacity for data-gathering, reporting and coordinating solutions in a consistent and holistic manner.

Participation by multiple stakeholders in implementation and monitoring of the 2030 Agenda remains a challenge. In most cases, civil society, academia, the private sector and the general public participate through spaces for dialogue, consultation, dissemination and training. Only in some countries is participation by non-State actors a formal part of institutional arrangements for monitoring implementation of the 2030 Agenda. One example is the Inter-agency High-Level Political Commission for Sustainable Development of the Dominican Republic, which is made up of 17 non-governmental organizations: 9 from civil society, 7 from the private business sector and 1 from the trade union sector. Costa Rica is in a similar situation: the members of the Advisory Committee of the High-Level Council on the Sustainable Development Goals include representatives of civil society organizations.

Territorialization of the SDGs and difficulties in coordinating the local and national levels present another challenge. Territorial information systems and monitoring and evaluation must be strengthened, while ensuring that subnational representatives participate in inter-agency commissions. For example, the Paraguay SDG Commission includes a Committee for Localization of the SDGs that is responsible for the pursuit of these Goals across the country through specific actions such as dialogues, workshops,

technical meetings and linking of plans at various levels. In other countries, mechanisms and instruments have been created to provide support and advice at the subnational level. In Argentina, there are agreements between provinces and municipalities to support implementation of the 2030 Agenda. The effectiveness of this support has been reflected in the interest shown by the country in conducting voluntary local reviews (VLRs) (see section II.B.2). In Ecuador, the National Secretariat for Planning has set guidelines for coordination of development and land-use planning with the 2030 Agenda. In the Dominican Republic, the Dominican Federation of Municipalities participates in the Inter-agency High-Level Political Commission for Sustainable Development, making use of the institutional structures of the public planning and investment system and provincial and municipal development councils as multi-stakeholder spaces to channel requests from the territories and link national and local work.

Preparation of VNRs has enabled identification of specific challenges and innovative solutions for implementing and monitoring the 2030 Agenda and has fostered multi-stakeholder dialogue and inter-agency coordination. VNRs offer an opportunity to present a clear and comprehensive update on countries' progress with implementation of the 2030 Agenda and its Goals. As part of preparation of Dominica's first VNR, presented in 2022, the Cabinet approved the creation of a national committee to support drafting of the VNR, to provide strategic direction and guide the drawing-up and scrutiny of the review. Members of the committee included representatives from the public sector, civil society organizations and the United Nations system, which enabled verification of the accuracy of the information and data gathered to prepare the review. Similarly, the review process in Suriname began with the creation of an inter-agency VNR technical committee chaired by the Ministry of Foreign Affairs, International Trade and International Cooperation to guide the process. In addition to representatives from that Ministry, the committee is made up of representatives from the Ministry of Education, Science and Culture, the Ministry of Spatial Planning and Environment, the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation, and the Ministry of Labour, Employment Opportunity and Youth Affairs. The members of the committee also include representatives from the National Planning Office and the General Bureau of Statistics of Suriname. The committee organized several online consultation sessions with representatives of the government, civil society, academia, the private sector, United Nations entities and other stakeholders.

As shown in table II.1, the countries of Latin America and the Caribbean have actively prepared voluntary national reviews. To date, 31 of the 33 countries of the region have presented their reviews to the high-level political forum on sustainable development in New York. Of these, 16 have presented reviews more than once. The reviews have evolved from static reporting on the Goals and targets to a process of building a vision for the country in which each successive report examines progress made in an ongoing exercise. Countries have a platform to share experiences and lessons learned in the form of the ECLAC Community of Practice on Voluntary National Reviews,¹ which has held 48 meetings since it was established in 2019 (see section II.D).

¹ See [online] <https://www.cepal.org/en/topics/2030-agenda-sustainable-development/eclac-community-practice-voluntary-national-reviews>.



Table II.1
Latin America and the Caribbean: voluntary national reviews, 2016–2023

	2016	2017	2018	2019	2020	2021	2022	2023
	Colombia	Argentina	Bahamas	Chile ^a	Argentina ^a	Antigua and Barbuda	Argentina ^b	Barbados ^a
	Mexico	Belize	Colombia ^a	Guatemala ^a	Barbados	Bahamas ^a	Dominica	Chile ^b
	Venezuela (Bolivarian Republic of)	Brazil	Ecuador	Guyana		Bolivia (Plurinational State of)	El Salvador ^a	Guyana ^a
		Chile	Jamaica	Saint Lucia		Colombia ^b	Grenada	Saint Kitts and Nevis
		Costa Rica	Mexico ^a		Costa Rica ^a	Cuba	Jamaica ^a	
		El Salvador	Paraguay		Ecuador ^a	Guatemala ^b	Suriname	
		Honduras	Dominican Republic		Honduras ^a	Mexico ^b	Uruguay ^c	
		Guatemala	Uruguay ^a		Panama ^a	Nicaragua		
		Panama			Peru ^a	Paraguay ^a		
		Peru			Saint Vincent and the Grenadines	Dominican Republic ^a		
		Uruguay			Trinidad and Tobago	Uruguay ^b		
Annual total	3	11	8	4	9	11	7	4
Total number of reviews	3	14	22	26	35	46	53	57
Total number of countries	3	14	19	21	24	28	31	32
Total number of countries <i>(Percentages of the 33 countries in the region)</i>	9	42	58	64	73	85	94	97
Total countries that have presented more than one review			3	5	11	14	16	18

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, "Voluntary national reviews" [online] <https://hlpf.un.org/2023/vnrs>.

^a Presenting for the second time.

^b Presenting for the third time.

^c Presenting for the fourth time.

2. Planning and the 2030 Agenda: alignment of plans with national and subnational strategies

In most countries, the ministries or secretariats in charge of planning are involved in monitoring the 2030 Agenda, either as the entities managing or participating in the ad hoc mechanisms established for that purpose. In countries where the institution in charge of planning is also the secretariat or coordinating body for implementation of the 2030 Agenda, or is an active participant in implementation, institutional alignment with long-term visions and strategies has been a priority. Efforts have sought to apply an SDG-based approach to planning and implementation of development strategies, to eliminate duplication of efforts in follow-up of the Goals and targets, and to improve monitoring and reporting.

In the Dominican Republic, Decree No. 23-16, which created the Inter-agency High-Level Political Commission for Sustainable Development (CSD), stipulates that the Commission shall establish ways to implement the 2030 Agenda that are aligned with the national development strategy and coordinated by the Ministry of Economy, Planning, and Development. Following an initiative to link the Goals and the 2030 National Development Strategy through a rapid integrated assessment conducted in 2020, 82 of the targets of the SDGs were selected as country priorities and were integrated into multi-year planning for the period 2021–2024. On that basis, progress has been made in adapting the Commission's governance system to fully coordinate with the National System for Planning and Public Investment, where, in most cases, the stakeholders are the same. The initiative aims for the Commission to monitor the SDGs and the 2030 National Development Strategy, which are seen as a single development instrument.

In Guatemala, a methodology designed by ECLAC was used to align planning with the 2030 Agenda, enabling the content of planning instruments to be interlinked with the Goals and targets of the 2030 Agenda. This is achieved through a ranking process and by defining links and critical challenges, leading to definition of national priorities and implementation of measures to achieve the SDGs.²

In Paraguay, as part of the update of the 2030 National Development Plan launched in 2021, an exercise was conducted with support from ECLAC to find convergence between the objectives of the Plan and the targets of the SDGs, using the same methodology designed by ECLAC, which enabled 92% of the SDG targets to be linked with the objectives of the Plan. The Technical Planning Secretariat for Economic and Social Development of Paraguay is currently developing a system called VinculaPlan, which aims to link general plans for the medium and long term with the SDGs and the National Development Plan. This effort seeks to align the visions of the different planning levels, as expressed in the country's 2030 National Development Plan and the SDGs.

Of the 18 known long-term planning instruments in place in the region, 7 include in their official planning documents an exercise to align sector objectives and strategies for national development with the SDGs. These seven instruments are the national development visions, plans and strategies of Cuba, Dominica, Grenada, Guatemala, Panama, Paraguay and Trinidad and Tobago (see table II.2). Exercises to align national objectives with the SDGs are expressed in plans with different levels of disaggregation. In some cases, convergence is identified only at the level of the Goals of the 2030 Agenda, while in others, mention is also made of the relationship with specific targets of the SDGs. In some instruments for which these exercises are conducted, the Goals and targets of the 2030 Agenda had already been prioritized.

Table II.2
Latin America and the Caribbean: medium- and long-term planning instruments in place that contain exercises for aligning national development objectives with the 17 Sustainable Development Goals

Subregion	Country	Instrument	Time frame
Central America	Guatemala	K'atun National Development Plan: Our Guatemala 2032	Long-term
	Panama	"Panama 2030" National Strategic State Vision Plan	Long-term
The Caribbean	Cuba	2030 National Economic and Social Development Plan	Long-term
	Dominica	National Resilience Development Strategy: Dominica 2030	Long-term
	Jamaica	Medium-Term Socio-Economic Policy Framework 2021–2024	Medium-term
	Grenada	National Sustainable Development Plan 2020–2035	Long-term
	Dominican Republic	National Multi-year Public Sector Plan 2021–2024	Medium-term
	Saint Lucia	Medium-Term Development Strategy 2020–2023	Medium-term
	Trinidad and Tobago	Vision 2030: National Development Strategy 2016–2030	Long-term
South America	Ecuador	Opportunity Creation Plan 2021–2025	Medium-term
	Paraguay	Paraguay National Development Plan 2030	Long-term
	Suriname	Multi-Annual Development Plan 2022–2026	Medium-term

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

² See ECLAC (2018a).

Of the 14 known medium-term planning instruments in place in the region, 5 include as part of the content of their official planning documents an exercise to align their sector objectives and strategies for national development with the SDGs. These five instruments are those of the Dominican Republic, Ecuador, Jamaica, Saint Lucia and Suriname (see table II.2). In Jamaica, the Medium-Term Socio-Economic Policy Framework 2021–2024 guides the implementation, monitoring and evaluation of the country's planning instrument, Vision 2030 Jamaica, and its alignment with the SDGs.

Development plans, long-term visions and medium-term strategies have not been the only national-level planning instruments that the countries of the region have aligned with the SDGs. In Uruguay, for example, since 2016, national budget programme areas have been aligned with the 2030 Agenda, with a view to matching the SDG targets with each area. This yields a table of relationships that is included in the information presented in budget legislation.³

The practice of aligning planning instruments with the SDGs is not a new one. In previous planning cycles, Costa Rica aligned its Bicentennial National Development and Public Investment Plan 2019–2022 with the SDGs and Brazil did the same for its Multi-year Plan 2016–2019.⁴ Moreover, the relationships between the targets remain of interest for countries, as shown by the Multi-Annual Development Plan 2022–2026, adopted at the end of 2021 by Suriname.

Countries are also increasingly recognizing the importance of aligning public investment with the SDGs, as reflected in different instruments and criteria applied during the investment management cycle. In the investment planning stage, some investment plans incorporate a strategic focus and highlight projects that are priorities for meeting the SDGs. For example, the National Development and Public Investment Plan of Costa Rica, which is drafted at the beginning of a presidential term, is part of the national development plan and guides priority investments to ensure the plan's objectives are met. In accordance with the prioritization criteria, the highest-priority interventions are included in the National Development and Public Investment Plan of Costa Rica, which links the SDGs to each strategic focus and project of the national development plan. It also includes a description of the public-private partnerships in the country and a list of the projects scheduled to be executed in that format, even highlighting the important contribution made by these projects to progress towards specific SDGs.

The National Multi-year Public Sector Plan 2021–2024 of the Dominican Republic, which is the country's national development plan, uses a comprehensive results-based framework centred on the public value chain for each of the 33 policies prioritized. In turn, each priority policy in the National Multi-year Public Sector Plan 2021–2024 is linked to specific SDGs and to the public investment projects required to achieve them, and specifies public output through international cooperation programmes and projects.

The Multi-year Investment Plan 2018–2022 of Colombia incorporates investment projects that are key to fulfilling the National Development Plan. The Multi-year Investment Plan estimates the amount of investment by sector, region, department and for each agreement (strategic focus) of the National Development Plan. Projected public investment includes resources from the national budget, the territories (department and local governments) and the private sector. The document also includes the Multi-year Investment Plan for Peace, which contains a list of projects to be implemented in specific territories that contribute to re-establishing peace, in direct relation to Goal 16. The general list of projects is divided by region and type of project (structured, being structured and regional), and also by each agreement (strategic focus) of the National Development Plan. As such, although the Multi-year Investment Plan does not directly mention the SDGs, given its close links with the National Development Plan, which does include the SDGs, it is indirectly linked to the Goals.

³ See Office of the President of Uruguay (2022), p. 18.

⁴ See MIDEPLAN (2018) and Ministry of Economy (n.d.).

With active participation by various national bodies and support from ECLAC, the United Nations Development Programme (UNDP) and the Resident Coordinator Office (RCO), Cuba designed a comprehensive national financing framework for the SDGs, which enables the financing mechanisms needed for implementation of the national sustainable development strategy to be identified and prioritized. The financial panorama was mapped and an order of priority was established for the SDGs, which showed the alignment of the 2030 National Economic and Social Development Plan with the 2030 Agenda. An exercise was also conducted to estimate the financial resources required to meet national sustainable development goals and to determine the priority level of development targets. The outcome of the latter was a medium-term budgetary framework for 2023–2026. In 2023, a road map was formulated to implement the main recommendations from the exercise to develop a comprehensive financing framework for the SDGs. It focuses on designing instruments or institutions to finance small and medium-sized enterprises (SMEs) and other local stakeholders from the agriculture sector, capacity-building and the exchange of experiences with financial institutions in the region.

Similarly, in Guatemala, the public investment programme is prepared each year by the Undersecretariat of Investment for Development of the Secretariat for Planning and Programming of the Office of the President (SEGEPLAN), on the basis of projects with an allocated budget that are approved and registered in the National Public Investment System (SNIP). The public investment programme includes information on government spending execution and details the way in which public investment is linked with the 2032 National Development Plan, the distribution of public investment according to the 2020–2024 General Government Policy, and the full portfolio of projects disaggregated according to central government bodies, national non-financial State-owned companies and departmental councils with general data. Although the public investment plan does not delineate specific linkages with the SDGs, it does detail those links with the goals of the 2032 National Development Plan, which in turn are specifically linked to the SDGs.

In Guatemala and Panama, the overall standards employed during the project design phase mention the SDGs. In Guatemala, the standards for the national public investment system for the 2022 fiscal year indicate that investment projects must state their link with the goals of the 2032 National Development Plan and the SDGs (SEGEPLAN, 2021). In Panama, the general methodological guidelines for the design and assessment of projects mention that investment projects registered in the project data bank should be classified based on their alignment with the SDGs (Ministry of Economy and Finance, 2022).

In the monitoring and evaluation phase of public investment projects, the strategy of Costa Rica with respect to the National Development and Public Investment Plan includes half-yearly and yearly evaluations with respect to the SDGs, appraising progress on national planning indicators linked to the SDGs. In the overview of the results of the National Development and Public Investment Plan 2019–2022, progress on strategic actions is measured on the basis of the indicators for the outcomes and results of the Plan. The contribution to certain SDGs of some of these public investment actions is mentioned. One example is the social infrastructure programme in the framework of Goals 3 and 9, for which progress is measured through the indicator “number of inclusive and cross-cultural social infrastructure projects implemented”.

Another example is the Mirador Ciudadano platform in Uruguay, which allows users to search for investment projects by selecting the SDG with which they are linked. For example, selecting Goal 1 in the search produces a list of all the investment projects linked with that Goal. The platform also has a georeferenced map that shows the location of investment projects. Applying both features, users can search for projects linked with Goal 9 in a specific department and municipality, for instance. Because of the complementarity between the SDGs and the benefits of the projects, a project can be linked with up to three of the SDGs through Mirador Ciudadano.



B. Territorialization of the 2030 Agenda

1. Forms of territorialization and their sources

The institutional framework created or adapted to achieve the targets of the 2030 Agenda and the accompanying territorialization processes at all levels of government reflect the importance that the region has attached to these issues. The 2030 Agenda has become the guiding pillar for State policies in all the countries. These public policies include those known as territorial development policies, which aim to close gaps among and within the countries of the region. With only a few years left until 2030, attention must be paid to the inequalities that still exist in the region. While the per capita GDP and levels of well-being in some territories in Latin America and the Caribbean are similar to those of developed countries, others face extreme poverty and unmet basic needs.

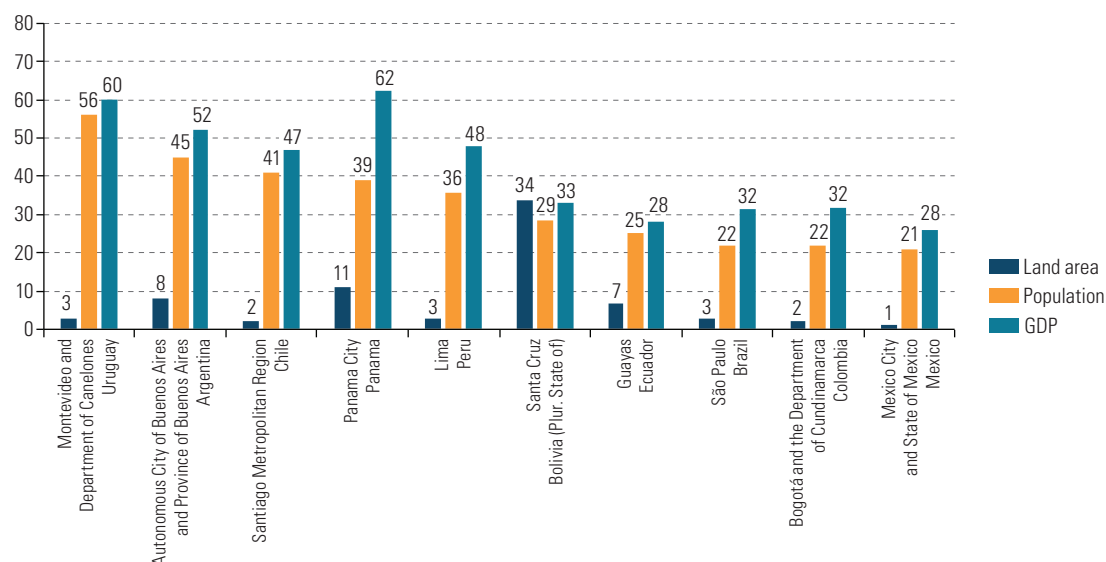
Despite the cascading crises that the region is experiencing, the “decade of action” remains valid for its States, which continue to face the imperative need to formulate public policies for a structural transformation of the most unequal region in the world. Such policies include those to close gaps between the territories and especially between cities and rural areas. In the context of the 2030 Agenda and particularly Goal 11, there is still an urgent need for public territorial development policies that make the cities and other human settlements of the region inclusive, safe, resilient and sustainable.

As outlined in chapter I, Latin America and the Caribbean is characterized by concentration of populations and of production, as well as by severe sociospatial inequalities. ECLAC explains these inequalities through a framework of historical structural analysis and formation of centre-periphery systems, thus linking the sociospatial dimension to the general development trends of Latin America and the Caribbean (Bárcena and Prado, 2016; Prebisch, 1976; Pinto, 1969; Porcile, 2011; Jordán, Riffo and Prado, 2017; Riffo, 2013). Under this approach, the region’s sociospatial organization is a product of a specific development pattern, characterized by insufficient peripheral dynamism (Prebisch, 1976).

One of the ways the high degree of concentration is reflected is in the proportion of GDP and population accounted for by the largest of the territorial entities with respect to the totals for all territorial entities in a country. In several countries, the main territorial entity covers around 10% or less of the total land area, but accounts for over 40% or 50% of the population and GDP (see figure II.1).⁵ This is the case in Argentina, Chile, Panama and Uruguay. In Panama and Uruguay, more than 60% of GDP is produced by the main territorial entities. In other cases, such as Colombia, Ecuador and the Plurinational State of Bolivia, the degree of concentration is lower, with two territorial entities accounting for the largest proportion (around one third each) of both variables. Although Brazil and Mexico are home to some of the largest urban areas on the planet, the State of São Paulo and Mexico City plus the State of Mexico account for little more than 20% of the countries’ populations and 32% and 25% of GDP, respectively (Genta and others, 2022a).

⁵ For the analysis of concentration, in some cases, an intermediate entity has been added because they function, together with the main territorial entity, as relatively integrated functional territorial spaces. This is the case of the Autonomous City of Buenos Aires with the Province of Buenos Aires, Montevideo with the Department of Canelones, Bogotá with the Department of Cundinamarca, and Mexico City with the State of Mexico.

Figure II.1
Latin America (10 countries): area, population and GDP of major metropolitan areas
or territorial entities containing them, 2018
(Percentages)



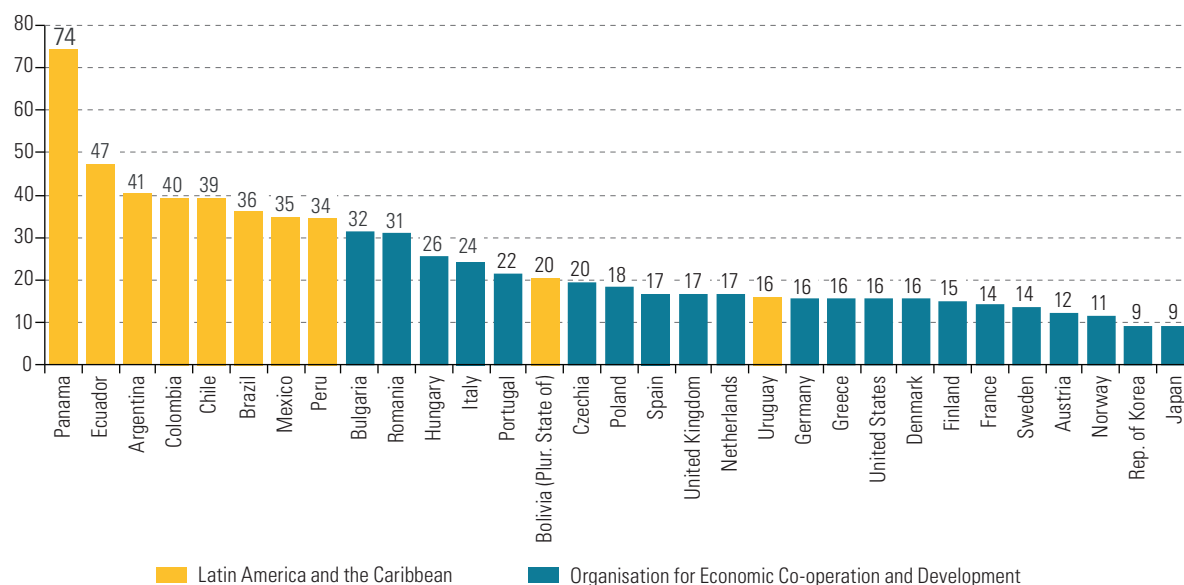
Source: N. Genta and others, “Panorama del desarrollo territorial de América Latina y el Caribe 2022”, Project Documents (LC/TS.2022/132), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022.

The fact that the population and production are concentrated in a handful of territories exacerbates already high levels of inequality and gaps in the economic and social conditions of the different territorial entities. These territorial inequalities are exemplified by two variables: poverty rates and per capita GDP. For the second of these variables, the indicator reflects the average deviations of per capita GDP among all the intermediate territories of each country, expressed as a percentage of national per capita GDP. For the purpose of comparison with the region, figure II.2 includes a sample of 21 countries of the Organisation for Economic Co-operation and Development (OECD).

Figure II.2 shows that, with the exception of the Plurinational State of Bolivia and Uruguay, all the countries in the region for which estimates are available have the highest levels of internal disparities. The disparities are particularly high in Panama, Ecuador, Argentina and Colombia, averaging 40% or more of total per capita GDP. Outside the region, in comparative terms, internal disparities in Japan, the Republic of Korea and Norway are shown to be low, at around 10% or less.

The region and the United Nations system are making efforts to design public policies to reduce these severe territorial inequalities within the framework of the 2030 Agenda. ECLAC has identified 225 national policies in place in the region (Genta and others, 2022a) that are explicitly or implicitly linked to closing territorial gaps and improving quality of life. This demonstrates that the countries of the region are responding to the concern surrounding their territorial asymmetries.

Figure II.2
Latin America (10 countries) and Organisation for Economic Co-operation and Development (OECD)
(21 countries): territorial disparities in per capita GDP, 2019
(Average deviations of per capita GDP)



Source: N. Genta and others, "Panorama del desarrollo territorial de América Latina y el Caribe 2022", Project Documents (LC/TS.2022/132), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022.

Over the past decade, certain countries have spearheaded actions to achieve these aims, notably Argentina, Brazil, Colombia, Costa Rica, Ecuador and Panama. These countries have worked on legal frameworks, institutional frameworks and policy design, and have been adapting to the requirements of the 169 targets established by the 2030 Agenda.

ECLAC, through the Latin American and Caribbean Institute for Economic and Social Planning (ILPES), has underscored the need to pursue public policies that incorporate four key approaches: intertemporal, intersectoral, multiscale and multi-stakeholder. Making public policy intersectoral entails reviewing and establishing ongoing interactions with existing and implemented sectoral policies, to encourage convergence and avoid strategies that may hinder achievement of the main goal. The multiscale approach relates to the scope of policies effectively reaching territories, but only with the target territories themselves involved in policy design. The intertemporal approach entails a sense of urgency with regard to some of the measures involved in these policies and also more long-term strategies to produce structural change in a country. Lastly, the multi-stakeholder approach is linked to the fact that stakeholders in territories, represented through various mechanisms, have a great deal to say about their circumstances, not only about the problems they face but also potential solutions to them.

The new means of implementing and monitoring the 2030 Agenda increasingly focus on the subnational and local levels. This requires knowledge of the SDGs, their targets and the indicators that have been prioritized by nation States and plurinational States, rereading them in order to devise strategies and measures chosen by the territories themselves, with a methodology to support the process.

An analysis of the VNRs of Latin American and Caribbean countries and initiatives shared through a survey of the Planning Network for Development in Latin America and the Caribbean identified five ways countries territorialize the 2030 Agenda (see table II.3).

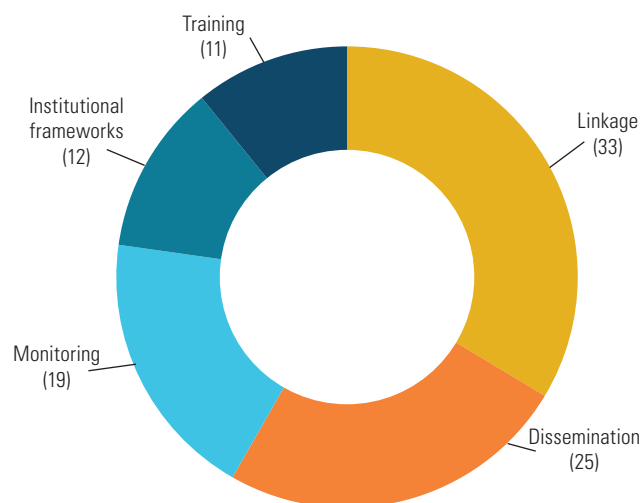
Table II.3
Latin America and the Caribbean: means of territorializing the 2030 Agenda for Sustainable Development

	Linking the Sustainable Development Goals (SDGs) to planning instruments	Processes for linking targets in planning instruments and linking investments to the SDGs. Manuals and guides are included with procedural and methodological guidelines for these processes.
	Dissemination and collective dialogue on the 2030 Agenda for Sustainable Development	Activities such as talks, seminars and forums specifically for dissemination of the 2030 Agenda and its SDGs to civil society.
	Training on the 2030 Agenda	Initiatives that include workshops or other training activities on the 2030 Agenda for public officials.
	Follow-up and monitoring	Instruments, processes, mechanisms or tools for diagnosis, follow-up and monitoring of the SDGs. These can be web platforms or other tools, to determine progress on the SDGs at the different territorial levels.
	Institutional framework	Establishment of institutional bodies (such as councils, agreements, partnerships, networks, committees or focal points) that are responsible for incorporation of the 2030 Agenda at the territorial levels.

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

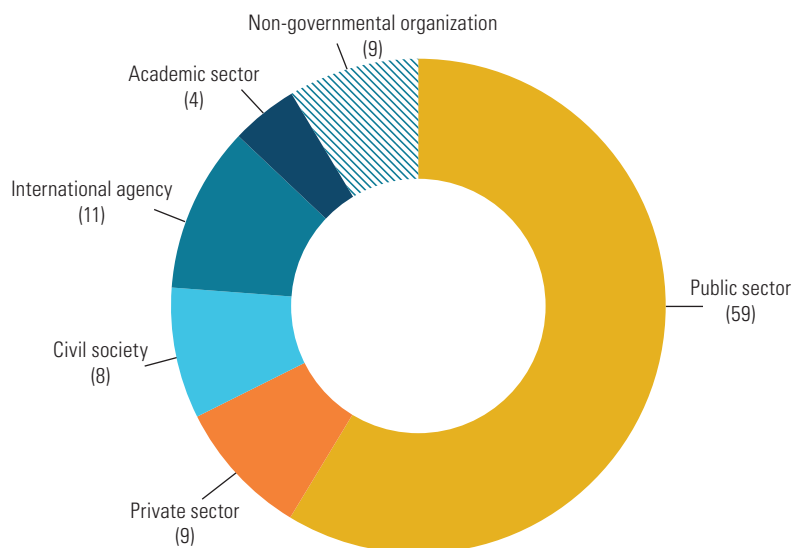
As shown in figures II.3 and II.4, the most frequent form of territorialization of the 2030 Agenda is linkage, followed by dissemination (see table II.3) and dialogue, and the main author of territorialization initiatives is the public sector.

Figure II.3
Latin America and the Caribbean: most frequent means of territorializing the 2030 Agenda for Sustainable Development
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Regional Observatory on Planning for Development [online] <https://observatorioplanificacion.cepal.org/en>; United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean [online] <https://agenda2030lac.org/en>; recent voluntary national reviews from the countries, and Planning Network for Development in Latin America and the Caribbean, survey "Red de Planificación, Gobierno y Desarrollo".

Figure II.4
Latin America and the Caribbean: the main stakeholder implementing initiatives to territorialize the 2030 Agenda for Sustainable Development
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Regional Observatory on Planning for Development [online] <https://observatorioplanificacion.cepal.org/en>; United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean [online] <https://agenda2030lac.org/en>; recent voluntary national reviews from the countries, and Planning Network for Development in Latin America and the Caribbean, survey “Red de Planificación, Gobierno y Desarrollo”.

The 2040 Guanajuato State Development Plan (PED 2040) is an example of linking SDG targets in a planning instrument. The Plan includes a section on alignment with the 2030 Agenda, linking the two instruments. This enables identification of the basic indicators to measure and monitor the contribution made by the Plan through its strategic objectives to the 17 Goals of the 2030 Agenda. This is done through the Guanajuato Indicators Observatory,⁶ a tool that monitors the 90 indicators that measure the strategic objectives of the Plan.

In Argentina, the province of Tucumán has also pursued various initiatives to localize the 2030 Agenda, including local planning exercises in the municipalities of Banda del Río Salí and Yerba Buena, and their alignment with the SDGs, as well as an institutional participatory planning exercise aligned with the SDGs at the Ángel Cruz Padilla Hospital, the largest public hospital in the province. In addition, Tucumán has linked nearly 900 academic projects to the 2030 Agenda, enabling academia to contribute to implementing the SDGs as a key stakeholder.⁷

Although institutional bodies may be less developed in the region, they have proven to be an important driving force for the sustainability of initiatives at the territorial level. A noteworthy example is the Network of Cantons Advocating the Sustainable Development Goals in Costa Rica, outlined in box II.1.

⁶ See [online] <http://observatorio.guanajuato.gob.mx/extensions/plangto/index.html>.

⁷ See [online] <https://ods.tucuman.gov.ar>.

Box II.1**Costa Rica: Network of Cantons Advocating the Sustainable Development Goals (Cantones ProDS)**

The Technical Secretariat for the SDGs of the Ministry of National Planning and Economic Policy (MIDEPLAN), together with the United Nations team in Costa Rica and the Institute for Municipal Development and Consulting (IFAM), coordinates the Network of Cantons Advocating the Sustainable Development Goals (Cantones ProDS), which recognizes municipalities that are committed to sustainable development. This recognition requires local governments to perform a set of actions and steps to implement the Sustainable Development Goals (SDGs), based on five dimensions: (i) cultural and organizational leadership; (ii) strategic planning for sustainable development; (iii) budgeting; (iv) partnerships and (v) outcomes and good practices.

The process has three stages. Stage 1 corresponds to the awarding of an SDG flag to municipalities that present an evaluation matrix and action plan and the formation of the Network of Cantons Advocating the Sustainable Development Goals. In this stage, the political leaders of the municipalities, mayors and mayoresses, express their interest in becoming part of the initiative. The municipality must then present an evaluation matrix and an action plan to implement the SDGs in the canton and meet eight indicators prioritized by the Network's technical committee. In stage 2, the local government is recognized as an advocate of the SDGs and must present the outcomes of its action plan one year after participation in the process. Once the local government meets the minimum criteria in a scoring matrix, it receives an SDG certification and public recognition. Stage 3 relates to continued recognition and strengthening of actions through annual reporting of the action plan formulated in stage 1.

The Network currently has 45 technical focal points. Each municipality appoints one person or several, who are generally in charge of planning, social affairs or the environment. Most of the focal points with whom the guides are prepared are responsible for municipal planning. As part of this process, a set of instruments has been created and a toolbox has been made available to local governments, with guidelines and practical resources to facilitate planning, implementation and monitoring of the SDGs in municipalities. Three of the main documents that have been developed to support the process are a guide on interlinking SDGs in local government management, a document on key actions for localizing SDGs and another on recognition of SDG advocate cantons. In addition, there is a toolbox with resources covering seven areas: strategic planning for sustainable development, the environment and climate change, communication materials, social inclusion and the focus on populations, municipal management and service delivery, economic growth and COVID-19.

Among the benefits of the process is that municipalities participate in a national platform for capacity-building in implementation and acceleration of the SDGs, in addition to peer-to-peer sharing of information and best practices. Municipalities also receive technical support from the Institute for Municipal Development and Consulting, the United Nations system and the Technical Secretariat for the SDGs. Multi-stakeholder partnerships are formed to facilitate implementation of other initiatives or programmes based on shared monitoring indicators. This has also optimized planning processes, as there are better links among national issues. Being part of the Network means having municipalities that are committed to sustainable development, which increases the credibility of local management and fosters participation by local stakeholders.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Ministry of National Planning and Economic Policy (MIDEPLAN), "Cantones Promotores de los Objetivos de Desarrollo Sostenible" [online] <https://ods.cr/cantones-promotores-de-los-objetivos-de-desarrollo-sostenible>; Ministry of National Planning and Economic Policy (MIDEPLAN)/ Institute for Municipal Development and Consulting (IFAM)/United Nations, Cantones promotores de los Objetivos de Desarrollo Sostenible [online] https://ods.cr/sites/default/files/documentos/red_de_cantones.pdf; and information provided by the Resident Coordinator Office in Costa Rica.

2. Voluntary local reviews and their contribution to territorialization of the 2030 Agenda

The growing interest of various subnational and local stakeholders in the region in supporting implementation and monitoring of the 2030 Agenda for Sustainable Development is also reflected in the drive to prepare voluntary local reviews (VLRs). Of the 121 VLRs available on the website of the United Nations Department of Economic and Social Affairs (DESA),⁸ 49 are from Latin America and the Caribbean, accounting for 40% of the total (see figure II.5).

⁸ See [online] <https://sdgs.un.org/topics/voluntary-local-reviews>.

Figure II.5
Latin America and the Caribbean and the rest of the world: voluntary local reviews presented, 2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, “Voluntary local reviews” [online] <https://sdgs.un.org/topics/voluntary-local-reviews>.

Of all the voluntary local reviews prepared in Latin America and the Caribbean, almost 90% are from Argentina, Brazil and Mexico, all three of which are organized both politically and administratively at the federal level, with by far the largest land areas and populations in the region. The fact that they are large and populous countries partly explains why they have submitted the most VLRs.

The 2021 meeting of the high-level political forum on sustainable development cemented the importance of VLRs for subnational and local implementation of the 2030 Agenda. These exercises are innovative tools that favour alignment of regions’ development plans with the 2030 Agenda at the subnational level and complement work to follow-up on national reviews. They can also help to put progress towards the SDGs by 2030 back on course, given that spaces for public action on the targets were particularly affected by the COVID-19 pandemic and other harmful international and regional factors.

VLRs contribute to formulation of integrated policies and to coordination within the subnational government, producing local data and providing a clearer view of implementation of the SDGs and the related challenges. Such reviews also fuel greater commitment to the different stakeholders, amplify the voices of marginalized population groups and support efforts to ensure no one is left behind. In addition, they facilitate dialogue between levels of government, add to voluntary national reviews and are an opportunity to share good practices and repeatable innovative solutions.

Not only capitals and large cities are preparing VLRs; smaller cities, provinces and districts, even in rural areas, are also drafting reviews. Although VLRs lack the official status of VNRs, there is growing recognition of their importance globally, including within the high-level political forum on sustainable development, resulting in the production of guidelines for preparing such reviews.

Several United Nations entities (including ECLAC), along with various governments and research institutions, support preparation of VLRs, in some cases even with guidance material and methodological guides.

C. The role of civil society in progress on the 2030 Agenda

In recent years, proponents of multilateralism have found it necessary to engage in an increasing number of ongoing processes of dialogue and public discussion to address the complex challenges of sustainable development, which have been exacerbated by the recent succession of crises. Governments cannot overcome the challenges of sustainable development on their own. Today, initiatives, movements and campaigns by various civil society stakeholders and pressure from public opinion very often determine the content of national, regional and global discussions, and multi-interest groupings, comprising governments, civil society and other stakeholders, often manage a significant number of multilateral priorities.

Civil society participation in sustainable development works best in the long term if it is a continuous and progressive process, rather than being ad hoc or standalone. Ongoing institutional arrangements build the capacities of civil society representatives and promote trust and collaboration among the sectors involved. An institutionalized participatory process allows different stakeholders (governments, civil society and others) to plan ahead, dialogue and share relevant information, and make timely contributions throughout the decision-making process. Thus, to be truly effective, participatory governance requires a sound political framework and a stable and coherent organizational structure.

In this regard, one of the key aspects of the 2030 Agenda is the prominent role given to civil society, with establishment of a set of institutional bodies that foster and facilitate its participation, both in implementation and in follow-up and review of the SDGs. Although governments are primarily responsible for implementing the 2030 Agenda, civil society organizations have a stable and coherent institutional policy framework, which ensures that they can take on various important functions, to collaborate with and supervise the work of governments.

By adopting the 2030 Agenda, governments agreed to be part of a systematic and progressive process of implementing the SDGs, and also undertook to ensure that their respective national follow-up and review processes would be “open, inclusive, participatory and transparent for all people” (United Nations, 2015, paragraph 74, subparagraph d).

Partnerships with civil society have been crucial in implementing the mandates of the agencies, funds and programmes of the United Nations. Since the 2030 Agenda was adopted, the United Nations system has attached increasing importance to participatory decision-making and multi-stakeholder dialogue and discussion, with a view to reaching political agreements, which foster positive relations between citizens and their governments. Meaningful participation throughout the decision-making process makes societies safer and more resilient and public policymaking processes more legitimate and effective.

In addition to the provisions of the 2030 Agenda, a number of subsequent reports and resolutions of the United Nations system have drawn attention to the need to foster dialogue and cooperation with civil society. Among them is the report of the Secretary-General, *Our Common Agenda*, in which he recognizes the importance of civil society participation in strengthening multilateralism and renewing the United Nations system.

Since the first meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development (2017), the United Nations system in the region has intensified efforts to foster and strengthen active participation by civil society in all intergovernmental forums. This is both an opportunity and a challenge: an opportunity to identify and add various new capabilities and experiences, and a challenge of preserving the identity of its intergovernmental work, while remaining willing to work closely with new and very diverse stakeholders.



1. 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

Paragraph 11 of resolution 700(XXXVI), which gave rise to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, establishes the necessary regulatory conditions to ensure that civil society organizations in the region can define and develop their own modalities of participation, dialogue and collaboration for the follow-up and review of SDG implementation. Thus, 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 Development⁹ was created independently by civil society in the region. In that process, the Asia-Pacific Regional Civil Society Engagement Mechanism (APRCSEM)¹⁰ and the valuable experiences of participation in ECLAC subsidiary body and intergovernmental meetings, among other instruments, were used as a reference.

According to its statutes, the main objective of the Mechanism is to help to ensure the right to participation in a meaningful, democratic, systematic, broad, diverse and sustained manner, and the right to information of organized civil society regarding the implementation, monitoring, reporting and evaluation of the sustainable development agenda in the region and related platforms within a framework of human rights, gender equality and environmental sustainability criteria.¹¹

The civil society discussions that gave rise to this institutional mechanism began during the briefing with members of Latin American and Caribbean civil society convened by ECLAC and the Secretariat of Foreign Affairs of Mexico at 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 agreed to launch an independent deliberation process with the aim of creating an institutional mechanism for dialogue with governments, the United Nations system and other stakeholders in the region. The organizations then reached consensus on a proposal for modalities of participation and created a temporary committee to coordinate the respective approval process. At the second meeting of the Forum (Santiago, 2018), members of civil society agreed on and adopted the regulatory framework of the participation mechanism and its operating modalities, which were validated by the representatives of the governments of the region at the third meeting of the Forum (Santiago, 2019).¹² The ministers and high representatives took note of the work of civil society to strengthen their engagement, including through the Mechanism for the participation of civil society in the sustainable development agenda, adopted by the civil society within the framework of the second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development (ECLAC, 2019, annex 1, para. 53).

According to its operating modalities, the Mechanism convenes organizations, independent collectives, social movements and local, national and regional networks working for social, economic and environmental justice in any of the three dimensions of sustainable development. It also requires the convened stakeholders to be committed to advancing the agenda under the principles of progressiveness of human rights and interdependence of the three dimensions of development.¹³

⁹ See [online] <https://agenda2030lac.org/en/civil-society>.

¹⁰ See [online] <http://asiapacificrcsem.org/>.

¹¹ See [online] <https://foroalc2030.cepal.org/2018/en/documents/mechanism-civil-society-participation-sustainable-development-agenda-and-forum-countries>.

¹² See [online] <https://foroalc2030.cepal.org/2019/en/stakeholders/civil-society>.

¹³ See [online] <https://foroalc2030.cepal.org/2018/en/documents/mechanism-civil-society-participation-sustainable-development-agenda-and-forum-countries>.

The civil society organizations participating in the Mechanism are divided into 20 working groups classified into three categories: (i) subregional groups, (ii) stakeholder groups and (iii) thematic groups (see table II.4). Every two years, each working group elects a focal point and an alternate to form a coordination and management body called the Liaison Committee (see table II.5).

Table II.4

Working groups of 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

Subregional groups	Stakeholder groups	Thematic groups
Central America, the Spanish-speaking Caribbean and Mexico	Children, adolescents and young people	Human rights and territory defenders
The English- and French-speaking Caribbean	Women	Lesbian, gay, bisexual, transgender and intersex (LGBTI) persons
Andean subregion	Older persons	Migrants and persons displaced by disasters or conflicts
Southern Cone	People of African descent	Ecological and environmental justice
	Persons engaged in small-scale farming activities, living in rural and coastal areas	Indigenous Peoples
	Persons with disabilities	Networks, collectives, organizations and platforms of non-governmental organizations (NGOs)
	Persons with HIV	Trade unions and workers, including sex workers and domestic workers

Source: Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean [online] <https://agenda2030lac.org/en/civil-society>.

Note: Each working group (subregional, stakeholder and thematic) elects a focal point (representative), ensuring gender parity, to be part of the Mechanism's Liaison Committee. Representation on the Liaison Committee is therefore defined democratically and transparently in each group, for a period of two years, without the possibility of immediate re-election. In addition, each group selects one alternate per respective period.

Table II.5

Objectives of the Liaison Committee of 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

Facilitate the participation of civil society in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, and in other processes and agendas related to sustainable development and the 2030 Agenda for Sustainable Development.	Ensure the participation of the region's civil society in all relevant regional forums related to the follow-up of the 2030 Agenda, through communication with ECLAC member States and the Chair of the Forum.
Coordinate the delivery of civil society input for political processes related to the 2030 Agenda in the region.	Support the participation of civil society in the accountability processes of the countries of the region in the implementation of the 2030 Agenda.
Access accurate and up-to-date information on the 2030 Agenda and disseminate it to the groups that make up the Mechanism.	Maintain a permanent and constant information channel for decision-making and report on the agreements reached to subregional, stakeholder and thematic groups.
Encourage the recognition of the Mechanism and the Liaison Committee as a fundamental political entity in the processes related to the 2030 Agenda in the region.	

Source: Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean [online] <https://agenda2030lac.org/en/civil-society>.

Harmonizing the interests of diverse stakeholders and the different thematic agendas is one of the most complex challenges for the organizations and networks involved in the Mechanism. The civil society representatives convened by the Forum are undoubtedly working towards a common overarching goal, but at the same time they also have specific, complementary and sometimes divergent objectives. The pursuit of a shared goal (making the 2030 Agenda and its SDGs a reality) maximizes the influence of these organizations among decision makers. However, it is also necessary to distinguish between different stakeholders and agendas to create spaces for advocacy and improve positioning for the achievement of specific interests.¹⁴

¹⁴ Inevitably, in this framework of action, what is considered a success for some stakeholders and agendas may not be perceived in the same way by others, which creates a certain instability and risk of fragmentation in the group.

While recognizing their heterogeneous nature and the complexity of their multiple thematic agendas, through the Liaison Committee, the region's civil society organizations have decided to express themselves with one voice, seeking to achieve a common goal and a series of shared objectives. This requires an operational framework capable of ensuring the institutionalization of dialogue, both within the Mechanism and with government representatives, the United Nations system and other stakeholders. This framework is consistent with a deliberative conception of participation, characterized by multiple channels of consultation, convergence and agreement, which, in turn, make it possible to address possible conflicts and disagreements, as indicated below:

As groups and collectives with diverse interests and differences, we 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 that leaves no one behind. We work according to the following basic principles: 1- Human Rights Framework and its progressivity; 2- Gender equality; 3- Without any type of discrimination and with equality; 4- Economic sustainability; 5- Ecological integrity; 6- Interrelation of the three dimensions of social, economic and environmental development; 7- Intergenerational and intercultural approach; 8- Transparency and accountability and 9- Incorporating regional agendas on Human Rights and Development, such as the Montevideo Consensus, as it is a regional advancement and a global contribution.¹⁵

2. The demand for forums for dialogue as a key element in the positioning of civil society in the region

On the basis of the institutional arrangements of the Mechanism, the meetings of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development have provided civil society organizations and networks in the region with a valuable space for coordination, dialogue and advocacy, which has guaranteed contact between different stakeholder groups and representatives of government and the United Nations system, through formal and informal forums, such as the meetings of members of Latin American and Caribbean civil society prior to the Forum meetings, the participation of civil society panellists in the different panel discussions at the meetings of the Forum, and the statements of Latin American and Caribbean civil society organizations made at the Forum meetings.

One of the main and consistent areas of focus of the advocacy of civil society organizations in the region has been the search for spaces and instruments for meetings and dialogue with government representatives of the Forum's member countries. Civil society considers this space fundamental to achieve effective participatory governance at the regional level, under the terms proposed by the 2030 Agenda.

The first of the civil society statements to the Forum (2017) is clear in stating that: "Implementation of the 2030 Agenda must guarantee full participation of civil society organizations at all levels and stages. Organizations must enjoy an enabling environment for their full participation, which includes taking part in the design, decision-making, implementation, monitoring and assessment stages, as well as having access to reliable information and statistical data. Also essential are a participatory political culture, and transparency and accountability mechanisms for the execution of programmes and policies related to SDGs."¹⁶

¹⁵ See "Latin America and the Caribbean Civil Society Declaration Towards High Level Political Forum 2019" [online] <https://foroalc2030.cepal.org/2019/en/documents/latin-america-and-caribbean-civil-society-declaration-towards-high-level-political-forum>.

¹⁶ See "Documento de posicionamiento de las Organizaciones de la Sociedad Civil ante el Foro de los Países de América Latina y el Caribe sobre Desarrollo Sostenible" [online] <https://foroalc2030.cepal.org/2017/en/stakeholder/civil-society>.

The statement made at the second meeting of the Forum (2018) re-emphasizes the same point, more emphatically: “The role of civil society organizations is one of co-responsibility in the implementation, follow-up and monitoring of the 2030 Agenda at the local, national, regional and international levels, but this has not been respected by governments.”¹⁷

The civil society statement at the third meeting of the Forum (2019), “Two monologues do not make a dialogue”, represented a turning point with respect to the demand to broaden the spaces for dialogue between governments and the different stakeholders of the Forum.¹⁸ The contributions of civil society to the Agenda are undeniable and have been recognized in different areas. However, this is the third time we have arrived at this Forum and we have found a document agreed only by the governments, without real spaces for the effective participation of civil society. Where is the dialogue? Two monologues do not make a dialogue.”¹⁹

The declaration at the fourth meeting of the Forum (2021) recognizes the progress made, but insists on the need to advance in the expansion of mechanisms for dialogue at the regional level. The constitution of the Civil Society Participation Mechanism in the III Regional Forum of Latin American and Caribbean Countries on Sustainable Development in 2018 was an important advance, but still not enough to ensure dialogue in a meaningful way between government representatives and civil society in the Regional Forums.”²⁰

Lastly, the civil society statement at the fifth meeting of the Forum (2022) highlights the responsibility of governments to ensure full participation of civil society at all levels. “States should recognize the role of social dialogue as a means to define and implement inclusive and sustainable recovery policies. We reiterate that transformative progress on the SDGs will not be possible without a civil society that is fully participatory and active, but equally recognized and incorporated into development processes, which is the responsibility of current governments.”²¹

Despite the disagreement expressed by representatives of civil society in their statements, the progressive impact of the Mechanism for civil society participation on government delegations has been significant, with evolving references to civil society and its role in the achievement of the SDGs in the intergovernmentally agreed conclusions and recommendations at the various meetings of the Forum.

The intergovernmental declaration of the first meeting of the Forum (2017) recalls the participatory and inclusive character of the 2030 Agenda, which encourages the participation of all relevant stakeholders, and recommends “to ensure, as appropriate, an effective and significant participation of civil society organizations, academia and private sector at the upcoming meetings of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development” (ECLAC, 2017, annex 1, para. 16).

In the declaration of the second meeting of the Forum (2018), government representatives welcome “the contributions of all relevant stakeholders to the implementation of the 2030 Agenda in the region”, including civil society, and encourage “their continued commitment to ensure that no one is left behind” (ECLAC, 2018b, annex 1, para. 29).

The agreed conclusions and recommendations of the third meeting of the Forum (2019) include many more references to civil society. They state that “tackling inequality requires, inter alia, partnership between governments, the private sector, and civil society” (ECLAC, 2019, annex 1, para. 11); the Forum

¹⁷ See “They want to leave us behind. And we will not allow it. Declaration by civil society organizations in Latin America and the Caribbean” [online] <https://foroalc2030.cepal.org/2018/en/documents/declaration-civil-society-organizations-latin-america-and-caribbean>.

¹⁸ The impact of this declaration has been a gradual redefinition of the spaces and mechanisms for dialogue between civil society organizations, governments and the United Nations system at subsequent meetings of the Forum.

¹⁹ See [online] <https://foroalc2030.cepal.org/2019/en/documents/declaration-civil-society-organizations-latin-america-and-caribbean>.

²⁰ See [online] <https://foroalc2030.cepal.org/2021/en/stakeholders/civil-society>.

²¹ See [online] <https://repositorio.cepal.org/handle/11362/48011>.

is recognized as “an example of regional coordination of multiple stakeholders, such as governments, the United Nations system, the private sector, academia and civil society, to implement the 2030 Agenda” (ECLAC, 2019, annex 1, para. 42), and participants welcome the contributions of stakeholders, including civil society, and take note “of the work of civil society to strengthen their engagement, including through the Mechanism for the participation of civil society in the Sustainable Development Agenda” (ECLAC, 2019, annex 1, para. 53).

In the declaration of the fourth meeting of the Forum (2021), government representatives recognize, once again, the value of the Forum, which, as a regional mechanism to follow up and review the implementation of the 2030 Agenda, “has become an example of regional coordination of multiple stakeholders, such as governments, the United Nations system, the private sector, academia and civil society, to implement the 2030 Agenda for Sustainable Development in Latin America and the Caribbean” (ECLAC, 2021, annex 1, para. 84). Subsequently, the governments again emphasize on several occasions the role of civil society, specifying the value of the Forum’s Mechanism for participation, welcoming “the work of civil society to strengthen their engagement in the Forum, including through the Mechanism for the participation of civil society in the Sustainable Development Agenda” (ECLAC, 2021, annex 1, para. 88).

The declaration of the fifth meeting of the Forum (2022) reiterates and reinforces all the elements indicated in the declaration of the previous meeting regarding the value of the Forum as a meeting space for multi-stakeholders and the significant role of civil society organizations in the region in the follow-up and review of the 2030 Agenda.²²

Thus, throughout the various meetings of the Forum, civil society organizations and government representatives have recognized that only through integrated cooperation among multiple stakeholders will it be possible to address the complex challenges faced by the region as it works to achieve the SDGs. Medium- and long-term solutions must emerge from a participatory, multilevel governance structure (global, regional, national and local), based on multi-stakeholder dialogue, in which organized civil society plays a key role.

In light of the complex challenges posed by participatory governance, the Forum, together with the Mechanism for the participation of civil society, is uniquely positioned in the region to coordinate joint efforts, facilitate dialogue and encourage the building of partnerships between governments and civil society organizations and networks. In addition, the Forum also provides a privileged space for the various United Nations entities to harmonize their efforts. The space for civil society participation should not be limited to the annual meeting of the Forum. Ensuring that working groups have agendas and assignments between meetings could speed up the materialization of civil society input.

D. The Community of Practice on voluntary national reviews in Latin America and the Caribbean

The 2030 Agenda for Sustainable Development encourages United Nations Member States to conduct periodic and inclusive country-led reviews of progress at the national and subnational levels, as part of their follow-up and review mechanisms, to facilitate peer-to-peer sharing of experiences, including achievements, challenges and solutions to overcome them and lessons learned. Voluntary national reviews facilitate alignment with other national, regional and global development frameworks, drive implementation of the SDGs both nationally and locally, mobilize multi-stakeholder support, foster partnerships and strengthen public awareness of the importance of a shared path to sustainable development. They also identify challenges and opportunities to accelerate the implementation of the SDGs.

²² See ECLAC (2022e, annex 1, paras. 15, 21, 95, 99 and 100).

The Community of Practice on the voluntary national reviews²³ of the countries of Latin America and the Caribbean, established by ECLAC in December 2019, has become a recognized regional platform for peer-to-peer learning, collaboration and exchange of experiences, knowledge and best practices on the implementation of the 2030 Agenda and the SDGs. It is an informal, open and inclusive 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 a diverse group of government officials, professionals, researchers and technicians, along with representatives of ECLAC and the rest of the United Nations system, including the offices of the resident coordinators.

The Community of Practice on voluntary national reviews has 188 regular members from the 33 countries of the region and is composed of 61% women and 39% men. On occasion, representatives of civil society, young people, the private sector and academia, along with local authorities and other key actors for the achievement of the 2030 Agenda are also invited. For example, at the January 2023 session organized jointly with the United Nations Global Compact,²⁴ invitations were extended to representatives of the private sector to allow for a meaningful exchange on their role in the implementation of the 2030 Agenda and the preparation of VNRs in the region.

The topics of the monthly discussions are always guided by the demands of the countries in the region and include a wide range of areas relevant to the SDGs, such as localization of the 2030 Agenda, meaningful multi-stakeholder engagement, 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, the impact of climate change and the socioeconomic consequences of the COVID-19 pandemic.

1. The Community of Practice in action

The Community of Practice brings together four generations of VNRs²⁵ of the region on a virtual platform to enable mutual learning among its members, many of whom highlight the benefits of learning from each other about the opportunities and challenges in the run up to 2030. Community of Practice evaluations conducted in 2020 and 2021 confirmed that it is highly valued. One of the points most frequently highlighted in these evaluations is the Community of Practice's strength in providing an informal and trusted space for peer-to-peer exchange that respects confidentiality (Chatham House Rule) and provides constructive feedback in the preparation stages of the reviews, and in the identification of difficulties and overcoming them at the local, national and regional levels, particularly between countries with more experience in presenting these reviews and those that are preparing them for the very first time.

Between December 2019 and January 2022, 48 virtual meetings of the Community of Practice were held to support the region's countries in the process of preparing voluntary national reviews and monitoring implementation of the 2030 Agenda. Initially, the Community of Practice involved separate discussion spaces in Spanish for Latin American countries and in English for Caribbean countries, with a focus on subregional specificities. Since December 2021, sessions have included all countries of the region and Spanish and English interpretation services have been provided.

²³ These reviews are an essential part of the periodic reviews conducted at meetings of the high-level political forum on sustainable development. As stipulated in the 2030 Agenda, the reviews presented to the forum are led by member States and 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.

²⁴ For more details on this session, see [online] <https://www.cepal.org/en/events/26-jan-2023-role-private-sector-implementation-2030-agenda-sustainable-development-latin>.

²⁵ While Saint Kitts and Nevis will present its first VNR in 2023, Uruguay presented its fourth VNR in 2022. This is why mention has been made of four generations of VNRs.

In spite of the differences in economic, social and environmental contexts of the countries of the region in general, and the two subregions in particular, it was shown that they can benefit from the exchange of best practices and methodologies for the preparation and follow-up of a VNR to overcome the systemic challenges faced. A concrete example is how the multiple impacts of the COVID-19 pandemic were addressed in the region with responses aligned with the SDGs, such as the principle of participation through multi-stakeholder consultations to analyse health measures and assess challenges.

The Community of Practice has facilitated peer-to-peer learning to address the challenges posed by the pandemic and overcome them together with innovative ideas, such as the generation of data for statistical tracking or strategies to engage stakeholders in a meaningful way while in lockdown. Although the key actors and partners vary greatly from one country to the next, methodologies and tools for ensuring inclusive and diverse participation can be adapted to different national contexts.

Many countries in the region also mention the benefits of the Community of Practice and the substantive support of ECLAC in the preparation of their reviews in the actual reviews and presentations to the high-level political forum on sustainable development. Argentina, for example, recognized the importance of the Community of Practice and the Forum of the Countries of Latin America and the Caribbean on Sustainable Development in its 2022 VNR,²⁶ used official ECLAC publications and data as a basis in this process, and highlighted the work of ECLAC in its presentation of the review to the high-level political forum in New York, and advocated for greater regional cooperation to overcome global challenges.

2. Multiple stakeholders and key stakeholders in the Community of Practice

With so little time to meet the 2030 Agenda targets, and given the harmful effects of the COVID-19 pandemic and other challenges, progress towards many of the 2030 targets has slowed (see chapter III), so additional efforts and an unprecedented level of collective action are needed to put them back on course. One of the recurrent issues in discussions within the ECLAC Community of Practice has been multi-stakeholder participation in the VNR preparation process. Stakeholder engagement in the region has become an inclusive exercise to provide meaningful opportunities for participation to a wide range of stakeholders, to fulfil the 2030 Agenda.

Jamaica, for example, included several non-governmental stakeholders—including youth and private sector representatives—as official members of the delegation that presented its 2022 review to the high-level political forum on sustainable development.²⁷ Some countries include a specific section on participation of key stakeholders in their VNR and allow these stakeholders to provide their own wording, while other countries encourage participation in producing data to measure progress toward the SDGs. For example, Colombia and Cuba publicly and transparently display stakeholder contributions on their 2030 Agenda online knowledge platforms, while Mexico has conducted a survey to identify the main areas in which civil society organizations are contributing to the Goals, with a focus on children and young people.

At the session on 26 January 2023, more than 100 participants from 23 countries in the region reflected on the role of the private sector in implementation of the 2030 Agenda and the VNR process in Latin America and the Caribbean. During the session, participants underscored that private sector organizations—from SMEs to business chambers, large corporations and multinationals—can make key contributions to achieving the SDGs: the private sector can drive the transition to sustainable production and consumption patterns in various sectors, create decent jobs, with a rights-based

²⁶ See [online] <https://hlpf.un.org/countries/argentina/voluntary-national-review-2022>.

²⁷ For more information see Jamaica's presentation to the 2022 meeting of the high-level political forum on sustainable development [online] <https://media.un.org/en/asset/k10/k105ktmwbc>.

approach, and contribute to gender equality. In pursuing the SDG targets, companies can also engage in public-private partnerships for implementation of the 2030 Agenda, including to support crucial research and development capacities in developing countries. Private sector participation is also an opportunity for adaptation of business models to the challenges of the 2030 Agenda. Including private sector contributions facilitates public-private dialogue and consensus-building on key national-level sustainability measures to be implemented.

The private sector can also play an important role in the VNR process. In the case of Jamaica's second VNR in 2022, the private sector monitored the review process, produced data and prepared a report on strengthening corporate social responsibility.²⁸ Honduras has an SDG business platform that contributed to the country's VNR and enables multi-stakeholder work to build capacities, boost knowledge and ownership of the 2030 Agenda in the country, align private sector contributions to the 2030 Agenda through a Global Reporting Initiative (GRI) methodology and improve business performance.²⁹ In Colombia, a set of company measurements were performed with the support of the SDG Corporate Tracker, in order to gauge and report on companies' contributions, and thus raise awareness of them. The results were included in Colombia's third VNR in 2021.³⁰ For its third VNR, to be presented in 2023, Chile is renewing its partnership with the Global Compact network in Chile to improve the methodology for gathering information on the private sector's contribution to the SDGs. Based on the results of a data initiative to measure private sector contributions to the SDGs, the Centre for International Strategic Thinking (CEPEI) highlighted 350 public-private data partnerships in Latin America and the Caribbean.³¹

As discussed in this chapter, in addition to civil society and the private sector, local and subnational governments are increasingly important stakeholders in Community of Practice discussions. 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 linking with the 2030 Agenda and its integration into territorial plans, programmes and projects.

The nature of VNRs is evolving and reviews are becoming a more analytical tool of countries' complex national circumstances. It is increasingly common for VNRs from the region to analyse the entire 2030 Agenda, covering the three dimensions of sustainable development (economic, social and environmental), with a specific section on the 2030 Agenda and the promise to leave no one behind, facilitating decision-making and monitoring of policies and maintaining continuity across VNRs, as specific solutions for overcoming challenges identified in previous reviews. The analysis of many VNRs in the region is based on empirical data and lessons learned and offers tangible solutions to accelerate SDG implementation. All countries in the region have understood that a VNR is not an end in itself, but a process through which countries take stock on the road to 2030 and beyond. Several VNRs have become catalysts for implementation of the SDGs at the national level and strengthen coordination between the government and society as a whole. As the midpoint for implementation of the 2030 Agenda approaches, countries are encouraged to identify, as part of their reviews, how they will seek to close the SDG gap by 2030. These inputs will also be key contributions to preparations for the high-level political forum on sustainable development, to be held in September 2023.

²⁸ For more information on Jamaica's presentation within the Community see [online] https://www.cepal.org/sites/default/files/events/files/jamaica_5.pdf.

²⁹ For more details on the Honduran Council of Private Enterprise (COHEP) presentation within the Community see [online] https://www.cepal.org/sites/default/files/events/files/honduras_1.pdf.

³⁰ For more details on the presentation of the Colombia Global Compact network in the framework of the Community see [online] https://www.pactoglobal-colombia.org/booklibrary/57_los-ods/187_unidos-por-los-ods-%E2%80%93-el-aporte-de-las-empresas-a-los-objetivos-de-desarrollo-sostenible-2021.html.

³¹ For more details of the CEPEI presentation within the framework of the Community see [online] <https://www.cepal.org/en/events/26-jan-2023-role-private-sector-implementation-2030-agenda-sustainable-development-latin>.

E. Challenges and progress within the framework of the Caribbean Development and Cooperation Committee (CDCC)

During 2022, discussions within the Caribbean Development and Cooperation Committee (CDCC) focused on repositioning, recovery and resilience of the subregion. The combined effects of the COVID-19 pandemic, the conflict in Ukraine, and a succession of climate and environmental shocks exacerbated economic and social vulnerabilities in the Caribbean and hampered progress towards the key SDGs. In the wake of the pandemic, the Caribbean faces a situation of larger debt burdens and tighter budgets, limiting room to build resilience. Declining global foreign direct investment (FDI) flows, domestic financial markets that are not yet mature and the inaccessibility of concessional financing have intensified the Caribbean's need to find innovative and affordable sources of financing. Therefore, during the October 2022 meetings, CDCC endorsed the approach proposed by ECLAC to move forward with the reconceptualized Caribbean Resilience Fund (see box IV.3 in chapter IV), the plans to review implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway and the preparations for the fourth International Conference on Small Island Developing States, to be held in the Caribbean subregion (ECLAC, 2023a). In discussing pervasive regional issues, representatives agreed on the need to effectively measure multidimensional vulnerability, strengthen the regional statistical ecosystem, improve cooperation and better leverage global partnerships for financing and resilience, and enhance the Caribbean's integration with Latin America and the global economy. The Committee also called on ECLAC to provide more support to associate members.

F. Subsidiary bodies of ECLAC

The chairs of the subsidiary bodies of ECLAC report to the high-level political forum on sustainable development on significant contributions to implementation of the 2030 Agenda for Sustainable Development at the regional level. These intergovernmental bodies examine the various public policy issues in the region, facilitate cooperation and peer-to-peer learning based on comparative experiences, adopt regional consensus in their respective areas of responsibility and issue mandates for the ECLAC secretariat. Table II.6 lists all the subsidiary bodies and intergovernmental meetings of ECLAC.

Table II.6
Subsidiary bodies and intergovernmental meetings of the Economic Commission for Latin America and the Caribbean or of which it is secretariat (ECLAC)

Subsidiary bodies and Committee of the Whole
Committee of the Whole
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)
Regional Conference on South-South Cooperation in Latin America and the Caribbean
Intergovernmental meetings
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 Ministers and Highest Authorities of Housing and Urbanism of Latin America and the Caribbean (MINURVI)
Forum of the Countries of Latin America and the Caribbean on Sustainable Development
Treaty bodies
Conference of the Parties to the 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).

1. Outcomes of the meetings held in 2022

This section provides information on the proposals and agreements reached at meetings of subsidiary, intergovernmental and treaty bodies held during the past year.

(a) The Eighth Ministerial Conference on the Information Society in Latin America and the Caribbean

In November 2022, the Eighth Ministerial Conference on the Information Society in Latin America and the Caribbean was held in Montevideo, during which the countries of the region adopted the Digital Agenda for Latin America and the Caribbean (eLAC2024), with 31 goals distributed across four pillars, with a cross-cutting gender perspective.

The pandemic accelerated digitalization and highlighted the important role of telecommunications for economic activity. However, it also exposed and deepened the differences and vulnerabilities related to this process, meaning that Latin America and the Caribbean must narrow the digital divide and foster innovation and technological development. In Goal 9, technological advances are considered vital for identifying lasting solutions to economic, social and environmental challenges, and its main targets include increasing access to information and communications technologies (ICTs) and striving to provide universal and affordable Internet access.

The first pillar of the Digital Agenda for Latin America and the Caribbean (eLAC2024) relates to the push for universal and inclusive digitalization, and is mainly linked to infrastructure, connectivity, the development of skills and competencies, and the fundamentals needed to move towards better governance, security and an enabling environment. The second pillar involves productive and sustainable digital transformation, and covers aspects related to the digital economy, entrepreneurship, innovation and sustainability, in a context in which climate change and reducing environmental impacts are increasingly important. The third pillar is linked to digital transformation for social welfare and incorporates themes related to inclusion, innovation and digital transformation of the State. The fourth pillar refers to new partnerships and incorporates actions related to trade integration, the regional digital market and cooperation (ECLAC, 2022a).

(b) The Regional Conference on Women in Latin America and the Caribbean

The Regional Conference on Women in Latin America and the Caribbean is supported by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). During the fifteenth session of the Regional Conference, held in Buenos Aires in November 2022, the Buenos Aires Commitment was adopted, recognizing care as a right to provide and receive care and to exercise self-care based on the principles of equality, universality and social and gender co-responsibility, and therefore, as a responsibility that must be shared by people of all sectors of society, families, communities, businesses and the State (ECLAC, 2022b).

In the Buenos Aires Commitment, the countries also undertook to ensure the right to care through the implementation of comprehensive care policies and systems from a gender, intersectional, intercultural and human rights perspective. They also made a commitment to explore debt relief options for highly indebted countries, to secure the necessary resources for implementation of the Regional Gender Agenda and the 2030 Agenda, and to promote measurements of well-being that complement GDP, ensuring that care work is made visible and valued. Lastly, the countries commended the Statistical Conference of the Americas and the Regional Conference on Women in Latin America and the Caribbean for their coordinated efforts to mainstream gender in national statistical systems.



The Buenos Aires Commitment adds to the Regional Gender Agenda with the aim of addressing the unequal distribution of care work and highlighting the lack of care services and the failure to recognize the social value of domestic work, which directly undermine achievement of Goal 5.

(c) The Statistical Conference of the Americas

During the twenty-first meeting of the Executive Committee of the Statistical Conference of the Americas of ECLAC, held in Santiago in August 2022, the countries took note of the document *Breaking the statistical silence to achieve gender equality by 2030: implementing the information systems pillar of the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030* (ECLAC, 2022c), as a combined contribution of the Regional Conference on Women in Latin America and the Caribbean and the Statistical Conference of the Americas to strengthening production of information on gender inequalities and to supporting implementation of the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030.

(d) The Regional Conference on Population and Development in Latin America and the Caribbean

The Regional Conference on Population and Development in Latin America and the Caribbean is supported by the United Nations Population Fund (UNFPA). At the fourth session of the Conference, held in Santiago in June 2022, the countries of Latin America and the Caribbean reaffirmed the Montevideo Consensus on Population and Development (2013) as the basis for a comprehensive road map for national and regional action on population and development and the Programme of Action of the International Conference on Population and Development, while recognizing its synergy with implementation of the 2030 Agenda for Sustainable Development (ECLAC, 2023b). The countries also recognized the strategic role of the Montevideo Consensus as a framework for implementing responses to the repercussions of the COVID-19 pandemic on the living conditions and exercise of rights of the population, the multiple axes of inequality and the three dimensions of sustainable development —economic, social and environmental—, with a view to recovery and social and economic transformation.

The countries called for enhanced fulfilment of the priority measures of the Montevideo Consensus, through specific actions, adequate allocation of resources and the creation and strengthening of institutional mechanisms for its implementation and follow-up, especially as regards attending to populations severely affected by the COVID-19 pandemic.

Lastly, the Conference urged the other subsidiary bodies of ECLAC, in particular the Regional Conference on Women in Latin America and the Caribbean, the Regional Conference on Social Development in Latin America and the Caribbean, the Statistical Conference of the Americas and the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, to strengthen synergies in areas relating to the themes of the Montevideo Consensus on Population and Development, with the participation of civil society.

(e) The Regional Intergovernmental Conference on Ageing and the Rights of Older Persons in Latin America and the Caribbean

The Fifth Regional Intergovernmental Conference on Ageing and the Rights of Older Persons in Latin America and the Caribbean was held in Santiago from 13 to 15 December 2022. During the Conference, the countries adopted the Santiago Declaration entitled “Human rights and participation

of older persons: towards an inclusive and resilient care society”. The Declaration calls upon all States and the international community to intensify cooperation for full implementation of the 2030 Agenda for Sustainable Development and fulfilment of the SDGs, and to mobilize the resources needed to do so, in accordance with national plans and strategies to improve the well-being of older persons (ECLAC, 2022d).

In the Declaration, the countries also call upon States to recognize and take action with regard to the digital divide affecting older persons and reaffirm their commitment to the development of universal, comprehensive, sustainable and resilient social protection systems that allow guaranteed access, without discrimination, to quality health, housing and basic services. In addition, the countries requested ECLAC to step up activities relating to ageing and the rights of older persons in all its programmes and subsidiary bodies, and particularly in the context of the Regional Conference on Population and Development in Latin America and the Caribbean, the Regional Conference on Women in Latin America and the Caribbean and the Regional Conference on Social Development in Latin America and the Caribbean, to help the governments of Latin America and the Caribbean to adopt actions that ensure the full enjoyment of all human rights, fundamental freedoms and the dignity of older persons, with the participation of civil society.

(f) The Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean

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.

In April 2022, the first meeting of the Conference of the Parties to the Escazú Agreement was held in a hybrid format at ECLAC headquarters in Santiago. The Parties adopted a Political Declaration in which they highlighted the role of the rights of access to information, public participation and access to justice in environmental matters and of the 2030 Agenda for Sustainable Development and all the SDGs as vital road maps for bringing about transformative recovery and sustainable development in Latin America and the Caribbean, ensuring that no one is left behind. The Parties also encouraged all countries of the region that were not signatories or Parties to the Escazú Agreement and that wished to accede to the Agreement, to do so at the earliest opportunity. At the meeting, the States Parties adopted the rules of procedure of the Conference of the Parties and the rules relating to the structure and functions of the Committee to Support Implementation and Compliance, as a subsidiary body of the Conference of the Parties established to promote implementation of the Agreement and to support the Parties in that regard.

The adopted rules of procedure of the Conference of the Parties provide for meaningful public participation in the form of attendance, reporting and making statements, in both face-to-face and online meetings. It was also established that the Secretariat shall maintain a regional public mechanism whereby interested persons can select representatives of the public online, in order to encourage and facilitate public participation and to channel their contributions. On 2 and 3 November 2022, the representatives of the public for the Escazú Agreement were selected through the regional public mechanism, with six new elected public representatives.³²

³² See [online] <https://www.cepal.org/en/notes/meet-new-elected-representatives-public-escazu-agreement>.



(g) The Caribbean Development and Cooperation Committee (CDCC)

The Caribbean Development and Cooperation Committee (CDCC) held its twenty-ninth session on 14 October 2022 in Paramaribo. The subregion's prospects for recovery and repositioning in the wake of the COVID-19 pandemic were discussed, as well as progress on the SDGs and the review of implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway.

The countries of the Caribbean subregion adopted six resolutions. In resolution 108(XXIX), on safeguarding the gains made in the implementation of the 2030 Agenda and the Sustainable Development Goals in the Caribbean subregion, the countries called for accelerated implementation of the 2030 Agenda to meet the SDGs by scaling up national actions to promulgate enabling policies, allocating dedicated budgets and strengthening relevant institutional and regulatory frameworks, and for promotion of people-centred action in the implementation of the SDGs by engaging stakeholders, especially the private sector, civil society, women and young people.

In resolution 109(XXIX), the governments noted the progress towards the establishment of the Caribbean Resilience Fund and urged continued work towards its operationalization. They also encouraged support for the consortium of regional development agencies that will manage the operations of the Fund and authorized the Commission to initiate consultations towards finalizing the articles of agreement for establishment of the Fund. Lastly, the governments called on international development partners, donor countries, international financial institutions and climate finance agencies to support the establishment of the Fund.

In resolution 110(XXIX), the governments acknowledged the relevance of the Escazú Agreement in promoting sustainable development in the Caribbean small island developing States, through its support for implementation of the 2030 Agenda for Sustainable Development, the SIDS Accelerated Modalities of Action (SAMOA) Pathway, the Paris Agreement and other international development platforms and also invited all Caribbean States to consider ratifying or acceding to the Escazú Agreement.

(h) The Forum of Ministers and Highest Authorities of Housing and Urbanism of Latin America and the Caribbean

In December 2022, the thirty-first session of the General Assembly of Ministers and High-level Authorities of the Housing and Urban Development Sector in Latin America and the Caribbean (MINURVI) was held at ECLAC headquarters in Santiago. MINURVI is a space for intergovernmental dialogue, coordination and cooperation that fosters sustainable development of human settlements, housing and cities, with ECLAC and the United Nations Human Settlements Programme (UN-Habitat) as technical secretariat of the Assembly's Executive Committee. In the Declaration of Santiago, adopted during the session, on transforming and humanizing the city and the territory,³³ the ministers upheld the commitments in the 2030 Agenda and its SDGs, the New Urban Agenda and those agreed at the global level on climate change and disaster risk reduction.

The Declaration also calls for further deepening of cooperation ties between the countries of the region and international organizations that provide official development assistance (ODA). The countries also undertook to promote development of inclusive cities with a gender- and care-based approach to urban housing policies, in order to address existing inequalities from a multidimensional perspective. The Declaration underscores the need to foster mobilization and management of resources as part of ODA, prioritizing projects that are aligned with the SDGs and especially Goal 11. Countries in the region are also encouraged to actively participate in the follow-up of the SDGs from a housing and urban planning perspective in the framework of the 2023 meeting of the high-level political forum on sustainable development.

³³ See [online] <https://minurvi.org/wp-content/uploads/2022/12/DECLARACION-DE-SANTIAGO-XXXI-ASAMBLEA-DE-MINURVI.pdf>.

Of note in this respect is the creation of the Urban and Cities Platform of Latin America and the Caribbean,³⁴ a joint initiative of MINURVI, ECLAC and UN-Habitat that provides its users with an objective tool to monitor implementation of the urban dimension of the 2030 Agenda, the New Urban Agenda and the Regional Action Plan for the implementation of the New Urban Agenda in Latin America and the Caribbean, 2016–2036, while providing a space to facilitate sharing of experiences and ideas, in order to build regional, national and subnational capacities for sustainable urban development and foster South-South cooperation as a horizontal learning mechanism.

(i) The Regional Conference on South-South Cooperation in Latin America and the Caribbean

The COVID-19 pandemic has been a reminder that never before has humanity been so interconnected and interdependent. Although international cooperation mitigated some of the damage caused by COVID-19, the response to the pandemic also revealed gaps in the effectiveness of multilateral action when it was needed most (United Nations, 2021). In this regard, the creation of the Regional Conference on South-South Cooperation in Latin America and the Caribbean, as a subsidiary body, can and should be a contribution to implementation of the 2030 Agenda and to stronger synergies with the other subsidiary bodies of ECLAC. The Conference was created through resolution 752(PLEN.36), adopted by ECLAC member countries during the thirty-sixth session of its Committee of the Whole in December 2021.

The objectives of this body include: strengthening national South-South and triangular cooperation mechanisms and possible linkages with North-South and multilateral cooperation; furthering South-South and triangular cooperation among regional and extraregional stakeholders, including donor countries and international organizations, to facilitate technology and knowledge transfer and joint activities in the field of cooperation; and examining the experiences of South-South and triangular cooperation in the countries of Latin America and the Caribbean and to make progress in evaluating them, in conjunction with the relevant subsidiary bodies that conduct studies in this field.

The first session of the Conference will be held at ECLAC headquarters in Santiago on 30 and 31 May 2023. The topics to be discussed include: the challenges of international development cooperation in the new global context; assessment and evaluation of South-South and triangular cooperation; multi-stakeholder cooperation: opportunities for new public-private partnerships; international cooperation in comprehensive management of risks and natural disasters.

Progress on the issues addressed by the subsidiary bodies of ECLAC —and the related progress reports— requires momentum from the countries and leadership from their governments. Experience, however, indicates that technical support from ECLAC and from other United Nations agencies, funds and programmes that provide assistance fosters progress on the agenda and on development, from a multilateral perspective, of a narrative and political content for the region's development agendas.

³⁴ See [online] <https://plataformaurbana.cepal.org/en>.



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CHAPTER III

Measuring progress towards the 2030 targets of the Sustainable Development Goals

Introduction

A. The SDG targets by 2030

B. Latin America and the Caribbean from within: different subregional outlooks to 2030

C. Overview of the targets in Latin America and the Caribbean

Bibliography

Annex III.A1

Annex III.A2

Introduction

The set of targets for the Sustainable Development Goals (SDGs) established in 2015 created a roadmap for United Nations Member States and the international community as a whole to pursue actions geared towards economic and social development from a perspective of sustainable development that does not harm the planet's diverse ecosystems.

This roadmap is supported by a set of metrics, statistics and indicators that can be used to monitor the pathways followed from the outset until the present time and to forecast future behaviour in the effort to reach the prescribed end point. Given that half the distance has now been travelled, it is time to observe the results and evaluate unmet challenges so that the public policies needed for renewed or more rapid progress in the right direction can be implemented and the goals achieved.

As pointed out in previous chapters, the world has yet to fully recover from the coronavirus disease (COVID-19) pandemic. This has been compounded by new shocks forming a series of cascading crises, such as the inflation spike, migration, climate change and others as detailed in chapter I. This situation means that all stakeholders need to make redoubled efforts to realign policies and actions so that they increase their chances of achieving the 2030 Agenda for Sustainable Development, especially in the case of targets that have been particularly affected by the succession of crises.

In 2015, the Statistical Commission of the United Nations proposed an architecture to follow up the SDGs and monitor them using a set of indicators identified by the Inter-agency and Expert Group on Sustainable Development Goal Indicators. This global indicator framework, together with the complementary regional 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, 2019), provides a suitable mechanism for assessing progress towards the 2030 targets.

The present chapter sets out from the global indicator framework and the supplementary regional indicators as a mechanism for analysing scenarios through to 2030. In particular, it analyses whether current pathways are likely to lead to the targets being met, using projective models that incorporate explanatory or regression variables consistent with the available data and the statistically significant relationships observed, thereby updating the diagnoses made and presented in previous reports. Diagnoses are essential for decision-makers and policymakers to identify actions capable of accelerating progress towards the SDG targets.

A. The SDG targets by 2030

With just seven years to go until 2030, it is important to focus on the route to the Agenda targets given the trends observed to date and the recent global and regional context.

The results presented in this chapter are regional forecasts, which are compared to the thresholds set in the 2030 Agenda. On the basis of these comparisons, the indicator series analysed have been classified by the likelihood that the targets will be met on current trends, with and without additional policy interventions. By modelling historical behaviour from a set of explanatory or regression variables, it has been possible to consider the effects of the pandemic on a considerable number of statistical series corresponding to the SDG indicators. The results are summarized in a “traffic light” system, with a colour being assigned to each target that facilitates reading of the achievements and pending challenges in relation to the commitments arising from the Agenda. However, any aggregation exercise is bound to mask the heterogeneity between the series of a given indicator and between the indicators of a given target. It is therefore advisable to peruse the detailed analyses of each of the parts making up the aggregate for a fuller understanding of the results of the “traffic light” system.

Box III.1**More and better data to monitor the 2030 Agenda**

To carry out regional forecasting and compare the results with the thresholds set in the 2030 Agenda, relevant statistical information is crucial. That used in this analysis comes from the United Nations Global SDG Indicators Database. This set of statistical series is complemented by some of the indicators prioritized by the countries of the region for the regional monitoring of the Agenda, the ones used being those for which sufficient data were available to project the series up to 2030.

To implement a follow-up and monitoring mechanism for the SDG indicators such as the one proposed in this chapter, it is essential to have an adequate quantity of robust data. For this reason, right from the outset of the route laid down in the 2030 Agenda, and in ongoing work and initiatives, global and regional work agendas designed to strengthen countries' statistical capabilities have been pursued with a view to producing the primary information needed to calculate the indicators. Increased efforts have also been made in the international statistical system to consolidate traditional official data collection mechanisms, while channels for obtaining information from new data sources, such as social networks, satellite imagery and geospatial data, have been incorporated. The actions undertaken to strengthen statistical capabilities in some Latin American and Caribbean countries, particularly small island developing States (SIDS), are of particular importance. As noted in *Follow-up to and implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States: report of the Secretary-General* (United Nations, 2022, paras. 35–36), constructing the indicators requires an enormous amount of data, and this is a huge challenge for SIDS, as evidenced by the large data gaps in most thematic areas, as well as the lack of recent data in the context of a crisis where timely, high-quality data are more essential than ever. New investments in data and information infrastructure and in institutional, technological and human capabilities are needed to pre-empt crises and trigger earlier responses, anticipate future needs and design the urgent actions needed to make the SAMOA Pathway and the 2030 Agenda for Sustainable Development a reality (United Nations, 2022).

In relation to the Caribbean, ECLAC has indicated that outdated statistical legislation is an obstacle to including new data sources in official statistics and has pointed out that data relating to the SDG indicators are scant, particularly as regards the environmental dimension of the 2030 Agenda. Accordingly, strategies have been designed in the Caribbean, in conjunction with ECLAC, to strengthen statistical capabilities in such a way that the needs are met in a way that reflects the existing institutional architecture and the resources available. The requirement for international and regional support mechanisms means there is a need not only for the involvement of United Nations agencies, funds and programmes specializing in these matters, but also for collaboration between countries facing common challenges through ad hoc institutional arrangements that facilitate technical cooperation.

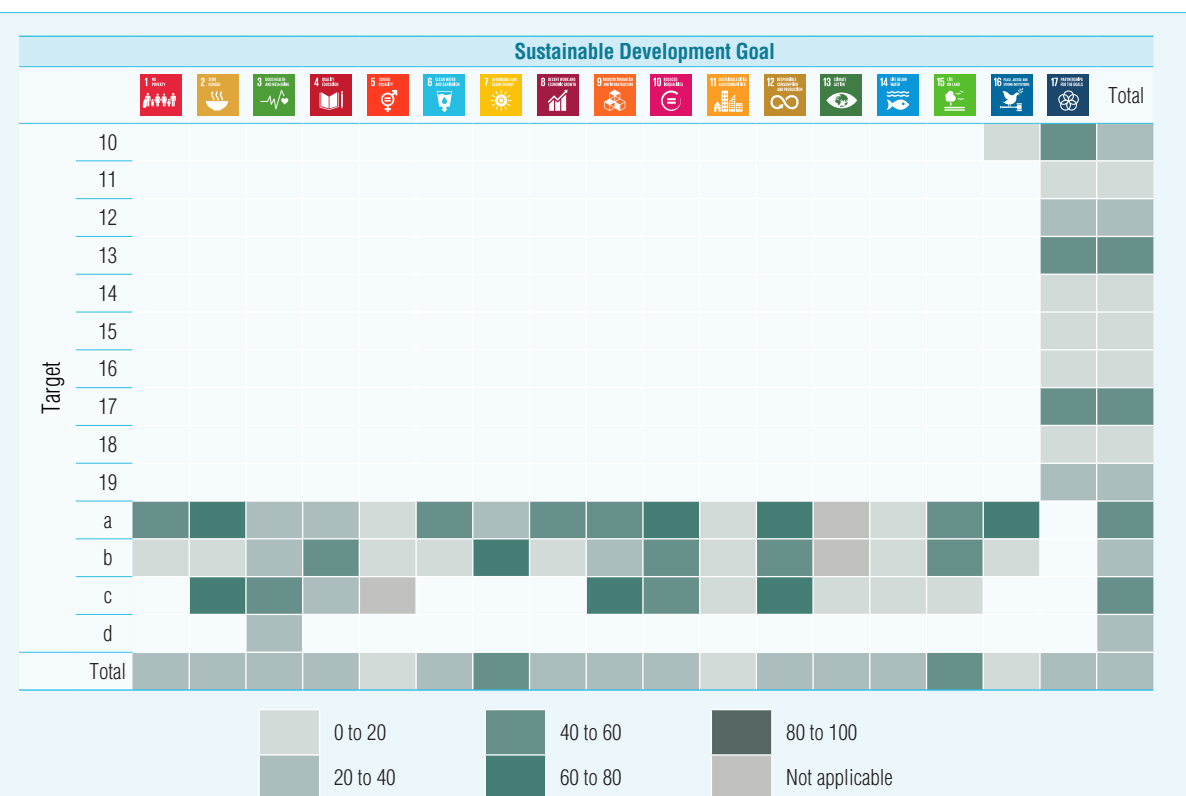
Despite all the efforts, there are still major challenges involved in constructing a dashboard based on comprehensive and robust information that can provide a basis for measures and policy designs to bring about the changes required if the SDGs are to be met. Figure 1 illustrates the availability of data related to the SDG targets.

Figure 1

Latin America and the Caribbean: data available per Sustainable Development Goal (SDG) target as a proportion of total data in the period 2015–2022 for following up the 2030 Agenda for Sustainable Development

(Percentages)





Source: United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, “SDGs in Latin America and the Caribbean: Statistical knowledge management hub” [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: In relation to each target, the average percentage of annual data available in the period for each indicator is given. In the case of indicators composed from more than one statistical series, the series with data available for the most years was taken. See the source cited for further information.

Figure 1 shows that there is great heterogeneity in the data available to monitor the 2030 Agenda: SDG 5, SDG 11 and SDG 16 are the goals with the lowest availability of data for implementing comprehensive monitoring mechanisms.

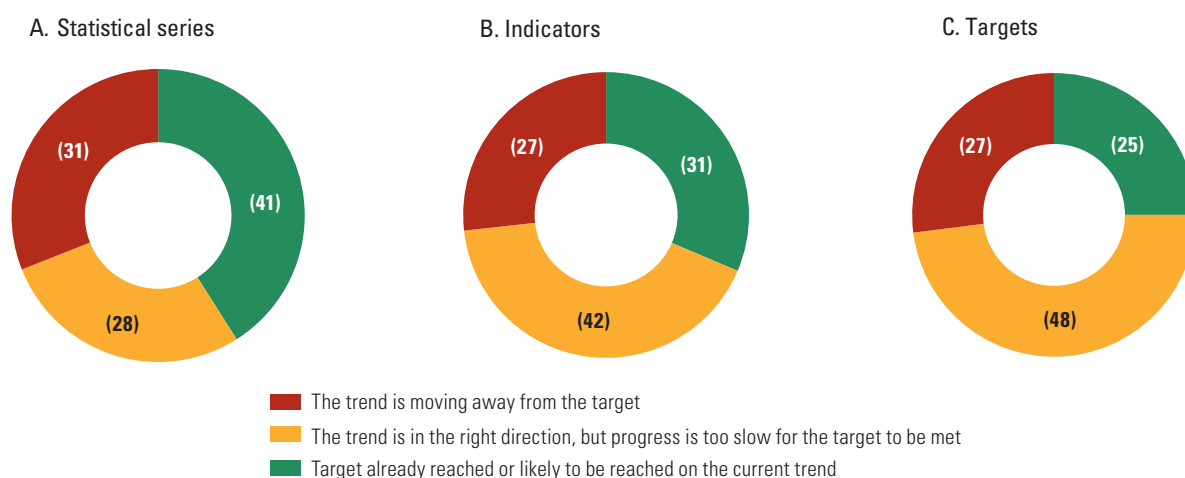
However, the efforts of the international, regional and national statistical community have yielded increasingly abundant and improved information and a growing number of time series and points that can be used to apply the proposed models for projection up to 2030. This increased availability of data provides the basis for a more comprehensive analysis of the Agenda as a whole. So far, the data available in the Latin America and Caribbean region have allowed the following results to be achieved:

- The number of series analysed increased from 72 in 2020 to 177 in 2021, 359 in 2022 and 492 in 2023. The analysis was extended to 172 indicators representing 66% of all those identified in the universe of analysis, the number of indicators having represented 26% of the total in 2020, 42% in 2021 and 56% in 2022.
- This means that enough information was available to project 74% of the indicators in the regional framework designed to monitor the SDGs in Latin America and the Caribbean.
- The exercise allowed trends to be evaluated for 126 targets (85% of the total): 79 of them, representing 86% of the targets covered by the indicators that have been prioritized in the region.
- The SDGs for which the fewest indicator series have been studied are: Goal 11 (sustainable cities and communities), three series; Goal 13 (climate action), six series; and Goal 7 (affordable and clean energy) and Goal 14 (life below water), eight series each.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, “SDGs in Latin America and the Caribbean: Statistical knowledge management hub” [online] <https://agenda2030lac.org/estadisticas/index.html> and United Nations, *Follow-up to and implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States: report of the Secretary-General (A/77/218)*, New York, 2022.

As in the exercises conducted and presented to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development by ECLAC on previous occasions,¹ this chapter analyses the likelihood of the goals for each statistical series being achieved by considering how close the projections are to the thresholds stipulated in the respective targets. To make the results easier to read, a “traffic light” system with green, yellow and red lights is proposed to identify different types of situations: (i) when statistical series are in the green group, it means that the targets have already been achieved or will be by 2030 if the current trend and pace are maintained, and (ii) when series are in the yellow and red groups, it means that the targets will not be achieved by 2030 on current trends unless public policies are implemented to accelerate the pace of progress (yellow) or reverse the observed trend away from the target (red) (see figure III.1).

Figure III.1
Latin America and the Caribbean: statistical series, indicators and targets of the Sustainable Development Goals (SDGs), by likelihood of accomplishment by 2030
(Percentages)



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

Where available data permit, the impact of the pandemic is considered in the exercise. To this end, the model of analysis includes a set of explanatory variables that can account for this effect. In particular, the GDP growth rate is incorporated as an argument variable that captures the effect of the COVID-19 pandemic through the following channels: a contraction in economic activity of around 6.8% in 2020, a recovery of 6.7% in 2021, growth of 3.7% in 2022 and expected growth of 1.3% in 2023. A gradual adjustment of the rate, bringing it back to the predicted level by 2030, is assumed (IMF, 2022).


















The outlook is promising for 41% of the statistical series, 31% of the indicators and 25% of the targets that it has been possible to project to 2030. These findings confirm the heterogeneity of situations in previous years and highlight a slight downward trend in the number of targets with a good outlook.

As stressed in previous reports, it is important to implement policy actions designed to consolidate favourable trajectories, speed up progress where the trend is in the right direction but not strong enough to reach the thresholds set (28% of the series, 42% of the indicators and 48% of the targets) and reverse the trend in cases where a deterioration is expected relative to the 2015 starting point (31% of the series, 27% of the indicators and 27% of the targets).²

¹ See ECLAC (2020, 2021 and 2022).

² See annex III.A1 for a list of the indicators studied.

Table III.1
Latin America and the Caribbean: number of Sustainable Development Goal (SDG) targets, indicators and statistical series analysed, by likelihood of the threshold set being reached by 2030
(Numbers)

Goal	Total			Target already reached or likely to be reached on the current trend			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		
	Goals	Indicators	Series	Goals	Indicators	Series	Goals	Indicators	Series	Goals	Indicators	Series
 1	6	9	35	0	0	2	4	6	21	2	3	12
 2	8	13	26	1	2	8	4	6	7	3	5	11
 3	13	29	73	5	12	38	5	10	15	3	7	20
 4	8	10	62	1	2	18	6	7	35	1	1	9
 5	6	8	12	1	1	4	5	7	7	0	0	1
 6	8	9	42	1	1	23	4	4	8	3	4	11
 7	5	6	8	2	3	5	2	2	2	1	1	1
 8	11	15	35	2	5	12	6	5	6	3	5	17
 9	7	9	15	4	5	11	2	1	1	1	3	3
 10	8	9	37	0	1	8	4	4	16	4	4	13
 11	3	3	3	0	0	0	3	3	3	0	0	0
 12	8	9	47	5	5	21	0	0	2	3	4	24
 13	2	2	6	0	0	2	0	0	0	2	2	4
 14	4	5	8	1	2	5	2	2	2	1	1	1
 15	8	12	25	4	7	19	3	4	4	1	1	2
 16	8	11	38	0	0	8	5	7	17	3	4	13
 17	13	18	51	4	8	25	6	7	7	3	3	19
Total	126	172	492	31	53	203	61	72	138	34	47	151

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

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

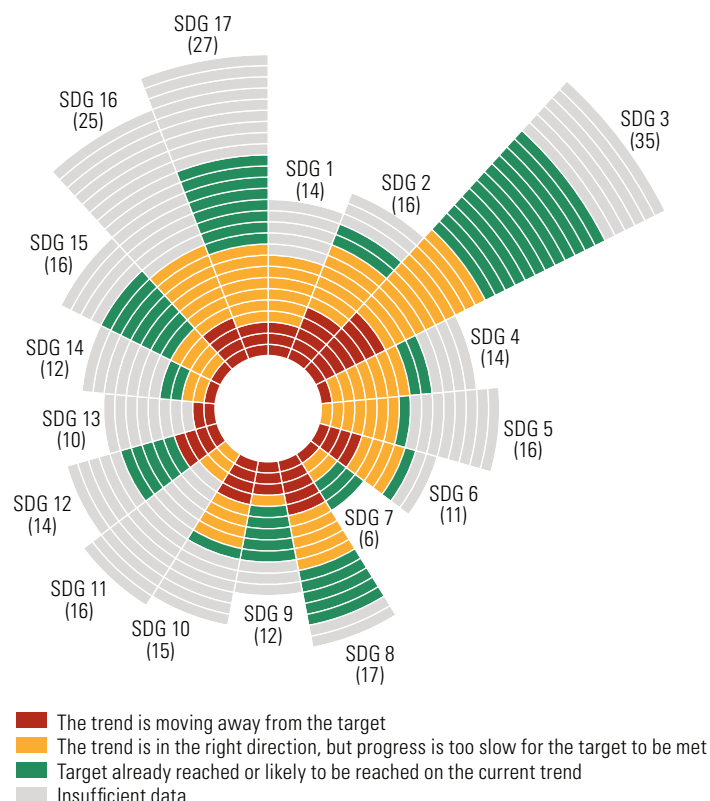
Progress towards the targets of the different goals is very heterogeneous, as is the statistical information available to monitor them. For example, for several goals, such as Goal 1 (end poverty), Goal 11 (sustainable cities and communities), Goal 13 (climate action) and Goal 16 (peace, justice and strong institutions), forecasts based on the available data suggest that the desired thresholds will not be reached by 2030. For another set of goals, such as Goal 5 (gender equality), Goal 6 (clean water and sanitation) and Goal 10 (reduced inequalities), projections based on existing data show that less than 15% of their indicators have a good prospect of achieving the expectations set for 2030 (see table III.1).

In addition, some goals are actually further from being met than they were at the 2015 starting point. This is the case for Goal 6 (clean water and sanitation), Goal 10 (reduced inequalities), Goal 12 (sustainable production and consumption) and Goal 13 (climate action), more than 40% of whose indicators have shown a retrograde trend relative to the starting point.

But the exercise also identifies some favourable situations, with trends running strongly enough in the right direction. Thus, 40% or more of the indicators for Goal 3 (health and well-being), Goal 7 (affordable and clean energy), Goal 9 (industry, innovation and infrastructure), Goal 12 (sustainable production and consumption), Goal 14 (life below water) and Goal 17 (partnerships for the goals) are more encouraging, as they are moving in the expected direction and at a pace that bodes well for 2030.

As mentioned above, in most of the region, the 2030 projections for a set of indicators and targets still show a trend that is going in the right direction, but without enough progress to reach the thresholds aimed at for that year. This is particularly true of Goal 1 (end poverty), Goal 4 (quality education), Goal 5 (gender equality), Goal 11 (sustainable cities and communities) and Goal 16 (peace, justice and strong institutions), with more than 50% of indicators signalling that the 2030 targets will not be met (see figure III.2). Particular mention should be made of Goal 5 (gender equality) and Goal 11 (sustainable cities and communities), with over 80% of the indicators analysed having this characteristic. In addition, figure III.2 shows, in grey, the number of indicators for which available data are insufficient.

Figure III.2
Latin America and the Caribbean: Sustainable Development Goal (SDG) indicators
by likelihood of the threshold set being reached by 2030
(Numbers)



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

Note: Includes 30 indicators prioritized for the region. Repeated indicators are included in all the relevant SDGs.

The data observed for some of the indicators highlight the impact of the COVID-19 pandemic, although in most cases the time lag in the information means that the effect of the pandemic and other recent adverse global phenomena, such as rising inflation and slowing growth, are not yet directly reflected. The proposed scenarios in which changes in GDP and the other explanatory or regression variables are considered thus serve to weight and include these developments in the projections to 2030. In some cases, these effects have increased the distance from the targets or reversed the trend, with the result that the available indicators suggest the Goals will not be met by 2030.

This has been the case with social protection, resources for programmes addressing poverty, malnutrition and food security, sustainable agriculture, investment in agriculture, non-communicable diseases, research and development (R&D) for health, health-related risk management, the effectiveness of learning outcomes, teacher evaluations and efficient use of water resources.

The same holds for water-related ecosystems, participatory management, water and sanitation, international cooperation on energy, material resource efficiency, full employment and decent work, youth not in education, employment or training, inclusive and sustainable industrialization, fiscal and social protection policies, migration and safe mobility, special and differential treatment (World Trade Organization), financial flows for development, sustainable use of natural resources, chemicals and waste management, and sustainable tourism monitoring.

In addition, there has been some backsliding in efforts to meet goals related to climate change policies, climate change awareness, marine pollution, biodiversity loss, reduction of violence and related deaths, justice for all, effective institutions, developing country exports, global macroeconomic stability and the promotion of effective public, public-private and civil society partnerships.

In these cases where the 2030 projections indicate a worsening of the levels seen in 2015, it becomes imperative to take measures to change the observed course and accelerate progress towards the targets.

But there are also some targets for which progress is being made in the right direction and at the right pace: in some cases the global threshold set has already been reached, and in others this is expected to happen by 2030, given the trajectories observed and the weights of the dependent variables used in the study (see figure III.3). This is the case with genetic resources for agriculture, child mortality, substance abuse, the health effects of pollution, tobacco control, health financing and health workers, tertiary education and technical and vocational education and training.

Gender equity policies, international cooperation, water and sanitation, universal access to energy services, investment in energy infrastructure, sustainable tourism, aid for trade, clean and sustainable industries, resilient infrastructure, domestic technology development, access to the Internet and information and communications technologies (ICTs) are also moving fast enough in the right direction.

There is a good outlook for targets related to programmes to promote sustainable consumption and production, waste reduction, sustainable corporate practices, R&D assistance to promote sustainable development in developing countries, fossil fuel subsidies, coastal and marine conservation, sustainable forest management, conservation of mountain ecosystems, use of genetic resources, prevention of encroachment by invasive alien species, international cooperation in science and technology, capacity-building related to ICTs, capacity-building related to the SDGs and average tariffs faced by least developed countries.

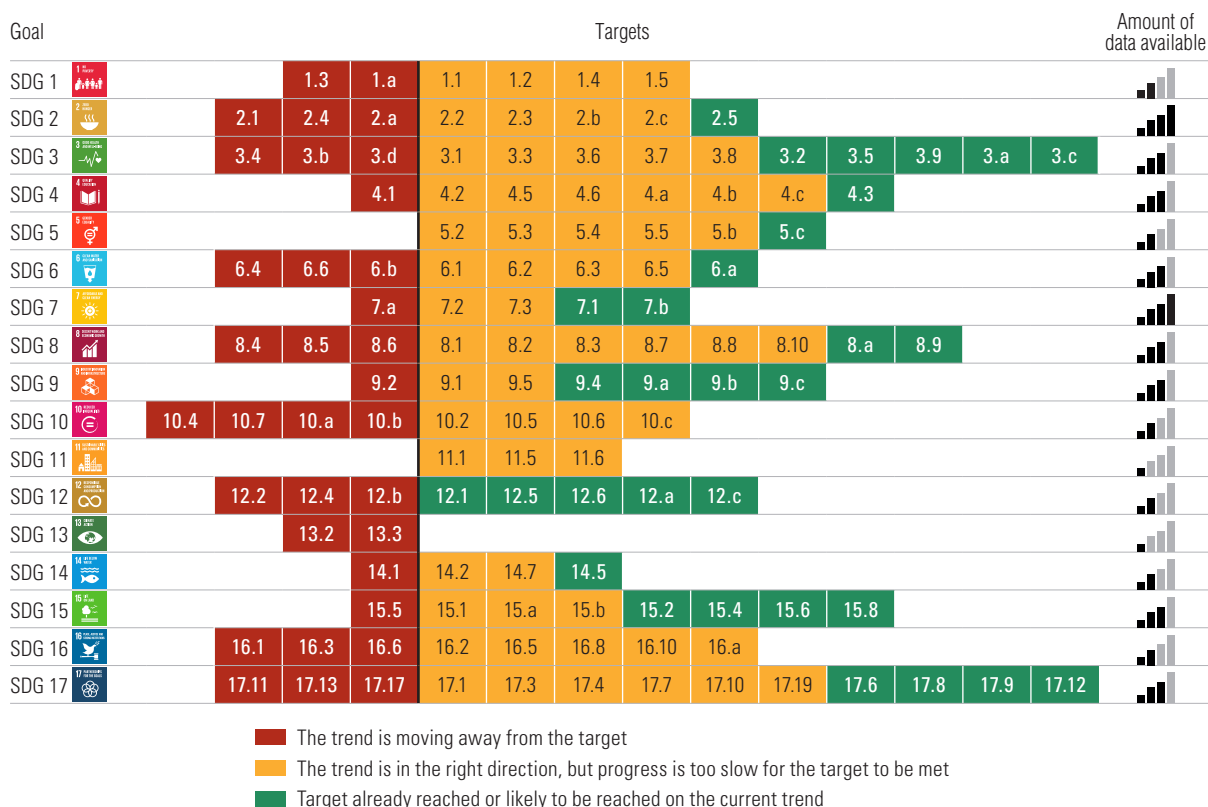
In either case, there needs to be a commitment to sustain the necessary support in order to ensure consolidation. The experience of the pandemic and the emergence of new challenges should encourage governments to create mechanisms for monitoring and analysing global megatrends, as this would help countries to be better prepared for the emergence of unexpected high-impact phenomena and to better plan development processes through prospective public policies, i.e. policies whose short-, medium- and long-term effects are considered *ex ante*.

As indicated in the analyses of the previous reports on the progress of the 2030 Agenda, the forecasts calculated show that, for a large majority of the indicators and targets, the progress and rate of growth achieved are not sufficient for a successful outcome by 2030. While 73% of the indicators that could be measured (equivalent to 72% of the targets) show progress in the right direction along the path laid down by the 2030 Agenda, for 41% of them (equivalent to 47% of the targets) more effort is needed to accelerate progress so that the thresholds set for 2030 are reached in the next seven years.

New outbreaks of the pandemic, global conflicts and the general economic situation have negatively affected forecasts and made the outlook for achieving the 2030 Agenda and the SDGs even more uncertain. If this situation continues, redoubled efforts will be needed on top of the work done so far, as many of the trends that are currently on track could slacken and join those whose pace needs to be accelerated or those which are moving away from the target.

Figure III.3

Latin America and the Caribbean: Sustainable Development Goal (SDG) targets by likelihood of accomplishment by 2030 and proportion of targets analysed per Goal



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

B. Latin America and the Caribbean from within: different subregional outlooks to 2030

The territories that make up the vast region of Latin America and the Caribbean have always been characterized by great and complex heterogeneity; this heterogeneity can be found not only between and within countries, but also between groups of countries that share similar characteristics and challenges. Territorial differences have been a consistent variable in the reading of regional results, and to illustrate one aspect of these differences, the forecasts for accomplishment of the 2030 targets in South America, in Central America and Mexico and in the Caribbean will now be presented as a starting point for envisaging different scenarios that can serve to formulate regional and national public policies from a shared perspective and with a horizontal cooperation approach.³

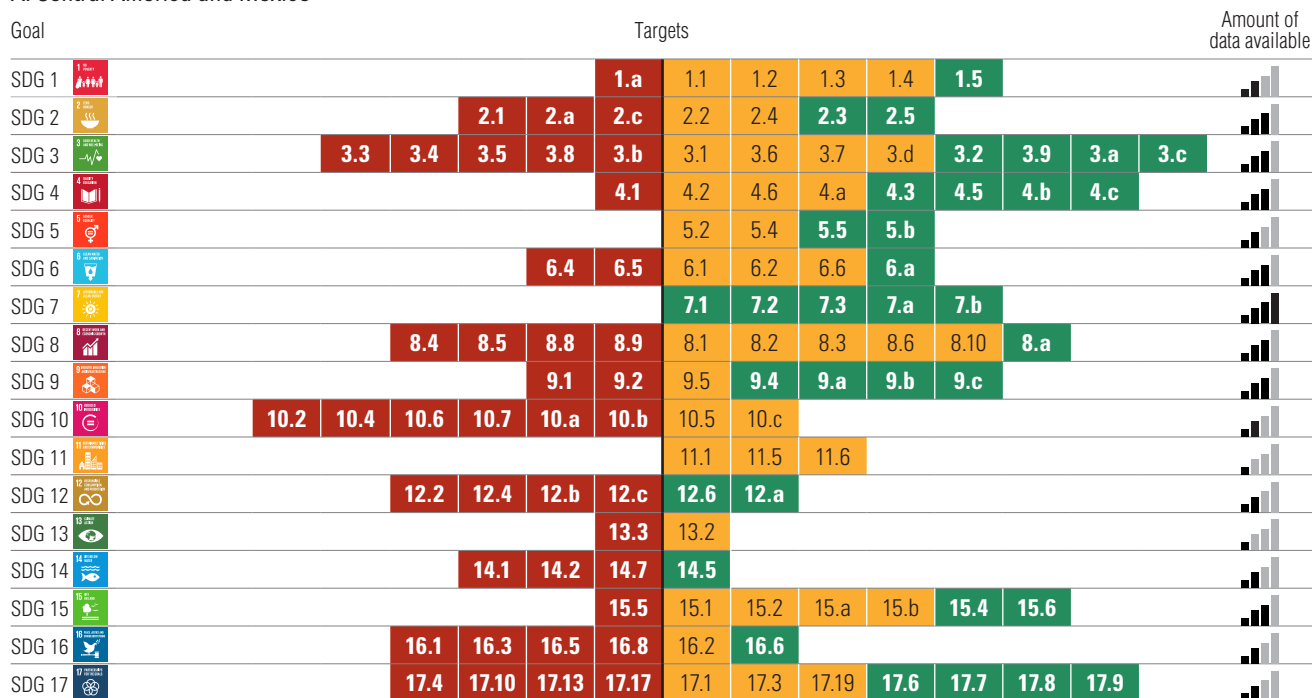
South America presents the lowest proportion of situations in which the trend is away from the target (31%), while Central America and the Caribbean are the subregions with the highest proportions (40% in both cases). If Central America and Mexico are considered as a bloc, the outlook is good for 30% of targets, while the proportion is 29% for South America and 23% for the Caribbean (figure III.4).⁴

³ Chapter II presents examples of initiatives for pursuing the SDGs at the subnational level, as a way of illustrating territorial heterogeneity and policies that can help reduce disparities and identify the most pressing needs within countries.

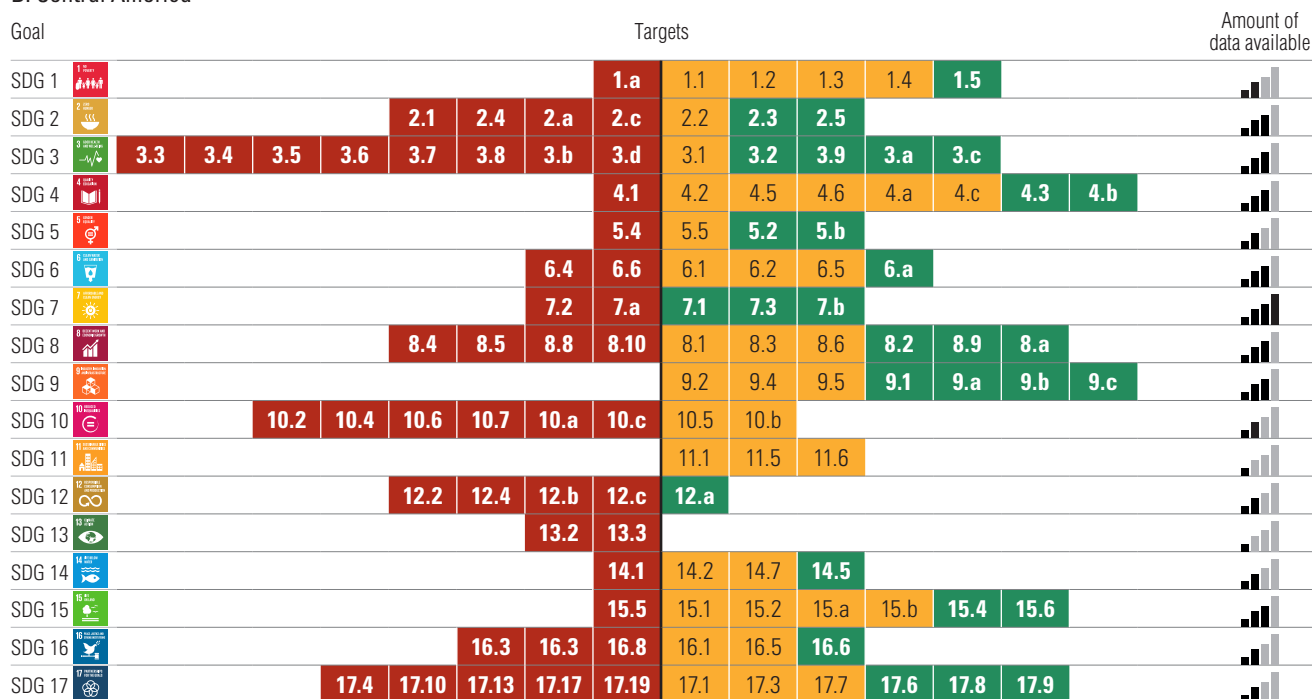
⁴ The charts presented here are a way of approaching the 2030 scenario, arrived at by setting out from the same assumptions as were used for the regional model. Lack of data affects the analytical power and robustness of the methods applied. This becomes more apparent when the metrics are applied to smaller sets for which the information gaps in the statistical series are larger.

Figure III.4
Latin America and the Caribbean: Sustainable Development Goal (SDG) targets by likelihood of accomplishment by 2030 and proportion of targets analysed per Goal, by subregion

A. Central America and Mexico



B. Central America



■ The trend is moving away from the target

■ The trend is in the right direction, but progress is too slow for the target to be met

■ Target already reached or likely to be reached on the current trend

C. South America

Goal	Targets															Amount of data available
SDG 1				1.1	1.2	1.3	1.4	1.a	1.5							
SDG 2		2.1	2.3	2.4	2.a	2.2	2.c	2.5								
SDG 3			3.4	3.b	3.d	3.1	3.3	3.6	3.7	3.8	3.2	3.5	3.9	3.a	3.c	
SDG 4					4.1	4.2	4.6	4.a	4.c	4.3	4.5	4.b				
SDG 5					5.4	5.2	5.5	5.b								
SDG 6			6.4	6.6	6.a	6.1	6.2	6.3	6.5							
SDG 7						7.1	7.2	7.3	7.a	7.b						
SDG 8			8.5	8.6	8.9	8.1	8.2	8.3	8.10	8.a	8.8					
SDG 9					9.2	9.1	9.4	9.5	9.a	9.b	9.c					
SDG 10		10.4	10.6	10.7	10.a	10.b	10.2	10.c	10.5							
SDG 11							11.1	11.5	11.6							
SDG 12				12.4	12.b	12.6	12.a	12.c								
SDG 13				13.2	13.3											
SDG 14				14.1	14.2	14.7	14.5									
SDG 15						15.1	15.a	15.b	15.2	15.4	15.5	15.6				
SDG 16			16.3	16.3	16.6	16.8	16.1	16.5								
SDG 17				17.7	17.13	17.1	17.3	17.10	17.17	17.19	17.4	17.6	17.8	17.9		

D. The Caribbean

Goal	Targets															Amount of data available
SDG 1					1.3	1.1	1.4	1.5	1.a							
SDG 2					2.1	2.4	2.2	2.a	2.c	2.5						
SDG 3		3.1	3.4	3.5	3.6	3.7	3.2	3.3	3.8	3.b	3.9	3.a	3.d			
SDG 4				4.1	4.2	4.a	4.5	4.6	4.c	4.3	4.b					
SDG 5					5.2	5.4	5.5	5.b								
SDG 6					6.4	6.5	6.1	6.2	6.6	6.a						
SDG 7							7.1	7.2	7.3	7.a	7.b					
SDG 8		8.4	8.5	8.6	8.8	8.10	8.1	8.3	8.2	8.9	8.a					
SDG 9				9.1	9.2	9.a	9.4	9.5	9.b	9.c						
SDG 10			10.4	10.6	10.7	10.a	10.5	10.b	10.c							
SDG 11							11.1	11.5	11.6							
SDG 12			12.2	12.4	12.b	12.c	12.a									
SDG 13					13.3	13.2										
SDG 14					14.1	14.2	14.5	14.7								
SDG 15				15.2	15.a	15.b	15.1	15.5	15.4	15.6						
SDG 16					16.1	16.8	16.2	16.3	16.5	16.6						
SDG 17		17.4	17.9	17.10	17.13	17.17	17.19	17.1	17.3	17.7	17.6	17.8	17.12			

■ The trend is moving away from the target

■ The trend is in the right direction, but progress is too slow for the target to be met

■ Target already reached or likely to be reached on the current trend

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

Note: Not all targets have been included for the subregions because in some cases data were insufficient to project the indicators and produce the “traffic light” classification.

C. Overview of the targets in Latin America and the Caribbean

The SDGs are a route to sustainable development: they are an essential tool for fulfilling the ambition of a better and more prosperous and people-centred world expressed in the 2030 Agenda.

The COVID-19 pandemic has slowed and in some cases thrown out the trajectory that would lead to the SDG targets being met by 2030. Even so, a quarter of the targets have been or will be reached thanks to sustained commitment by countries and to institutional agreements that allowed the challenges caused by the crises to be dealt with and compliance achieved even in this adverse context. This fact underscores the importance of having mechanisms in place to monitor and analyse the global phenomena that affect progress and of knowing which responses have been successful and enabled the targets to be pursued effectively, with a view to designing policies in which the short-, medium- and long-term effects are considered *ex ante*.

For 75% of the targets that could be assessed, there is a risk that the expectations established in 2015 will not be met. Given that half the period allowed for their accomplishment has elapsed, this situation means that the region's countries urgently need to strengthen their commitment to the SDGs by implementing policies that contribute to the desired outcomes. Half the targets are on track and on trend, but the pace of progress towards the outcomes defined needs to be accelerated; for the remaining targets, the task is to overcome the inertia, reset the route and reverse the trajectory as a matter of urgency.

The results differ from goal to goal: the greatest risk of non-achievement is with Goal 1 (end poverty), Goal 10 (reduce inequalities), Goal 11 (sustainable cities and communities), Goal 13 (climate action) and Goal 16 (peace, justice and strong institutions); progress towards the targets seems most assured, conversely, for Goal 3 (health and well-being), Goal 7 (affordable and clean energy), Goal 9 (industry, innovation and infrastructure), Goal 12 (responsible production and consumption), Goal 15 (life on land) and Goal 17 (partnerships for the goals).

The subregional scenarios do not differ from the overall picture. The marked heterogeneities and the prevalence of targets for which progress is inadequate even if it is in the right direction reveal the need to look at the 2030 Agenda in a cross-cutting, holistic way and take measures that treat the SDGs as a whole and are designed to resolve shared challenges in differentiated contexts.

The indicators for the Caribbean and Central America reveal situations that are slightly more disadvantageous than in the rest of the region, but this does not alter the fact that South America and Mexico still need to make a considerable effort to hold on to what has been achieved, consolidate those trajectories that are on track and make course corrections in the case of targets for which the situation is worse now than at the outset.

The discipline of prospective analysis can be a valuable ally in the work needed to get back on track for the 2030 targets: as well as providing tools for agreeing on new measures or strengthening existing ones, it serves to create collective visions for a country, for example, that are aligned with the SDGs and that are more likely to materialize than in the absence of such concerted agreements between social forces in the different countries. The study of possible futures could be a dimension of regional cooperation, drawing on the capabilities that exist in Latin America and the Caribbean in this area.

National statistical agencies, as well as the international statistical community as a whole, are making great efforts to increase the quantity and robustness of the data available. The 2030 Agenda requires statistics and indicators that cover all aspects laid out in the SDGs, fit the underlying time period, cover the entire geographical territory and include all relevant disaggregations, for both territories and selected groups. While there has been a steady increase in the availability of statistical series as countries have

invested in traditional and non-traditional statistical data collection operations, there are still targets and indicators that cannot be monitored owing to a lack of information and a paucity of observations over time, making decision-making difficult. This situation becomes even more troubling when it is considered that the indicator for resources invested in strengthening statistical capacity in developing countries exhibits a downward trend despite the increase in 2019.

The possible scenarios that have been presented are a lens through which it is possible to look to and project into the future, but whatever the conclusions that might be drawn therefrom, it is worth stressing the need for a renewed commitment to the 2030 Agenda so that the processes implemented at national level are supported by firm public policy action from a perspective in which sustainable development is consolidated at all levels.

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Annex III.A1

Table III.A1.1
Indicators analysed to evaluate fulfilment 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		●	
SDG	Target	Indicator	2023
1	0.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$ 1.25 a day	1.1.1 Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)	●
		P-1.1.1 Proportion of the population living below the regional extreme poverty line by sex, age, employment status, geographic location (urban/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	●
		1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	●
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	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	2.3.2 Average income of small-scale food producers, by sex and indigenous status	●
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-2.4.a Intensity of fertilizer use (apparent consumption by cultivated area)	●
		C-2.4.b Apparent consumption of pesticides by type (herbicides, insecticides or fungicides)	●
	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 plant and animal genetic resources for food and agriculture secured in either medium- or long-term conservation facilities	✓

SDG	Target	Indicator	2023
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 by skilled health personnel (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-3.3.a HIV/AIDS prevalence among population aged 15–49 years	●
		C-3.3.b HIV/AIDS mortality, by sex	●
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-3.7.b Percentage of women aged 15–19 years who are mothers	●
		P-3.7.1 Unmet family planning needs	●
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.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	●
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 Agreement on Trade-Related Aspects of Intellectual Property Rights and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all	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	●

SDG	Target	Indicator	2023
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	✓
		3.d.2 Percentage of bloodstream infections due to selected antimicrobial-resistant organisms	●
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 Rate of enrolment in higher 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	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 Rate 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	5.4 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	5.4.1 Proportion of time spent on unpaid domestic and care work, by sex, age and location	●
		C-5.4 Average hours per week spent on unpaid and paid work, combined (total workload), by sex	●
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	●
5	5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	5.b.1 Proportion of individuals who own a mobile telephone, by sex	●
5	5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	✓
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	●
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	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	6.3.2 Proportion of bodies of water with good ambient water quality	●

SDG	Target	Indicator	2023
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	6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	6.5.1 Degree of integrated water resources management (0–100)	●
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	●
	7.3 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) (repeated as proposed indicator 12.a.1)	✓
8	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% 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 employees, by sex, age, occupation 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	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	8.7.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age	●
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	✓
		8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status	●
8	8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	8.9.1 Tourism direct GDP as a proportion of total GDP and in growth rate	✓



SDG	Target	Indicator	2023
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	●
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 GDP, 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 ₂ 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% 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)	●
10	10.c By 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%	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	●

SDG	Target	Indicator	2023
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. PM _{2.5} and PM ₁₀) in cities (population weighted)	●
12	12.1 Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries	12.1.1 Number of countries with sustainable consumption and production (SCP) national action plans or SCP mainstreamed as a priority or a target into national policies	✓
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 Hazardous waste generated per capita and 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	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	12.6.1 Number of companies publishing sustainability reports	✓
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) (repeated as proposed indicator 7.b.1)	✓
12	12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products	12.b.1 Implementation of standard accounting tools to monitor the economic and environmental aspects of tourism sustainability	●
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 (production and consumption) per unit of GDP	✓
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% 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-15.1.a Coverage of protected terrestrial areas in relation to total terrestrial area	✓
		C-15.1.b Area of wetland included in the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention)	✓
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	✓



SDG	Target	Indicator	2023
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	15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species	15.8.1 Proportion of countries adopting relevant national legislation and adequately resourcing the prevention or control of invasive alien species	✓
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	●
		16.1.3 Proportion of population subjected to (a) physical violence, (b) psychological violence and (c) sexual violence in the previous 12 months	●
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	16.3.1 Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms	●
		16.3.2 Unsentenced detainees as a proportion of overall prison population	●
		C-16.3 Prison overcrowding rate	●
16	16.5 Substantially reduce corruption and bribery in all their forms	16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months	●
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	✓
	17.3 Mobilize additional financial resources for developing countries from multiple sources	17.3.1 Foreign direct investment (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget	●
		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 a global technology facilitation mechanism	17.6.1 Fixed Internet broadband subscriptions per 100 inhabitants, by speed	✓
17	17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed	17.7.1 Total amount of funding for developing countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies	●

SDG	Target	Indicator	2023
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	✓
17	17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the SDGs, 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	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	17.17.1 Amount in United States dollars committed to public-private partnerships for infrastructure	●
17	17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement GDP, and support statistical capacity-building in developing countries	17.19.1 Dollar value of all resources made available to strengthen statistical capacity 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% birth registration and 80% death registration	✓
		C-17.19.a Proportion of public budget represented by the (a) national statistical office, (b) national statistical system, (c) national geographic institute and (d) national geographic system	●
		C-17.19.c Proportion of countries with basic geospatial data infrastructure	✓

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



Annex III.A2

Box III.A2.1

Methodology used to calculate the projections for the selected indicators and the likelihood of the targets they relate to being met by 2030

The projection models for the statistical series corresponding to the indicators selected in this report were determined by the nature of each indicator, the availability of secondary information and the robustness of the data available. CEPALSTAT was employed as a data source for the series used.

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

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

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

Once the regressions were estimated, the coefficients obtained were used to make projections in scenarios where the likelihood of the explanatory variables occurring was high, and to predict the values of the series by 2030. In the case of the explanatory variables, projections were made using estimates from international agencies, such as the International Monetary Fund, trend, average change or change at increasing/decreasing rates, or keeping the variable constant, depending on what best suited the observed series.

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

A quantitative threshold to be reached by 2030 was set for each series. The thresholds were those set in the 2030 Agenda or, where there were no explicit thresholds, were based on official documents from specialized agencies of the United Nations or taken from different international commitments made by member States.

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

The “traffic light” was calculated using the following formula:

$$\text{Trafficlight} = \frac{|Threshold_y - Projection_y|}{|Threshold_y - Base_y|}$$

where subscript y refers to the variable of interest, *threshold* to the threshold targeted for 2030 and *projection* to the estimate of the panel model or the ARIMA model (in the event that no panel data estimate is available).

The following colours were assigned depending on the value obtained in the above formula.

Green: $\text{Trafficlight} \leq 0.1$

Yellow: $0.1 < \text{Trafficlight} < 1$

Red: $\text{Trafficlight} \geq 1$

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

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of D. A. Dickey and W. A. Fuller, “Distribution of the estimators for autoregressive time series with a unit root”, *Journal of the American Statistical Association*, 1979; J. Durbin, “Errors in variables”, *Review of the International Statistical Institute*, 1954; T. S. Breusch and A. R. Pagan, “A simple test for heteroscedasticity and random coefficient variation”, *Econometrica*, 1979; A. Bidarbakhnia, *Measuring Sustainable Development Goals (SDGs): An Inclusive Approach*, Global Policy, 2020; and “Tracking progress towards the SDGs: measuring the otherwise ambiguous progress”, *Working Paper Series* (SD/WP/05/May 2017), Economic and Social Commission for Asia and the Pacific (ESCAP).



CHAPTER IV

Progress in the achievement of Goals 6, 7, 9, 11 and 17 of the 2030 Agenda for Sustainable Development

Introduction

- A. Goal 6: Ensure availability and sustainable management of water and sanitation for all
- B. Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- C. Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- D. Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable
- E. Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
- F. General conclusions on progress with Goals 6, 7, 9, 11 and 17

Bibliography

Introduction

The high-level political forum on sustainable development is the main platform of the United Nations system for monitoring and reviewing progress in the implementation of the 2030 Agenda for Sustainable Development. In accordance with the decisions adopted on the sets of Sustainable Development Goals (SDGs) to be examined in the rest of the current cycle of this Forum,¹ this chapter presents a comprehensive review of progress in the achievement of five Goals: Goal 6, ensure availability and sustainable management of water and sanitation for all; Goal 7, ensure access to affordable, reliable, sustainable and modern energy for all; Goal 9, build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; Goal 11, make cities and human settlements inclusive, safe, resilient and sustainable; and Goal 17, strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

The information presented in chapter III, on progress in the achievement of the SDGs in 2030 in Latin America and the Caribbean as a whole, serves as the starting point for a more detailed and in-depth analysis of the advances, barriers and challenges faced in achieving the five Goals and their targets and indicators throughout the region and its subregions. Given the uneven progress in the region on the SDG indicators, exacerbated in some cases by successive international crises, there is merit in looking at the impacts on different groups of countries and the territories within countries (a territorial analysis is presented in section B of chapter II).

The sections in this chapter, one for each of the five SDGs analysed, present information on the background and regional context of the Goal, progress towards its achievement, and the likelihood of its targets being met by 2030. The chapter also contains policy recommendations to accelerate progress, which are discussed in greater detail in chapter V. Each Goal is examined on the basis of a subset of targets and indicators for which specific or approximate information is available, providing insight into the scope of the efforts required to reach the targets by 2030.

As noted above, the COVID-19 pandemic and the cascading crises that subsequently affected the countries of the region have further complicated the already challenging path towards the achievement of the SDGs. Some indicators that were on track have changed direction; others with a low probability of targets being achieved but were nonetheless improving have shifted off course; and others still, which before the pandemic were unlikely to achieve the target, are now even further off track.

All of this points to the need to strengthen public strategies, policies and programmes, with initiatives from and in partnership with the private sector, civil society and international cooperation agencies to get back on track towards the full implementation of the SDGs by 2030, or, where this is not feasible, as close to 2030 as possible. On this basis, the chapter underscores the need for a far-reaching vision that can help design and execute transformative policies and initiatives, as well as cooperation and sharing of experiences and lessons learned among countries of the region, in particular in institutional capacity-building and strengthening, a key prerequisite for accelerating progress towards sustainable development.

¹ See General Assembly resolution 75/290 of 25 June 2021.

Goal 6 of the Sustainable Development Goals

Ensure availability and sustainable management of water and sanitation for all

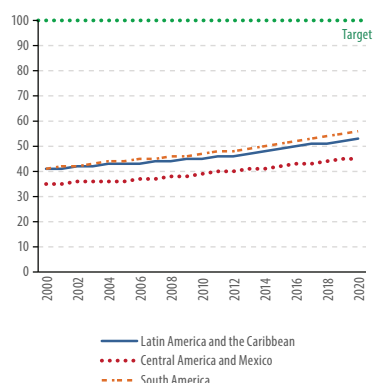
Advances in Latin America and the Caribbean



Target 6.1 Universal access to drinking water

6.1

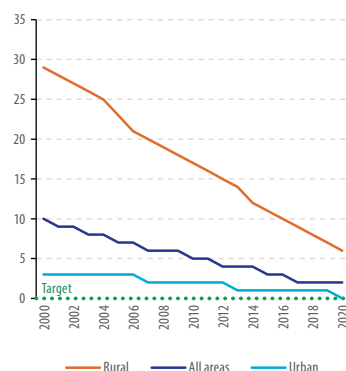
Indicator 6.1.1 Proportion of population using safely managed drinking water supply services, rural areas, 2000–2020 (Percentages)



Target 6.2 Universal access to sanitation and hygiene

6.2

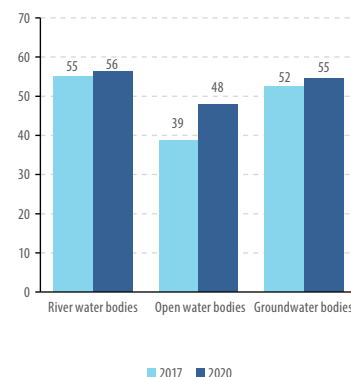
Indicator 6.2.1 Proportion of population practising open defecation, by urban and rural areas, 2000–2020 (Percentages)



Target 6.3 Improve water quality

6.3

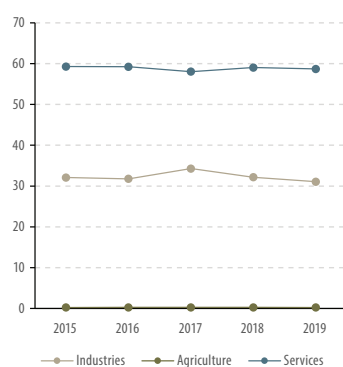
Indicator 6.3.2 Proportion of water bodies with good ambient water quality, 2017, 2020 (Percentages)



Target 6.4 Increase water-use efficiency

6.4

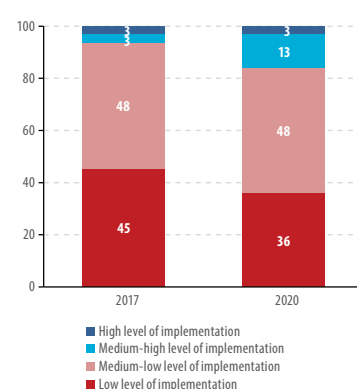
Indicator 6.4.1 Efficient use of water resources, 2015–2019 (Dollars per cubic metre)



Target 6.5 Improve integrated water resources management

6.5

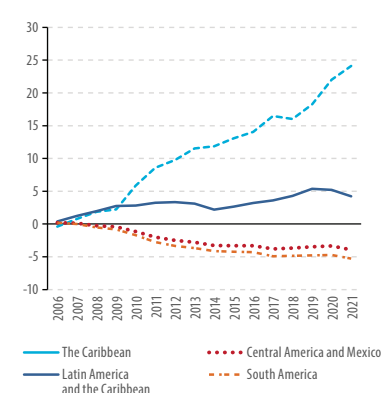
Indicator 6.5.1 Proportion of countries by degree of integrated water resources management implementation, 2017, 2020 (Percentages)



Target 6.6 Restore water related ecosystems by 2020

6.6

Indicator 6.6.1 Permanent changes in the water area of lakes and rivers, 2006–2021 (Percentages)



The trend is moving away from the target

The trend is in the right direction, but progress is too slow for the target to be met

Target already reached or likely to be reached on the current trend

..... 2030 Agenda target

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

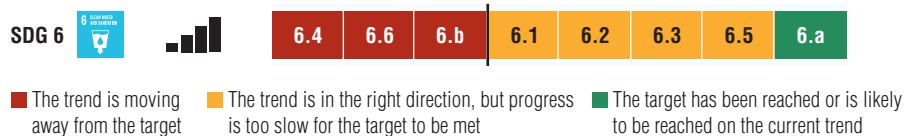
Note: Each indicator is comprised of one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.

A. Goal 6: Ensure availability and sustainable management of water and sanitation for all

Analysis of the availability and sustainable management of water and sanitation in Latin America and the Caribbean supports the conclusion that the region as a whole is not on course to achieve Goal 6 (see diagram IV.1). While progress has been made in the region on some targets, it has been slow. Cascading crises —the pandemic, inflation, increasing poverty, sluggish economic growth and fiscal constraints— have pushed some of the targets off track. Despite this, international cooperation and support for developing countries in the region in the area of water have been stepped up, a positive signal for the achievement of Goal 6. In addition, the situation of each subregion and country is different, with some ahead of and some lagging behind the regional average.

Diagram IV.1

Latin America and the Caribbean: Goal 6 targets, by likelihood of achieving the defined threshold by 2030



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

1. Analysis of progress by target

(a) Universal and equitable access to water and sanitation (targets 6.1 and 6.2)

The favourable trend in the indicators associated with targets 6.1 and 6.2, on access to drinking water and sanitation, is not sufficient to achieve universal access by 2030. Therefore, although there have been recent improvements in that regard in the region as a whole (see diagram IV.2), there were still 161 million people without access to safely managed drinking water in 2020, while 431 million people lacked safely managed sanitation services (targets 6.1 and 6.2).²

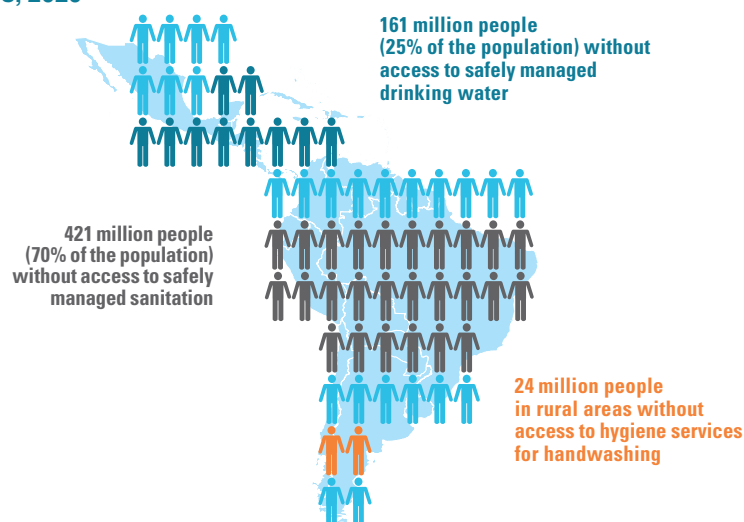
It is also important to consider the differences in trajectories and progress in reaching the targets of Goal 6 in Central America and Mexico, South America and the Caribbean. The differences between the subregions become evident on analysis of the indicators for targets 6.1 and 6.2, based the data available for 2020 (see table IV.1).

In addition, some populations are lagging farther behind in these indicators. For example, studies based on census data analysis (ECLAC/FILAC, 2020; ECLAC, 2021a) show that access to basic services is very limited for Indigenous Peoples and Afrodescendent populations.

² Safely managed drinking water means drinking water from an improved source that is accessible within the home (or in the yard or plot), available when needed and free from faecal and priority chemical contamination. Safely managed sanitation uses improved facilities that are not shared with other households, where excreta are safely disposed of in situ or transported and treated off-site (WHO/UNICEF, n.d.).

Diagram IV.2

Latin America and the Caribbean: population without access to sanitation, drinking water and hygiene services, 2020



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Table IV.1

Latin America and the Caribbean: indicators 6.1.1 and 6.2.1 of Goal 6, by subregion, 2020
(Percentages)

Indicator number	Indicator	Region or subregion	Value
6.1.1	Proportion of population using safely managed drinking water services	South America	80
		Central America and Mexico	48
		Latin America and the Caribbean	75
6.2.1	Proportion of population using safely managed drinking water services	South America	34
		Central America and Mexico	40
		Latin America and the Caribbean	34
	Proportion of population with basic handwashing facilities	The Caribbean	54
	Proportion of population practising open defecation	South America	1
		The Caribbean	6
		Central America and Mexico	1
		Latin America and the Caribbean	2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: Each indicator is comprised of one or more statistical series, which partially or fully cover the corresponding indicator. In this table, one or more statistical series are presented for the respective indicator.

(b) Improve water quality by reducing contamination (target 6.3)

The indicator on the proportion of water bodies of good quality, related to target 6.3, has shown slight improvements at the regional level. However, they are insufficient to consider that the target of substantially improving water quality in the region can be achieved by 2030.

Access to water of poor quality is not an acceptable solution, because this affects the achievement of other targets and Goals, for example Goal 3 on healthy lives and well-being, which includes among its targets combatting water-borne diseases (target 3.3).³ In that regard, it is estimated that 25% of the rivers of Latin America have severe pathogenic pollution, with monthly concentrations of faecal coliform bacteria greater than 1,000 units per 100 ml (UNEP, 2016) as a direct result of the lack of wastewater treatment. In 2016, it was estimated that 5.7 million disability-adjusted life years had been lost as a consequence of illnesses related to lack of access to drinking water and sanitation, valued at US\$ 1.8 billion at 2016 prices (WHO, 2016b).

The health of the most vulnerable groups in society (the lowest-income quintile) is at higher risk of being affected by these diseases, since their access to safely managed drinking water and sanitation services is 25 percentage points lower than the access of higher-income quintiles. Moreover, the most vulnerable quintile pays up to twice as much for lower-quality service (because of turbidity or deficient potability) and continuity (frequent and prolonged service outages) (Fernández, Saravia Matus and Gil, 2021). This is increasingly important in the region in light of the effects of climate change, storms, flooding, landslides, droughts, extreme temperatures and fires.

The Intergovernmental Panel on Climate Change, in its sixth assessment report (IPCC, 2022), argued that Central America is highly vulnerable in the water sector. Dry regions, such as the Central America Dry Corridor, which are home to large populations and where water demand is up, are already showing signs of water stress. Successful adaptation seeks to overcome social inequalities and incorporate nature-based solutions, such as wetland restoration and infrastructure for water storage and infiltration, with synergies for ecosystem conservation and disaster risk reduction (Castellano and others, 2022).

(c) Substantially increase water-use efficiency (target 6.4)

The indicator on water-use efficiency associated with target 6.4 shows that the trendline at the regional level is flat, with no signs of improvement, irrespective of economic sector (agriculture, industry or services). Water-use efficiency in the region remains below the global average. Economic value added for each cubic metre of water extracted in Latin America and the Caribbean can be as high as US\$ 13 (indicator 6.4.1) and is trending slightly downward, while the global average is US\$ 19 (target 6.4). In addition, in the countries of the Organisation for Economic Co-operation and Development (OECD), there has been a favourable decoupling of water extraction and economic production (meaning that GDP is rising while water extraction is falling). In Latin America and the Caribbean, however, there has been a coupling of water extraction and GDP growth over the past three decades (OECD, 2015; FAO, 2022). This is a result of natural resource intensity and the industrial processing of natural resources⁴ in the region, whose value chains inputs are water-intensive, a situation that is exacerbated by the trend of export reprimarization. As such, over the last two decades, the commodity share of exports was up nearly 10 percentage points (from 27% to 36%), a phenomenon has been particularly marked in South America, where the commodity share has risen by nearly 17 percentage points (from 42% to 59%) (ECLAC, 2023b).

³ Target 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.

⁴ Natural resource intensity is a measure of the natural resources used to produce a set amount of value or physical production.

(d) Implement integrated water resources management; protect and restore water-related ecosystems (targets 6.5 and 6.6)

The indicator for the implementation of integrated water resources management (IWRM) reveals that progress has been made. Although the proportion of countries with medium-to-high or high implementation in the region has increased from 6% to 16%, the trend is insufficient for all countries to achieve this by 2030.

This is a reflection of the complex water extraction and use scenario in the region involving stakeholders with varying levels of influence and degrees of organization, and which is exacerbated in times of water scarcity. Water use conflicts increased fourfold in the period 2000–2019 compared with 1980–1999 (ICTA-UAB, 2021), with Mexico and South America reporting the highest numbers. Such conflicts usually involve private or public enterprises in the agricultural, energy, mining and oil sectors and government representatives (on a local, regional or national scale).

One factor that promotes conflict is the lack of local, national and cross-border cooperation mechanisms, which are relevant for meeting target 6.5. In the region, while 22 of the 33 countries share watersheds, representing more than 70% of surface water, in only 24% of cross-border watersheds (29% for rivers and lakes; 11% for aquifers) are agreements in place for water resource cooperation (Saravia Matus and others, 2022b).

One significant challenge is the capacity of the countries of Latin America and the Caribbean to produce harmonized statistical series for watershed monitoring and management. Currently, data, where available, are not necessarily harmonized, instead being disjointed and spread across different national institutions. Incremental change is needed at all levels and for all types of water use to generate data series that align with international recommendations, increasing the production of stable and comparable series disaggregated by sector, in particular for vulnerable, marginalized and disadvantaged groups.

In the case of target 6.6, a negative trend is observed in the Central American subregion and in South America for the indicator that measures changes in permanent water in rivers and lakes; only in the Caribbean is it trending up. However, some positive aspects in terms of protection and restoration of water-related ecosystems can be highlighted. Since the end of the 1990s, payment methods for the ecosystem services of water have been implemented in several countries, with a focus on protecting the water supply by conserving forests, and in some cases, by changing agricultural practices (Martin-Ortega, Ojea and Roux, 2013), including through the use of nature-based solutions and the development of green instead of grey infrastructure.

Unfortunately, the sustainability of the ecosystem services provided by the water cycle that have been promoted in the region is also under threat from climate change, in particular from hydrometeorological disasters and pollution.

(e) Expand international cooperation for capacity-building and strengthen the participation of local communities (targets 6.a and 6.b)

In February 2023, in preparation for the United Nations Water Conference,⁵ ECLAC held the Regional Water Dialogues in Latin America and the Caribbean 2023, which culminated in the adoption by the

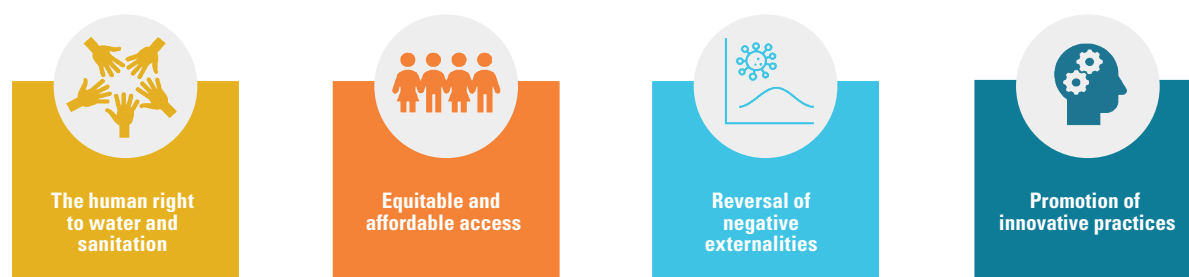
⁵ The aim of the United Nations Water Conference is to assess progress in the achievement of Goal 6 (Ensure availability and sustainable management of water and sanitation for all) in the framework of the comprehensive mid-term review of the activities of the International Decade for Action, "Water for Sustainable Development", 2018–2028.

countries of the Regional Water Action Agenda,⁶ an international cooperation instrument relating to targets 6.a and 6.b and an urgent call to action for the mobilization of all political, technical and financial resources available in and for Latin America and the Caribbean, which also identifies advances in the means of implementation. The Regional Water Action Agenda promotes a sustainable and inclusive water transition based on four pillars of action, which all aim to improve economic, social and environmental well-being (see diagram IV.3) in line with the targets of Goal 6, as follows:

- (i) provide universal access to safely managed drinking water and sanitation in order to guarantee that human right, leaving no one behind;
- (ii) eliminate water poverty, promoting equitable and affordable access through efficient, inclusive and progressive rates;
- (iii) reverse the negative externalities related to pollution, overexploitation and increasingly frequent water-use conflicts; and
- (iv) transform water management from the current, linear model to a more circular model, promoting innovative practices and technologies in all sectors with a strategic dependency on water.

Diagram IV.3

Pillars of action that drive a sustainable and inclusive water transition in Latin America and the Caribbean



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

The Regional Water Action Agenda is aligned with a number of treaties, agreements and strategies in aspects related to water management, including the Samoa Pathway,⁷ the internationally agreed programme of action for small island developing States; the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement); the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030, adopted by the States members of ECLAC at the thirteenth Regional Conference on Women in Latin America and the Caribbean; and others.⁸

⁶ See the Regional Water Action Agenda and the presentations delivered at the Regional Water Dialogues 2023, held at the headquarters of the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago on 6 February 2023, "Great success: the 2023 Regional Water Dialogues organized by ECLAC had a high turnout and managed to establish a Water Action Agenda for Latin America and the Caribbean", [online] <https://www.cepal.org/en/events/great-success-2023-regional-water-dialogues-organized-eclac-had-high-turnout-and-managed>.

⁷ SIDS Accelerated Modalities of Action (SAMOA) Pathway.

⁸ This includes the declaration of the sixth Latin American Sanitation Conference (LATINOSAN), held in Cochabamba (Plurinational State of Bolivia) on 12 and 13 October 2022; the recommendations of the ninth World Water Forum, held in Dakar in March 2022; agreements established by the countries that are members of the Amazon Cooperation Treaty Organization (ACTO); the Trifinio Plan; other watersheds in the region that have agreements and coordination mechanisms; the outcomes of the II International Symposium on Transboundary Waters; the Andean Environmental Charter, which incorporates a focus on integrated water management; strategies promoted by the Central American Integration System (SICA) for integrated water resource management, sustainable agriculture and climate change; and the thirty-seventh session of the FAO Regional Conference for Latin America and the Caribbean.

2. Progress on the five accelerators of the SDG 6 Global Acceleration Framework

To achieve a sustainable, inclusive water transition in Latin America and the Caribbean and thus advance towards the achievement of Goal 6, countries agreed to work on the five cross-cutting accelerators of the SDG 6 Global Acceleration Framework⁹ (UN-Water, 2020): investment and financing, governance and institutional frameworks, capacity development, data and information to strengthen decision-making, and innovation.

An analysis of progress in the region on these accelerators is set out below.

(a) Investment and financing

ECLAC has estimated that boosting annual investment in water infrastructure by 1.3% of regional GDP over 10 years would be required, under current conditions, to achieve universal access to safely managed drinking water and sanitation (although innovation could reduce the amount), fulfilling the human right to those services and yielding multiple social, economic and environmental benefits (ECLAC, 2021b). For example, this would generate 3.6 million jobs each year in construction, maintenance and operations (ECLAC, 2021b), while improving access to piped drinking water and reducing costs for the most vulnerable households that are not connected to water pipes and must purchase water from tanker trucks or by other, more expensive means, paying between 20 and 50 times more per cubic metre of water. This investment would also contribute to disease prevention.

ECLAC is supporting several cooperation initiatives between the countries of the region to improve investment in water infrastructure. In Central America, ECLAC has been implementing a multisectoral project since 2020 in partnership with seven finance ministries or ministries of the interior and three planning ministries or secretariats of the countries that are members of the Central American Integration System (SICA), entitled “Disaster Risk Reduction and Sustainable and Inclusive Adaptation to Climate Change” (RIDASICC).¹⁰ The project aims to strengthen capacities in designing public investment projects (including in the drinking water and sanitation sectors), with a focus on capacity-building and the creation of practical guidelines and information systems to serve as the basis for developing the required public infrastructure. Exchanges have been conducted with national and regional organizations, such as the Central American and Dominican Republic Forum for Drinking Water and Sanitation (FOCARD-APS), the Global Water Partnership Central America, and the Inter-American Association of Sanitary Engineering and Environmental Sciences (IAASEES), region 2, to identify relevant experiences that could be leveraged, such as the system of aqueducts of the coastal area of Guanacaste in Costa Rica (in which citizens participated), or the reconstruction programme under way after Hurricanes Eta and Iota in Honduras (in which non-governmental stakeholders participated), which seek to identify how best to boost public investment in the provision of drinking water with less risk of service interruption and greater environmental sustainability.

Wastewater must also be treated so that it is clean when it goes back into watercourses, a process that results in the recovery of methane and material for fertilizers, strengthening circular water management. ECLAC has calculated that investment in water treatment and methane recovery for energy generation and self-consumption in 75 treatment plants in medium-sized cities (with between 300,000 and 2.3 million residents) across five countries of the region (Colombia, Costa Rica, Mexico, Peru and the Plurinational State of Bolivia) would yield a positive cost-benefit ratio, lowering operating costs by around 40% and reducing methane emissions by 86% (Saravia Matus and others, 2022a). The situation also calls for more commercial financing and the application of new approaches and innovative instruments (OECD, 2022). For example, the use of blended financing and sustainability bonds to broaden development financing such that the barriers to investment in the water sector are addressed will be key for the achievement of the SDGs related to water and sanitation (Ikeda and others, 2020).

⁹ See [online] <https://www.unwater.org/our-work/sdg-6-global-acceleration-framework>.

¹⁰ See [online] <https://www.cepal.org/en/ridasicc>.

On the financing front, it is critical to consider integrated water resource management, which promotes the coordinated management and use of connected water resources, land and natural resources to maximize social and economic well-being in an equitable manner without compromising the sustainability of vital ecosystems. Integrated water resource management encompasses qualitative, quantitative and ecological water management, drawing connections between the economic, social and environmental interests of both the direct users of water and society as a whole (CEPE/UNESCO, 2018). For example, many Caribbean countries use public sector budgets and are also recipients of loans and participants in multilateral projects to help achieve integrated water resource management and similar initiatives, such as adaptation to the impacts of climate change (Dubrie and others, 2022).

(b) Governance and institutional frameworks

When there are multiple stakeholders, such as those in charge of water management and supply, as well as community, municipal and private actors, regulators, auditors and end users, it is important for them to be organized. Improving cross-border and sectoral cooperation (target 6.5¹¹ of Goal 6; Goal 16: Peace, justice and strong institutions; and Goal 17: Partnerships for the Goals), helps to strengthen the links between development and humanitarian approaches to contribute to the benefits of the Goals and to peacekeeping in contexts that are fragile and have been affected by conflicts.

Innovative coordinating bodies have been established in Latin America and the Caribbean to improve water management. One example is the Water Cabinet in the Dominican Republic (see box IV.1).

Box IV.1

The Water Cabinet and Water Pact of the Dominican Republic

In the Dominican Republic, the Water Cabinet was created in December 2020 as an advisory board to increase the efficiency and agility of water-related decision-making. It is made up of all the institutions involved with and responsible for the conservation, extraction, distribution and management of the country's water resources. It coordinates State water policy, for which the mandates and powers are distributed across institutions at different levels, including the Ministry of Economy, Planning and Development, the National Institute of Water Resources, the National Institute for Drinking Water and Sewerage, the Ministry of Environment and Natural Resources, the national power company, Empresa de Generación Hidroeléctrica Dominicana, and the Corporation for Aqueducts and Sewerage of Santo Domingo, along with their territorial and local offices (Government of the Dominican Republic, 2021a and 2021b).

One of the main advantages of the Water Cabinet is that it brings together all authorities from the institutions in charge of water management to address challenges through regular weekly meetings in the Office of the President of the Republic, which provides key support for decisions on water management that directly affect economic production, public health and the quality of the environment in the country. The Water Cabinet recognizes the three-fold dimension of water—a human right, an economic resource and a natural resource—and has acknowledged the need for a public investment programme that would see more than US\$ 8.5 billion invested by 2030 (equivalent to 7% of GDP at 2022 levels) (ECLAC, 2022). The Water Cabinet is instrumental for the implementation and achievement of the goals of the Water Pact in order to ensure the preservation and availability of water in the future (World Bank, 2021). Multi-agency organization and cooperation, with clear goals and political support at the highest level, is recognized as essential for fostering a transition in water management that involves different stakeholders.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Government of the Dominican Republic, *Informe Nacional Voluntario 2021: crecimiento con equidad y respeto al medioambiente*, Santo Domingo, 2021; *Diálogo de las reformas 2021: reforma del sector agua*. Propuesta institucional, Santo Domingo, 2021 [online] https://ces.gob.do/dialogo_reformas/01%20agua/Agua.%20Propuesta%20Institucional%20VO.pdf; Economic Commission for Latin America and the Caribbean (ECLAC), "ECLAC: report on the Latin American and Caribbean regional process to accelerate the achievement of SDG 6. Regional inputs for the mid-term review of the International Decade for Action, 'Water for Sustainable Development 2018-2028' and the United Nations Water Conference 2023", Santiago, 2022 [online] https://www.cepal.org/sites/default/files/events/files/report_on_the_latino_american_and_caribbean_regional_process_to_accelerate_the_achievement_of_sdg_6.pdf; World Bank, "The dream of having your own and constant water", Washington, D.C., 30 August 2021 [online] <https://www.worldbank.org/en/news/feature/2021/08/26/el-sueno-de-tener-agua-propia-y-constante>.

¹¹ Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

Another water sector governance mechanism in which progress has been observed is the regulation of water rates or charges. These instruments are one way, although not the only way, to recover investment and maintenance costs, address issues of affordability and manage water conservation.

By charging for the (consumptive or non-consumptive) use or extraction of water at the source, it is possible to create incentives and disincentives for water use consistent with the new challenges imposed by climate change (see box IV.2).

Box IV.2 **Charges for water exploitation concessions in Costa Rica**

The Ministry of Environment and Energy is the institution responsible for establishing charges for the use of water in Costa Rica. Water is acknowledged as a public asset that is supplied through concessions to a natural or legal person or entity, which makes periodic payments for the use of the resource. As such, the Ministry grants concessions and regulates water extraction and use, for which a range of taxes or fees must be paid. Half of the monies gathered go into the Ministry's budget, while 40% go to the municipality and the remaining 10% to the municipality that collects payment.

The specific regulations on water pricing in Costa Rica are set out in the decree on fees for water exploitation. The regulations state that charges must reflect the costs of acknowledging water "as an asset with economic, environmental and social value". The regulations also call for rational use and the internalization of externalities (environmental damage), environmental sustainability and social costs. Although these regulations are issued by the Ministry, they stipulate that the Regulatory Authority for Public Services (ARESEP) must incorporate environmental sustainability criteria into its drinking water rates, and mention that the Forestry Act (no. 7575) recognizes that forests protect and improve the environment, which enables them to provide the environmental services that protect water.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Ministry of Environment and Energy, *Canon por Concepto de Aprovechamiento de Aguas N° 32868*, San José, 2005.

(c) Capacity development

To support capacity development in this area, ECLAC, together with the countries of the region, has launched the network and regional observatory for water sustainability (ROSA) in Latin America and the Caribbean, a platform where political and technical decision-makers from the countries will find information, tools and examples of policies to accelerate the achievement of Goal 6 and the water transition. The platform will also host a network of key water sector stakeholders of the region where best practices can be shared and partnerships built to achieve the goals of a sustainable and inclusive water transition. Through ROSA, on-site and online training will also be provided on the collection and use of water-related indicators for public policymaking.

(d) Data and information to support decision-making and action

The regular production of consistent statistical series and the transparent sharing of information across sectors and borders is essential to enable the progressive closure of basic statistical gaps and to harmonize indicators in order to accelerate the water transition. Doing so will generate robust quantitative data for decision-making and make it easier to track countries' progress, focus investments where they are most needed, improve policymaking and its evaluation, create trust and mobilize resources. As underscored by ECLAC, improving the production of statistical series and information to accelerate research and the development of technical knowledge will enable the sustainable management of subterranean water resources (Saravia Matus and others, 2022d; United Nations, 2020a).

(e) Innovation

Investment and regulatory policies in productive sectors that are strategically dependent on water must be based on the adoption of concepts and technologies that drive progress in the reuse and recovery of water and lead to circular, efficient water systems. The development potential of the circular economy in the drinking water and sanitation sector is vast, and circularity would enable an estimation of water wasted and water that is not accounted for, while reducing and preventing waste.

In the agriculture sector, increasing water productivity is the foremost means to manage water demand. This is possible by improving water auditing, land-use management and agricultural practices (WWAP, 2015). In other words, the management of water demand must follow the principles of greater productivity, resilience and circularity.

Spatial technologies can also improve water management and the exchange of water resources on an international scale. Technology and spatial applications play an important role in addressing problems related to water, as they enable the observation and presentation of clear visual information on surface water, groundwater, snow and glacier coverage, climate patterns, water and sanitation systems and many other aspects that can inform decision-making, risk assessment and disaster responses (UN-Water, 2020).

3. Conclusions

In recent years, significant —albeit insufficient— progress has been made in the countries of Latin America and the Caribbean in providing access to basic drinking water services; in addition, the targets of Goal 6 are more ambitious when safe management is included. Unless immediate action is taken, investments are made and institutional frameworks and governance improved, it will be difficult for the region to achieve Goal 6 by 2030. Shared efforts and commitments are needed to improve implementation, including social compacts for water that organize the contributions and investments of multiple stakeholders, and arrangements that strengthen the institutional framework for water, which remains very scattered, with multiple responsible entities throughout the water cycle and across territories. A change of course is needed with regard to target 6.4, on the efficient use of water resources, and target 6.6, on the protection and restoration of water-related ecosystems, which means that the region is losing ground in terms of their fulfilment; turning the situation around will require political commitment and substantial advances in regulation, citizen participation, creative nature-based solutions and appropriate incentives.

ECLAC calls attention to the urgent need for a sustainable and inclusive water management transition in the region, with an investment effort commensurate with the scale of the need and for the creation and launch of efficient and appropriate governance and institutional strengthening mechanisms, which would yield substantial benefits in the short and long term for the economy, the environment and the population of Latin America and the Caribbean.

Goal 7 of the Sustainable Development Goals

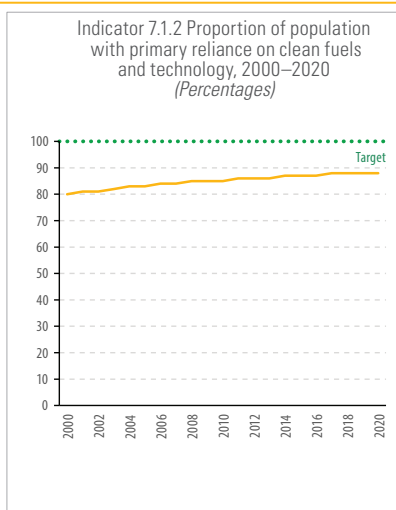
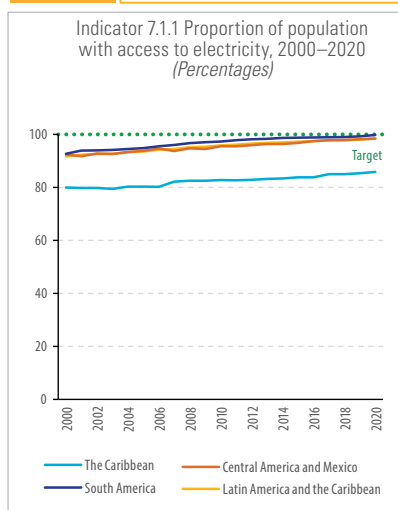
Ensure access to affordable, reliable, sustainable and modern energy for all

Advances in Latin America and the Caribbean



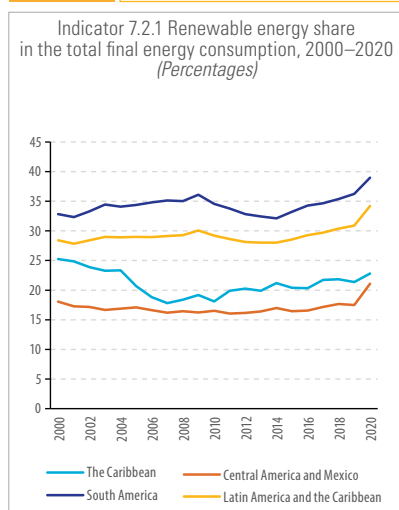
Target 7.1 Universal access to energy services

7.1



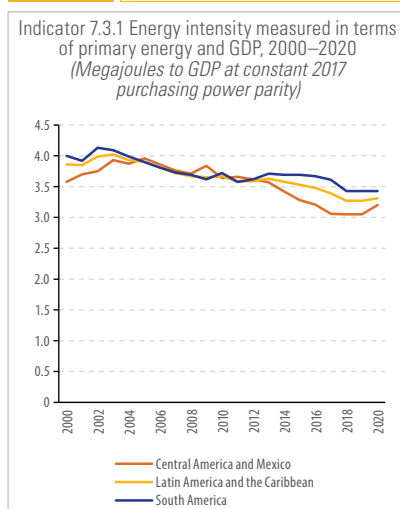
Target 7.2 Increase the share of renewable energy

7.2



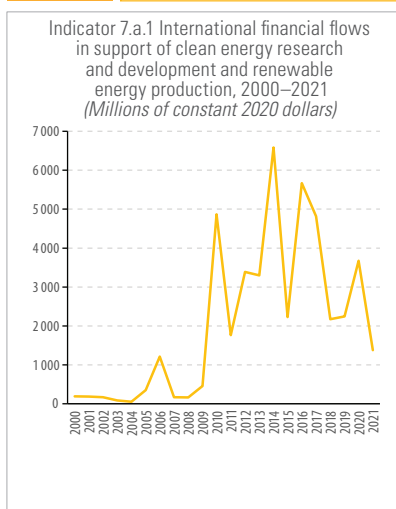
Target 7.3 Increase energy efficiency

7.3



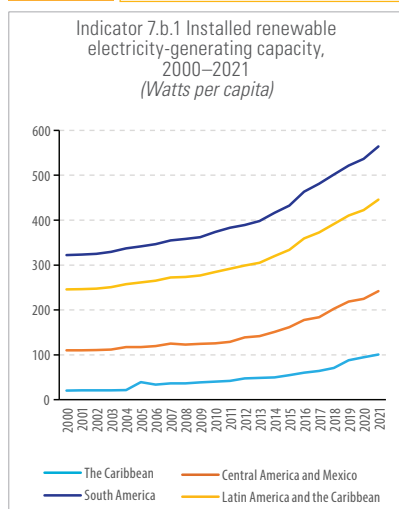
Target 7.a Enhance international cooperation regarding clean energy

7.a



Target 7.b Expand infrastructure for modern energy services

7.b



The trend is moving away from the target

The trend is in the right direction, but progress is too slow for the target to be met

Target already reached or likely to be reached on the current trend

..... 2030 Agenda target

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: Each indicator is comprised of 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.

B. Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Energy is emerging as a new transformative industry, based on innovation and efficiency, using renewable and cleaner sources and contributing to the generation of quality jobs and the development of new value chains for the recovery of the regional economy.

Considerable progress has been made in the region with regard to target 7.1 of Goal 7, on universal access to energy services, although multidimensional energy poverty persists. While electricity access is relatively high, there is a need to consider the quality of access, differentiated by socioeconomic characteristics (income quintile, ethnicity and race or precarious housing), to obtain a realistic assessment of the achievement of target 7.1.

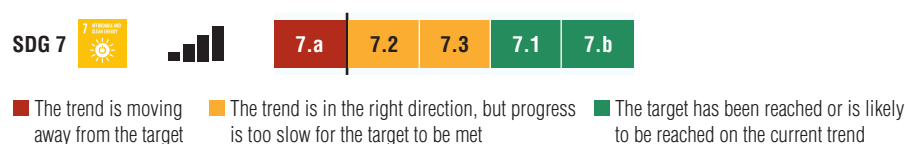
Although there have been advances in target 7.2 on increasing the proportion of renewable energy, the regional energy mix remains largely based on fossil fuels and vulnerable to external geopolitical shocks, in particular for countries that are hydrocarbon importers; in addition, there are still instrumental, regulatory (subsidies) and energy security and integration challenges, which, if overcome, would make it possible to move forward at the speed required to achieve this target.

While, as in the rest of the world, target 7.3 on increasing energy efficiency requires considerable attention, it also represents a major opportunity for transformation.

It is worth noting that the region is lagging as regards target 7.a (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 in that area), which is precisely the enabling factor for achieving the aforementioned targets (see diagram IV.4).

Diagram IV.4

Latin America and the Caribbean: Goal 7 targets, by possibility of achieving the defined threshold by 2030



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

Recent external shocks have made clear the need to increase energy resilience and significantly bolster the energy security of all countries in the region. The conflict in Ukraine has resulted in steep increases in oil, gas and coal prices, bringing to light the fragility of safe and affordable access to energy, in particular in countries that are net importers of hydrocarbons, but also in countries with an undiversified energy mix and a low proportion of renewable energy.

Latin America and the Caribbean need to accelerate the transition towards renewable, clean sources of energy, reduce the dependency on fossil fuels in the total energy mix, moving towards electrification, leverage the full potential of energy efficiency and provide high-quality universal coverage with no outages. This section concludes with the ECLAC proposal for accelerating the region's energy transition on the basis of five pillars, outlining the public policies that would support the proposal for the transition and transformation of the energy sector as a driver of development, which would enable the achievement of the targets of Goal 7.

1. Analysis of progress by target

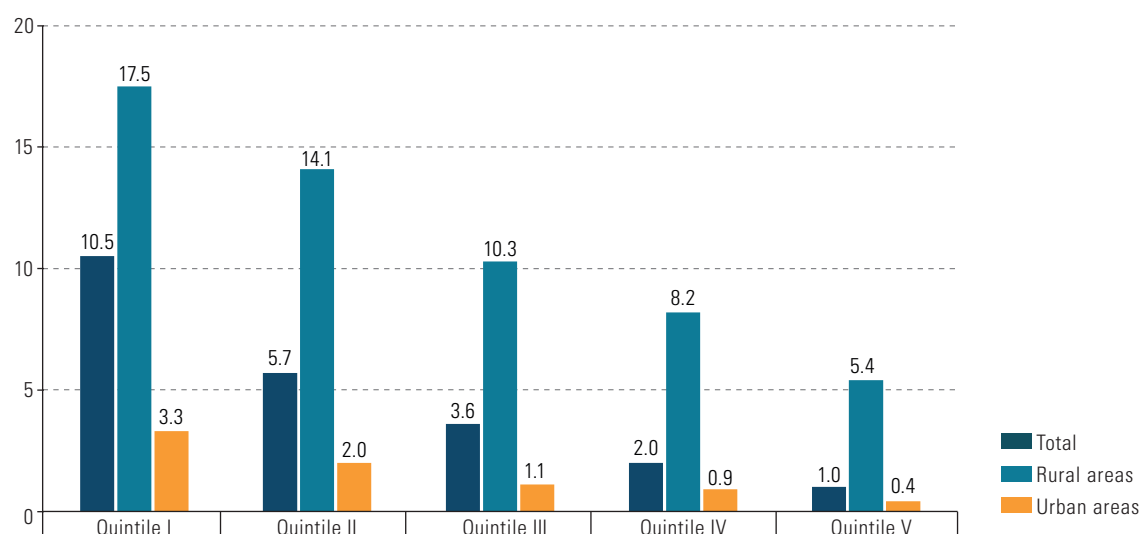
(a) Ensure universal access to affordable, reliable and modern energy services (target 7.1)

In recent decades, the region has advanced significantly towards achieving this target, with 97.6% of the population having access or a connection to electricity in 2021 (OLADE, 2022), while in 2020, nearly 88% of Latin American and Caribbean residents had access to energy from clean sources. In both cases, the indicators show that it is likely that the target will be achieved by 2030, although some challenges remain in that regard. Most of the 16.1 million people without access to electricity in the region (OLADE, 2022) live in rural or remote areas, where the costs of extending networks and infrastructure are high, which represents a huge challenge for the universal access proposed in target 7.1.

The situation in the region is very uneven and there are countries in which as much as 15% of the rural population lacks access to electricity. In South America, 4.9 million people lack access, while in Central America and Mexico, that figure stands at 3.7 million (OLADE, 2022).

Access to electricity is also uneven across some population groups. For example, access to electricity for the most vulnerable quintile is, on average, nine times less than that of the highest-income quintile, and this gap is nearly three times wider for rural populations (see figure IV.1). At the same time, 78 million people lack access to clean fuel and technology for cooking (ECLAC, 2023d), leading to pollution and degrading the health of families and the environment. In 2021, 15.5% of the population of the region living in precarious housing lacked access to electricity (ECLAC, 2023d). The physical aspect of access to electricity includes not only substandard housing, but also possible deficiencies in surrounding structures and inefficient or broken-down appliances.

Figure IV.1
Latin America (16 countries): proportion of the population without access to electricity, in rural and urban areas and total, by income quintile, latest year available
(Percentages)



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> and Household Survey Data Bank (BADEHOG).

Note: The countries included are: Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay, with 2017 data; Dominican Republic, Honduras and Mexico, with 2016 data; and Bolivarian Republic of Venezuela, Guatemala and Nicaragua, with 2014 data.

Access to electricity brings multiple benefits for quality of life and drives progress towards other SDG targets, such as those related to poverty, health and education. For example, school dropout rates are lower in schools that have benefited from programmes to provide access to electricity, especially in the first years of school and in rural areas (Mejdalani and others, 2018). In terms of poverty levels, there is a clear correlation in the region between poverty and lack of access to electricity, clean fuel and electrical devices. In addition, Latin American and Caribbean countries with a lower human development index (HDI) register a greater relative lack of access to these services, just as the poorest quintiles have less access to clean fuel (up to nearly 50% less) (ECLAC, 2009).

Indigenous and Afrodescendent populations in the region are among the most marginalized in that regard, since the access deficit among those populations is twice that of non-Indigenous and non-Afrodescendent populations.

In response to the challenge posed by target 7.1, the Central American subregion, under the umbrella of the Central American Integration System (SICA), was the first region in the world to commit to providing universal access to energy services, through the Declaration of Belize¹² in 2018. This has led to actions to reduce energy poverty, such as the green and inclusive energy project for the member countries of SICA,¹³ which has incorporated the principles of equity and inclusion and seeks to provide universal access to electricity (the access rate is currently close to 95%), either through a connection to the electrical grid of distribution companies or through independent systems, largely with renewable sources, in particular energy from solar panels (CEPAL, 2021c).

The impacts of the COVID-19 pandemic and the conflict in Ukraine have directly increased energy vulnerability. Higher fossil fuel prices (gas, oil and coal) and difficulties in paying electricity bills are two clear examples. These shocks, which add to the challenges of achieving universal electricity coverage, have been intensified by inflation, through higher costs of energy and the transport of goods and services, with the worst effects being felt by households in the most vulnerable quintiles.

(b) Substantially increase the share of renewable energy in the global energy mix (target 7.2)

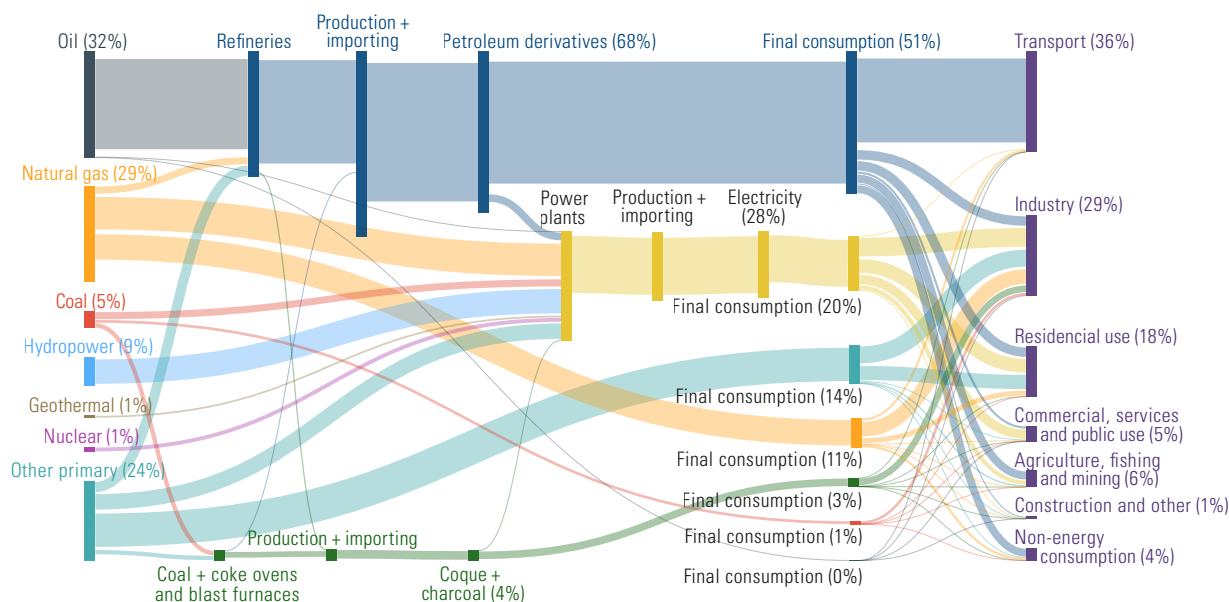
With regard to the indicator on the share of renewable energy in energy consumption associated with target 7.2, trendlines have been flat in all subregions of Latin America and the Caribbean, despite some progress made over the past year, which however remains insufficient to reach the target by 2030.

In 2021, the predominance of fossil fuel sources (oil, natural gas and coal) in the generation of the primary energy supply continued, at 66.8% (OLADE, 2023), although rapid growth in renewable sources was observed (see diagram IV.5). In a context of volatile fossil fuel prices, this pattern of energy generation entails geopolitical risks, particularly for hydrocarbon-importing countries, and also contributes to pollution and climate change. Primary energies are transformed (into petroleum derivatives, electricity and other types of energy) and are ultimately used in different sectors of the economy and in households and institutions. The largest consumers of final energy are transport (36%), which relies almost entirely on fossil fuels, industry (29%) and the residential sector (18%).

¹² The Declaration of Belize was signed in Belize City on 14 December 2018, as an outcome of the LII Ordinary Meeting of Heads of State and Government of the Member Countries of the Central American Integration System (SICA).

¹³ See [online] https://www.sica.int/documentos/proyecto-energia-verde-e-inclusiva-en-los-paises-del-sica-documento-base-sobre-electricidad_1_123331.html.

Diagram IV.5
Latin America and the Caribbean: energy flows, 2021
(Percentages)



Source: Latin American Energy Organization (OLADE), Energy Information System of Latin America and the Caribbean (SIELAC) [online database] <https://sielac.olade.org/>; Economic Commission for Latin America and the Caribbean (ECLAC), *Science, technology and innovation: cooperation, integration and regional challenges* (LC/TS.2022/156), Santiago.

Note: All flows from the left correspond to the total supply of each of the energy sources. The “other primary” category includes biogas, vegetable waste, sugarcane products, firewood, solar and wind.

In the region, the primary energy supply from renewable sources grew faster than the supply from non-renewable sources, with the share of the former rising from 25% of the total in 1971 to 33% in 2021 (see figure IV.2). The 2021 figure should be considered in the light of the slowdown in economic activity and energy supply caused by the pandemic,¹⁴ which only began to recover in 2021.

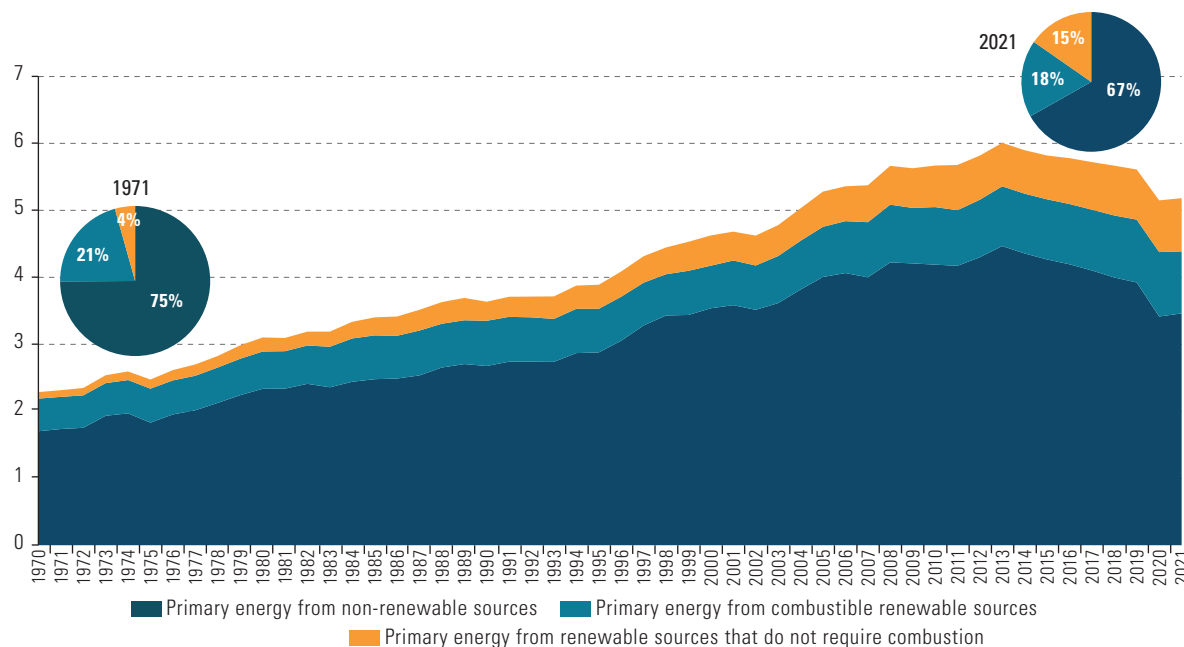
Throughout these decades, the largest source of non-combustible renewable energy was hydropower (representing 75% of primary energy from renewable sources) followed by solar, wind, biomass and geothermal power (which, together, represent 25%). These sources have grown to represent a larger share of the primary energy supply, although this varies greatly across countries.

The electricity subsector, with an ever-larger proportion of renewable energy sources, has huge potential to decarbonize¹⁵ the region's energy mix. In 2021, an average of 59% of electricity generation sources in the region were renewable. However, the percentages vary considerably from country to country, as some have rates of under 5% and others have rates of 100%. In addition, most of the countries use a high proportion of fossil fuels, although the share of renewable sources is growing. Electricity supply and demand are both expected to continue to grow in the region, with a substantial increase in the proportion coming from renewable sources. This is aligned with global projections for net-zero emissions scenarios, in which electricity from renewable sources is set to become a vector of global energy, with demand expected to double between 2021 and 2050 (IEA, 2023).

¹⁴ Lockdowns triggered a significant drop in demand for electricity and fossil fuels in transport, commerce and industry. ECLAC estimates that this demand fell by 15%–25% in the region in 2020 and 2021.

¹⁵ As is widely known, Latin America and the Caribbean contributes a limited share of global greenhouse gas (GHG) emissions (5% to 8%). Countries have committed to reducing emissions through nationally determined contributions (NDCs), but they are being implemented more slowly than expected (UNEP, 2022). For the region, an eight-fold increase in investment would be required to fulfil the mitigation needs committed to in the NDCs and thus meet the target of a global average temperature increase of no more than 1.5°C (UNEP, 2022).

Figure IV.2
Latin America and the Caribbean: evolution and proportion of renewable sources
in the primary energy supply, 1970–2021
(Billions of barrels of oil equivalent)



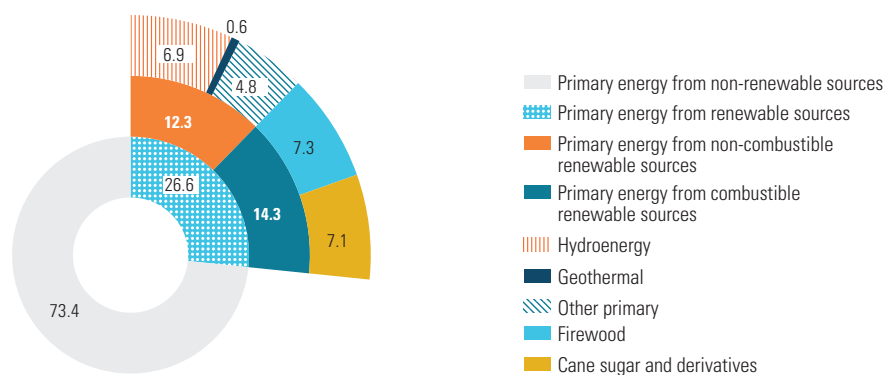
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online database] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en> and Latin American Energy Organization (OLADE), Energy Information System of Latin America and the Caribbean (SIELAC) [online database] <https://sielac.olade.org/>.

In 2020, renewables in the region generated a total of 952 terawatt hours (TWh) of energy, from an installed capacity of 274 gigawatts (GW). New renewable energy facilities amounted to 11 GW; 53% were based on solar power and 31% on wind power (OLADE, 2021). In 2021, use of renewable energy, particularly wind and solar, continued to grow; a total of 23.5 GW of new electricity generation capacity was installed, with 81% based on renewable energy. Of this amount, 4.5 GW were from thermal power plants using non-renewable sources, 5.9 GW from wind farms, 9.8 GW from photovoltaic power plants, 2.4 GW from hydropower, and the remainder from thermal power plants using renewable sources (biogas and biomass) (OLADE, 2022).

There are two groups of renewable sources of energy: (i) combustible sources, which therefore generate emissions (firewood and bagasse), accounting for 56% of renewables in 2021; and (ii) non-combustible sources (hydro, solar, wind and geothermal power), which represented 44% of renewables in 2021 (see figure IV.3).

This advance in non-combustible energy from renewable sources is a consequence of the implementation of incentive policies and programmes and public-private cooperation, and of cheaper solar and wind technologies and batteries over the past decade.

Figure IV.3
Latin America and the Caribbean: primary energy supply from renewable sources, by energy resource, 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Latin American Energy Organization (OLADE), Energy Information System of Latin America and the Caribbean (SIELAC) [online database] <https://sielac.olade.org/>.

For example, initiatives have been established in the Central American subregion, such as the Central America Clean Energy Corridor (CECCA), led since 2015 by the International Renewable Energy Agency (IRENA) with support from the Council of Energy Ministers of SICA. Their goal is to increase subregional trade in electricity produced using renewable sources in the framework of the Regional Electricity Market (REM) and the Electricity Interconnection System for the Countries of Central America (SIEPAC), through the integration of variable renewable energies into the electricity distribution network, establishing power purchase agreements for solar and wind power.¹⁶ A programme to promote geothermal energy in Central America was also established in the framework of the German Climate and Technology Initiative (DKTI); since 2016, it has identified barriers, supported pilot projects and trained public and private employees in geothermal energy.¹⁷

The States members of the Caribbean Community (CARICOM) committed to having 47% of electricity generated from renewable sources by 2027 (CARICOM, 2013). For example, the Barbados National Energy Policy 2019–2030 is designed to transform the country into a carbon-neutral island State that generates 100% of its energy from renewable sources by 2030 (Ministry of Energy and Water Resources of Barbados, 2019).

Several Caribbean economies have made excellent progress in the adoption of renewable energies, increasing their installed capacity by 98% between 2014 and 2021. Solar power, bioenergy and hydroelectric power accounted for shares of 34%, 26% and 25%, respectively, of all capacity from renewable sources in 2021 (IRENA, 2021). At the same time, growth in the subregion in electricity generated from renewable sources between 2017 and 2020 was 116% for wind power and 130% for solar power (OLADE, 2023).

In the Caribbean, the energy transition continues to advance. Among the most outstanding recent projects is the Sustainable Energy Facility for the Eastern Caribbean, a trust fund with multiple donors that provides subsidies and has been endowed with more than US\$ 192 million by the Green Climate Fund. The project addresses the financial, technical and institutional barriers for the exploration and development of geothermal energy in five States of the Eastern Caribbean (GCF, 2023).

¹⁶ See International Renewable Energy Agency (IRENA), “Central America Clean Energy Corridor (CECCA)” [online] <https://www.irena.org/Energy-Transition/Country-engagement/Regional-Initiatives/Central-America-Clean-Energy-Corridor>.

¹⁷ See Central American Integration System (SICA), “Fomento de la Geotermia y sus usos directos en Centroamérica” [online] <https://www.sica.int/iniciativas/fogeo>.

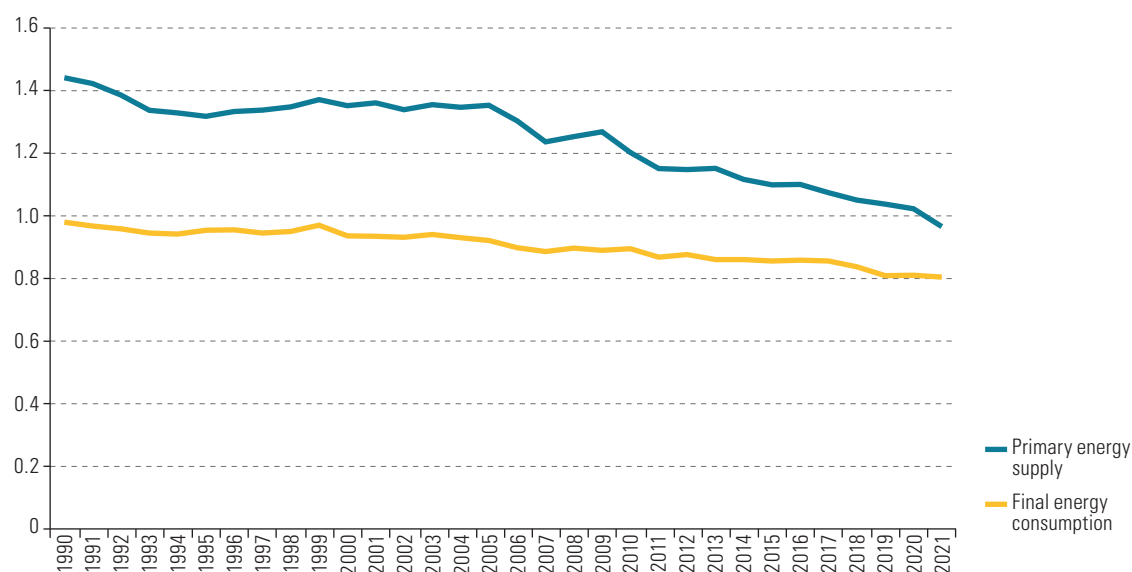
(c) Double the global rate of improvement in energy efficiency (target 7.3)

Over the past three decades, the energy intensity of regional GDP, an indicator associated with target 7.3 and reflecting energy efficiency, fell by 17% (OLADE, 2023; ECLAC, 2022b), owing to the relative decrease in energy use per unit of economic output in the region. Latin America and the Caribbean has managed to reduce the amount of energy consumed per dollar of economic output, measured by the ratio of primary energy supply to GDP, as well as by the ratio of final energy consumption to GDP. This contributes to sustainability and the trend is promising, but not enough to meet the 2030 target (see figure IV.4).

Figure IV.4

Latin America and the Caribbean: energy intensity of GDP, measured as the ratios of primary energy supply and of final energy consumption to GDP, 1990–2021

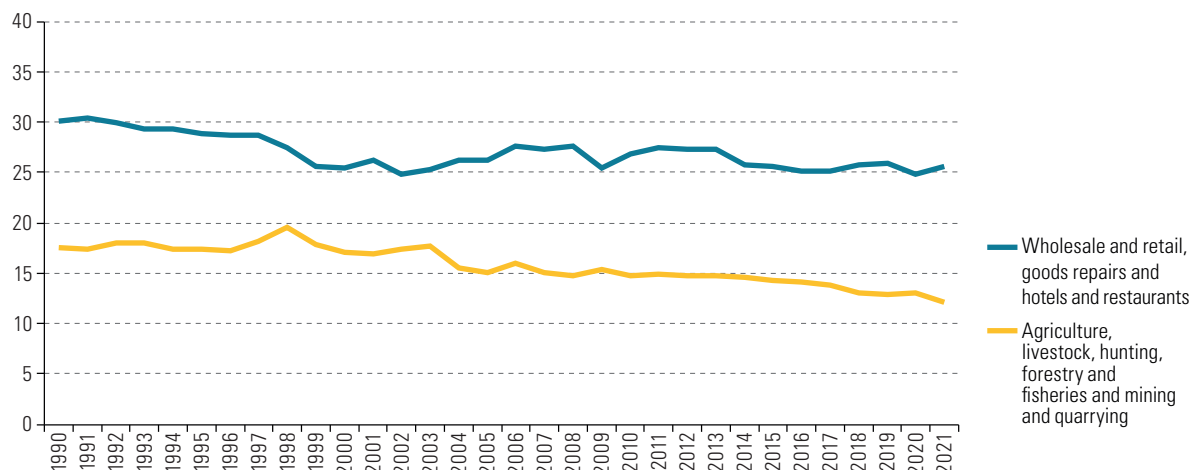
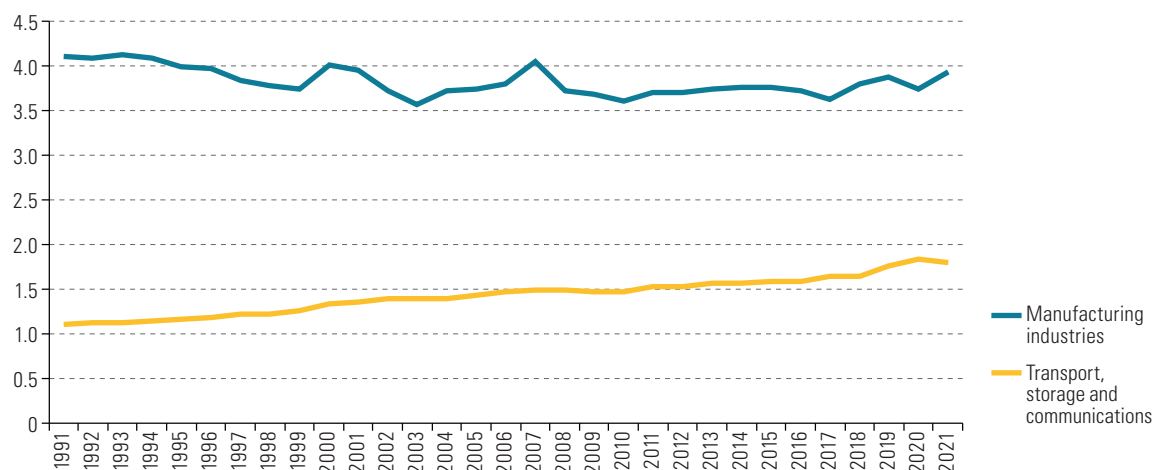
(Thousands of barrels of oil equivalent per million dollars of GDP at constant 2018 prices)



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> and Latin American Energy Organization (OLADE), Energy Information System of Latin America and the Caribbean (SIELAC) [online database] <https://sielac.olade.org/>.

However, data for three decades on energy consumption by sector (OLADE, 2023) and creation of value added by economic activity from ECLAC show that the only sector with a slight increase in efficiency is transport and communications, owing to rising relative prices of hydrocarbons, technological improvements and stricter regulations. This progress is significant, given that transport uses 36% of the region's energy. Manufacturing, agriculture and trade show a slight decline in energy efficiency (see figure IV.5), meaning that sector energy efficiency is lagging in the region with regard to target 7.3 of the SDGs.

The lag in energy efficiency in various production sectors is partly explained by a set of structural obstacles, including insufficient information, unsuitable regulatory frameworks and incentives, a lack of access to specialized services and problems obtaining financing, particularly for SMEs. These areas can be substantially improved through institutional and governance changes, with determined collaboration between the United Nations system and the countries.

Figure IV.5**Latin America and the Caribbean: sector energy efficiency, measured as sector gross value added relative to sector energy consumption, 1990–2021***(Constant 2018 dollars per kilogram oil equivalent)***A. Agriculture and commerce****B. Industry and transport**

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> and Latin American Energy Organization (OLADE), Energy Information System of Latin America and the Caribbean (SIELAC) [online database] <https://sielac.olade.org/>.

To contribute to the pursuit of target 7.3, ECLAC, with the support of French cooperation, is developing a databank of energy efficiency indicators, metrics and policies that is fed with data by the countries of the region. Since 2010, Latin America and the Caribbean has concentrated on implementing energy efficiency measures, which can be monitored by ECLAC. Of all the measures applied, 75% were implemented after 2010 and around 40% of sector-specific measures relate to the residential sector.

In its work on energy efficiency with Latin American and Caribbean countries, the United Nations Environment Programme (UNEP, 2022) has identified multiple opportunities for energy savings and energy efficiency in lighting and use of electrical appliances and equipment. A comparison of the projected increase in electricity consumption by 2030 (15%) with a relatively achievable scenario, which includes policies on minimum energy efficiency standards, shows that by 2030 annual savings of 76 TWh of electricity consumption, equivalent to 35 power plants, could be achieved, preventing the emission of 48 million tons of CO₂ and saving US\$ 9 billion in the regional electricity bill.

(d) Enhance international cooperation to facilitate access to clean energy research and technology and expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries (targets 7.a and 7.b)

International financial flows to the region in support of clean energy research and development, an indicator related to target 7.a, have not increased significantly in recent years, so it can be said that this target is not currently on track to be met.

However, the trend is promising in indicator 7.b.1 on expanding infrastructure and upgrading technology in all subregions. This is reflected in the marked uptrend in installed renewable energy generation capacity, supported by the aforementioned progress on target 7.2, complemented by the strategic developments and opportunities for the renewables-based energy transition described below.

To support the energy transition, in addition to expanding renewable energy as described above, three strategic developments have been identified for the region: (i) electrification of transport and mobility, especially in cities, with renewable sources; (ii) development of the new green hydrogen industry; and (iii) extraction and use of minerals that are critical for renewable energies and their storage technologies.

(i) Electrification of transport in the region with renewable sources

The sector that consumes the most energy in the region —almost entirely through combustion of fossil fuels— is transport, making it strategic for electrification with renewable sources. Because it consumes a substantial volume of energy and makes intensive use of fossil fuels, transport's GHG emissions account for a significant percentage of total emissions originating from energy. E-mobility also offers an opportunity to decontaminate air in urban areas. E-mobility based on renewable energies could prevent the emission of an estimated 1.341 billion tons of carbon dioxide (CO₂) in Latin America and the Caribbean in 2050 (Messina, Contreras and Salgado, 2022).

Table IV.2 shows the potential for reducing CO₂ emissions in four large cities in the region, amounting to an annual total decrease of 80 million tons of CO₂ from passenger vehicles and 2.27 million tons from buses. This would be an average reduction of almost 17% in national emissions from the transport sector.

Table IV.2
Latin America and the Caribbean (4 selected cities): potential reduction in greenhouse gas emissions from replacing traditional vehicles with sustainable e-mobility, 2022
(Millions of metric tons of carbon dioxide per year and percentages)

City	Emissions from privately owned vehicles	Passenger bus emissions	Proportion of national emissions from the transport sector (Percentages)
Bogotá	3.72	0.18	16.3
Buenos Aires	7.12	0.68	22.1
São Paulo	41.16	1.27	13.3
Mexico City	24.87	0.14	16.0
Total	78.87	2.27	16.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of D. Messina, R. Contreras Lisperguer and R. Salgado Pavez, “El rol de las energías renovables en la electrificación del transporte público y privado de las ciudades de América Latina y el Caribe: impactos, desafíos y oportunidades ambientales”, *Project Documents* (LC/TS.2022/125), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022.

In 2022, 27 of the 33 countries of the region had prioritized the transport sector as a decisive factor to meet the emission reduction targets in their nationally determined contributions. Most Latin American and Caribbean countries have legislation that encourages imports and use of electric vehicles. In addition, they have implemented mobility strategies in different ways, for example, through public

policies and legislation on products and services related to e-mobility, although still on an insufficient scale; in the e-mobility strategies themselves (in countries that have already designed them), or as part of productive development strategies. Since 2020, there has been clear progress on installing electric vehicle charging stations (both public and private). In addition, some companies are converting buses and vehicles that have reached the end of their useful life, adapting electric motors and in some cases manufacturing them to provide new mobility solutions.

(ii) Green hydrogen in Latin America and the Caribbean

To boost renewable energy in Latin America and the Caribbean, an effort is needed to foster development of the new industry for green hydrogen, which is produced using renewable sources such as solar, wind and hydroelectric that are widely available in the region at very competitive prices.¹⁸ Green hydrogen is a very flexible energy source that is suitable for use in energy-intensive sectors such as heavy industry (cement and steel) and transport (freight, shipping and aviation). The air, road and automobile transport sectors, as well as some industries, which account for more than two thirds of final energy consumption, make highly intensive use of fossil fuels, producing GHG emissions and breathing air pollutants. Therefore, using green hydrogen to store energy produced by renewable solar and wind farms or as an energy source contributes to decarbonization of the electricity grid, transport and industries.

In the region, the green hydrogen industry is being developed on the basis of electrolyzers using solar and wind energy, although production is not yet on a commercial scale. By 2022, there were 12 green hydrogen projects operating in Argentina, Brazil, Chile, Colombia, Costa Rica and Peru. Green hydrogen is used, on a small scale, in transport (buses, trucks and shipping), in electricity generation and in mining (replacing diesel). In addition, there are a total of 71 projects in the development phase in these countries and in French Guiana, Mexico, Paraguay, the Plurinational State of Bolivia and Uruguay. The countries are developing their green hydrogen industry—spearheaded by Chile—with the potential to produce 160 million tons per year in total. Green hydrogen is growing in importance in the energy agenda of Latin America and the Caribbean, in line with the increasingly ambitious development, energy transition and climate goals. Many countries of the region have strategies or road maps for developing the green hydrogen sector or are preparing them.

Green hydrogen is a very important innovation industry for the energy transition in the region, which has a large endowment of renewable energies, technological and engineering capacity to develop and capture added value throughout the value chain, with the potential to decarbonize, boost the energy transition and at the same time reactivate economies. It is time for the region to participate in discussion of certification mechanisms for this product and to establish such mechanisms, in order to standardize the definition of green, sustainable and low-emission hydrogen within the new industry, both globally and regionally.

(iii) Critical minerals to boost renewable energy in the region

To increase the share of renewable energy in the energy mix, generation, storage and transmission infrastructure must be further developed and transport must be electrified. The main technologies for clean and renewable energy generation make more intensive use of minerals that are considered critical¹⁹ for the energy transition and for e-mobility.

¹⁸ In 2021, 95% of the world's hydrogen supply was produced from fossil fuels (non-green hydrogen). Latin America and the Caribbean produces 5% of the world's grey hydrogen (created from natural gas using steam reformation), which is used as a raw material in the production of ammonia, methanol and steel, and in refineries.

¹⁹ Different minerals are considered critical by each country or institution involved in the analysis of this subject. In addition, minerals that considered critical for the energy transition are classified as strategic in many countries of the region, owing to their importance and prominent role in national development.

The energy transition will drive substantial increases in demand for these minerals, which are particularly abundant in Latin America and the Caribbean. The region is home to 51% of the world's reserves of lithium, 38% of copper, 22% of natural graphite, 39% of silver and 17% of nickel, zinc and rare earths. The region also produces 40.6% of the world's copper output and 32.2% of its lithium output.²⁰ In the sustainable development scenario required to meet the Paris Agreement objectives, it is estimated that global demand for lithium may grow up to 42 times from 2020 to 2040, graphite 25 times, cobalt 21 times, nickel 19 times and copper 2.7 times (IEA, 2021).

Estimates by ECLAC indicate that, in a scenario of regional integration, growth in the electricity capacity of Latin America by 2032 —led by renewable sources, will require 47 GW of photovoltaic generation and 75 GW of wind power. To achieve this capacity, for installation of generation and transmission facilities, it is projected that a total of 611,000 tons of copper will be required, as well as 53,300 tons of nickel, 2,500 tons of cobalt and 2,100 tons of lithium.²¹

2. Conclusions

Latin America and the Caribbean has made substantial progress toward Goal 7. Access to electricity energy services is relatively high and the proportion of renewable energy sources in the energy mix has increased significantly, although it is still largely fossil fuel-based and vulnerable to external shocks. Multidimensional energy poverty still exists, and energy efficiency is lagging in almost all sectors. All of these regional challenges also offer opportunities for transformation, but they call for swift action.

While the substantial reduction in the cost of renewable energy generation and storage technology is an important change, on its own it is not enough. A new institutional and regulatory ecosystem, effective governance systems and long-term national energy planning are needed, substantially increasing the proportion of renewables, efficiency and electrification, improving service quality, energy security and resilience to external shocks. Likewise, it is crucial to facilitate financing and public-private and community partnerships to drive an inclusive, fair and sustainable energy transition for all, accelerating progress toward the Goal 7 targets.

ECLAC is proposing public policies to implement at the national level, including a determined investment drive to universalize renewable electricity coverage, create new green jobs and reduce GHG emissions by increasing renewable energies and improving infrastructure. The new renewable energy industry —with distributed and networked generation, e-mobility and green hydrogen— can be an additional driver of economic transformation in the region, thus contributing to sustainable development, leaving no one behind.

²⁰ In terms of copper output, Chile is the top producer in the world (26.7%), followed by Peru (10.5%). For lithium, Chile is the second largest producer (24.8%) and Argentina the fourth (5.9%).

²¹ The projections are for the most optimistic scenario of connected renewable energies, with high integration of intraregional transmission and a high proportion of renewable energies, which would enable a proportion of 80% of renewable energies by 2032. For more details, see Leañez (2022).

Goal 9 of the 2030 Agenda for Sustainable Development

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

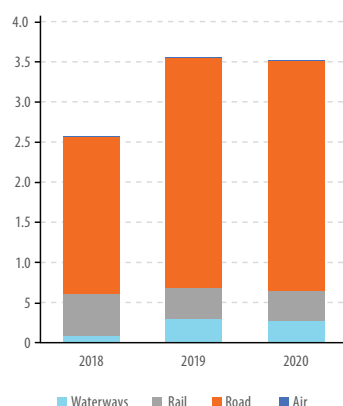
Progress in Latin America and the Caribbean



Target 9.1 Infrastructure development

9.1

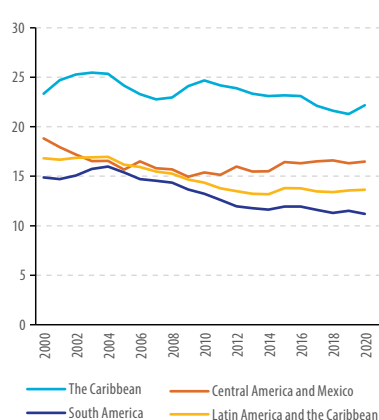
Indicator 9.1.2 Passenger and freight volumes, by mode of transport, 2018–2020
(Billions of ton-kilometres)



Target 9.2 Promote inclusive and sustainable industrialization

9.2

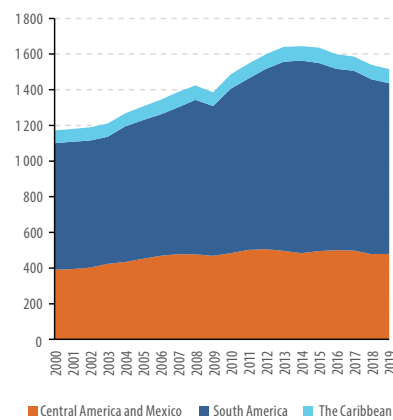
Indicator 9.2.1 Manufacturing value added (current dollars) as a proportion of GDP, 2000–2020
(Percentages)



Target 9.4 Modernize industries to make them sustainable and clean

9.4

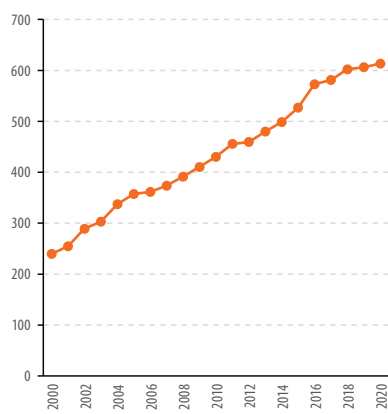
Indicator 9.4.1 CO₂ emissions from fuel combustion, 2000–2019
(Millions of tons)



Target 9.5 Increase research and development

9.5

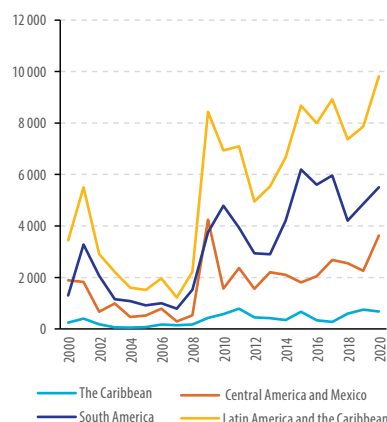
Indicator 9.5.2 Researchers (in full-time equivalent), 2000–2020
(Per million inhabitants)



Target 9.a Facilitate resilient infrastructure development

9.a

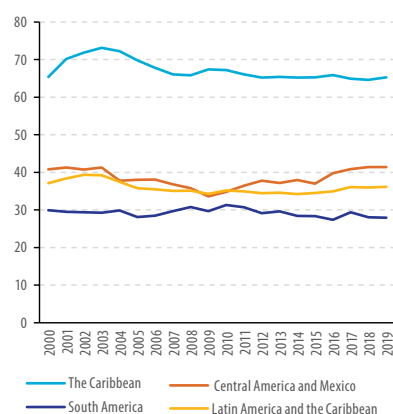
Indicator 9.a.1 Total official resource flows to infrastructure, by recipient subregion, 2000–2020
(Millions of constant 2020 dollars)



Target 9.b Support domestic technology development

9.b

Indicator 9.b.1 Share of medium and high-technology industry value added in total value added, 2000–2019
(Percentages)



The trend is moving away from the target

The trend is in the right direction, but progress is too slow for the target to be met

Target already reached or likely to be reached on the current trend

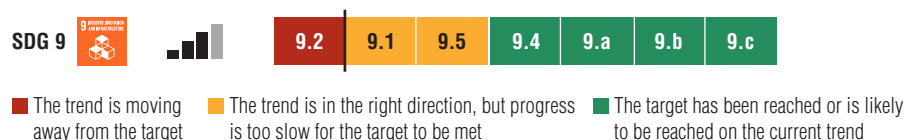
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: Each indicator is comprised of 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.

C. Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Diagram IV.6

Latin America and the Caribbean: Goal 9 targets, by possibility of achieving the defined threshold by 2030



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

This section examines the progress of Latin American and Caribbean countries on Goal 9 of the 2030 Agenda, build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. The analysis focuses on the targets—and their respective indicators—for which the most robust data²² are available, specifically those related to sustainable infrastructure (target 9.1); inclusive and sustainable industrialization (target 9.2); modern infrastructure and sustainable industries (target 9.4); science, technology and innovation (target 9.5); domestic technology development, research and innovation, industrial diversification and value addition to commodities (target 9.b); and information and communications technology (target 9.c). Unfortunately, because of a lack of data, it is not possible to analyse progress toward target 9.3, on access of small-scale industrial and other enterprises to financial services and their integration into value chains and markets.

1. Analysis of progress by target

(a) Development of sustainable, resilient and inclusive infrastructure (target 9.1)

Unfortunately, there are substantial information gaps that make it difficult to monitor statistics for target 9.1 directly. The indicators for which data are available only allow analysis of trends in infrastructure through its use, particularly of transport infrastructure, by measuring flows by land, air and sea, of both passengers and freight. While progress toward the indicators is on track, the impact of the pandemic on the transport sector and the limited investment in rural infrastructure mean that greater efforts are required to meet target 9.1 by 2030.

The effects of the COVID-19 pandemic call for cautious analysis of patterns in these indicators after 2020, since the health emergency caused considerable setbacks in several. Given these circumstances, available information is analysed to measure trends in access to transport infrastructure, as a proxy indicator for development of sustainable, resilient and inclusive infrastructure.

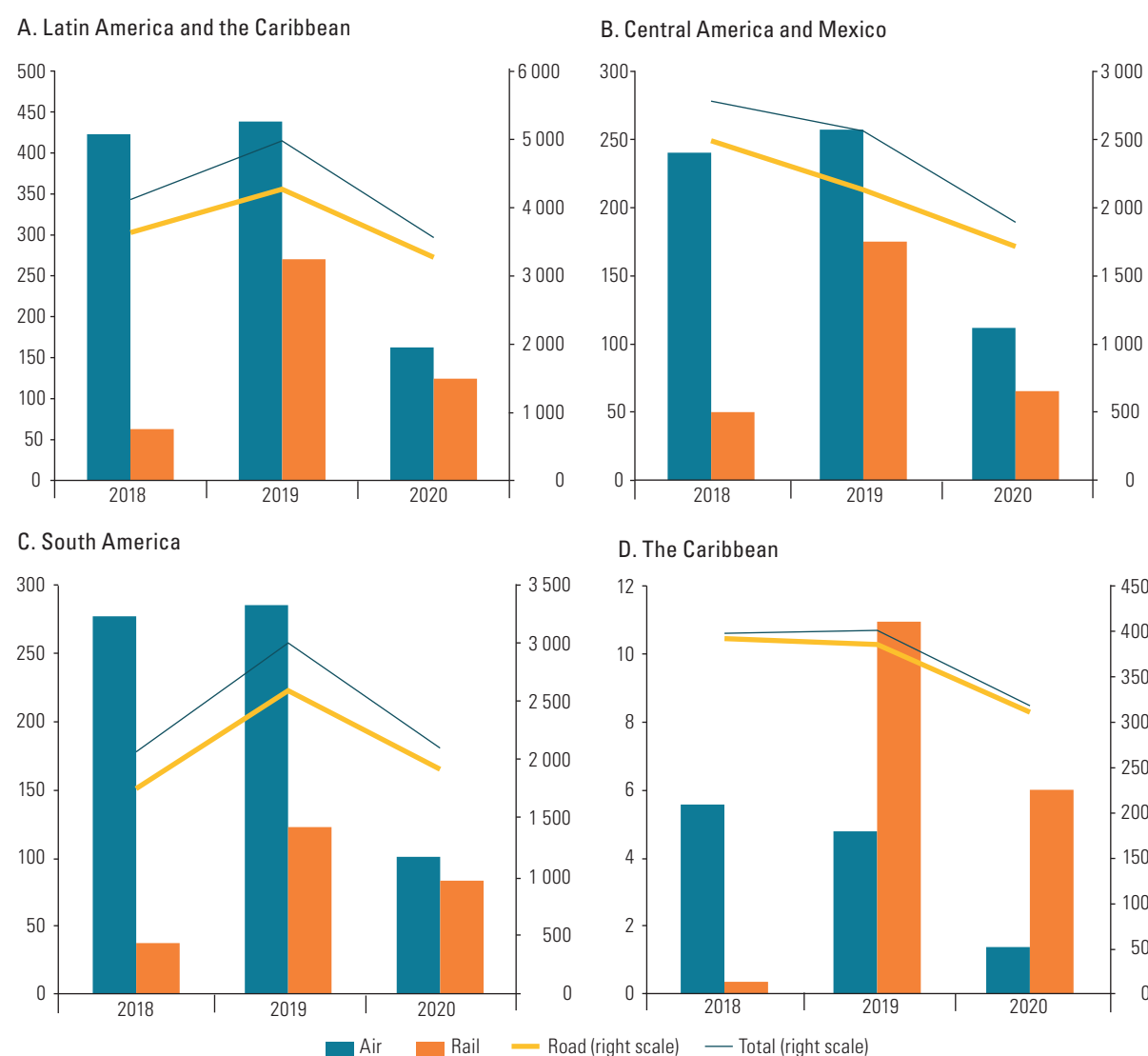
The transport infrastructure gap is larger in rural areas than in urban areas, and in many cases the infrastructure is of insufficient quality and in poor condition. For indicator 9.1.1 (proportion of the rural population who live within 2 km of an all-season road) a distance of 2 km is used as this is generally considered a reasonable distance (equivalent to a 20–25 minute walk) from economic and social activities. Data are currently available for only two countries, and in both cases for only one year, which makes it impossible to assess both the current situation and the pace of progress with respect to this indicator.

²² See Economic Commission for Latin America and the Caribbean (ECLAC), “SDGs in Latin America and the Caribbean: Statistical knowledge management hub” [online] <https://agenda2030lac.org/estadisticas/regional-progress-sdg-targets.html>.

In Paraguay and Peru, 42.4% (2019) and 37.2% (2016) of people living in rural areas, respectively, live within 2 km of an all-season road and are able to access it.

With regard to indicator 9.1.2 (passenger and freight volumes), both in Latin America and the Caribbean as a whole and in all its subregions, there was a sharp drop in passenger and freight volumes in 2020, following the outbreak of the COVID-19 pandemic (see figure IV.6). Regionally, passenger volume grew by 21% from 4.12 trillion passenger-kilometres in 2018 to 4.98 trillion passenger-kilometres in 2019. In 2020, this indicator fell by 29% to 3.56 trillion passenger-kilometres. The largest drop was in air transport (-63%), followed by rail (-54%) and road (-23%), a stark reflection of the impact of the COVID-19 pandemic in the region.

Figure IV.6
Latin America and the Caribbean and its subregions: passenger transport volumes, by mode, 2018–2020
(Billions of passenger-kilometres)

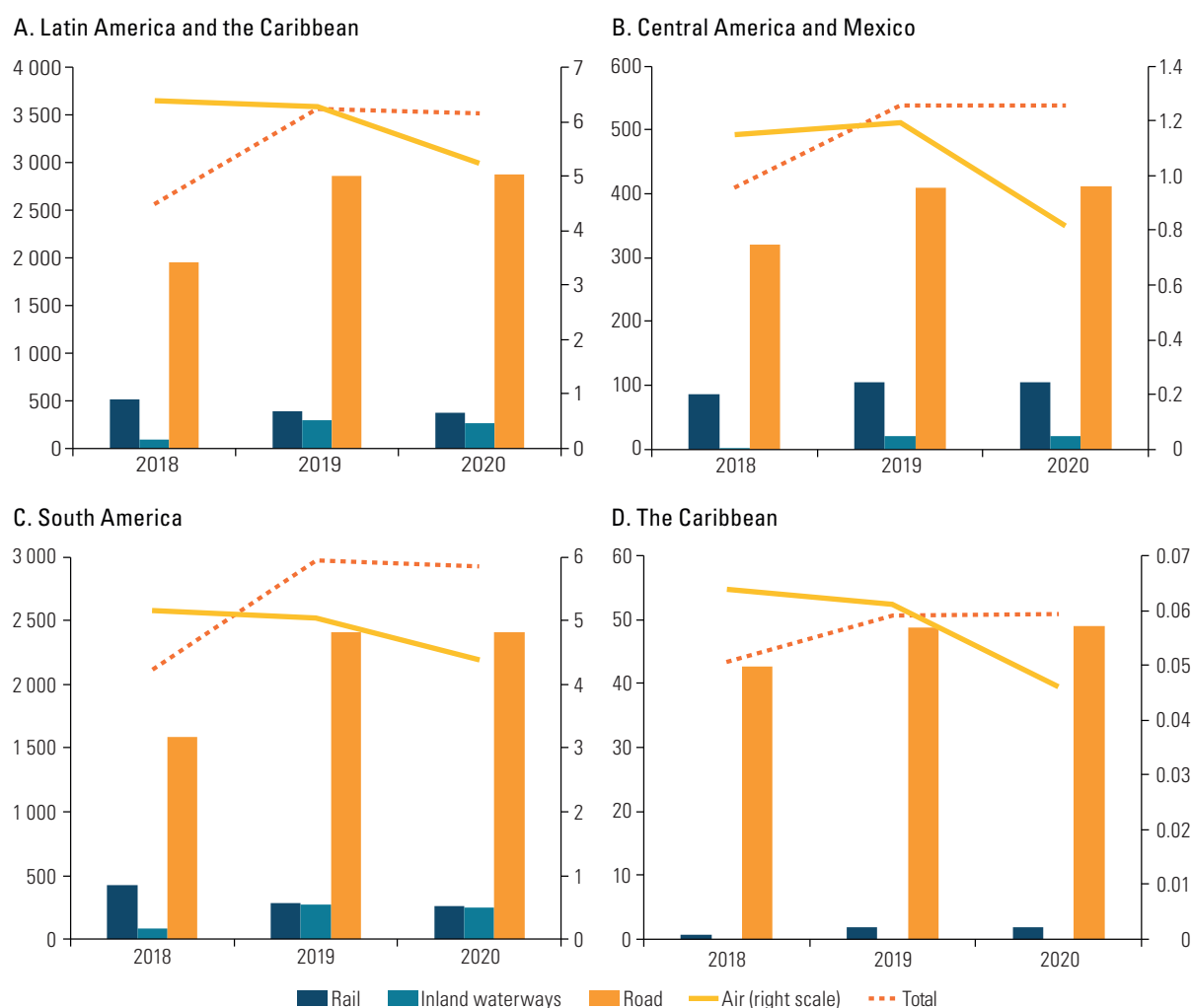


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

The volume of freight transported in Latin America and the Caribbean and its subregions also fell in 2020, although less than passenger transport, since, despite the pandemic, supplies of food, medical supplies and other essential goods were maintained. As shown in figure IV.7, between 2018 and 2019, the volume of freight transport in the region increased by 39% from 2.57 trillion ton-kilometres to 3.55 trillion ton-kilometres. In 2020, the volume transported dropped by just 1.2% compared to 2019. The largest regional drop was in air transport (-17%), followed by waterways (-7%) and rail (-6%), while road transport was stable.

On the islands of the Caribbean, almost all freight is carried by road. In South America, the share of rail transport has trended downward, but this has been offset by road and inland waterway transport. Lastly, in the group made up of Central America and Mexico, the proportions of the different modes of transport were largely unchanged from 2018 to 2020.

Figure IV.7
Latin America and the Caribbean and its subregions: freight transport volumes, by mode, 2018–2020
(Billions of ton-kilometres)

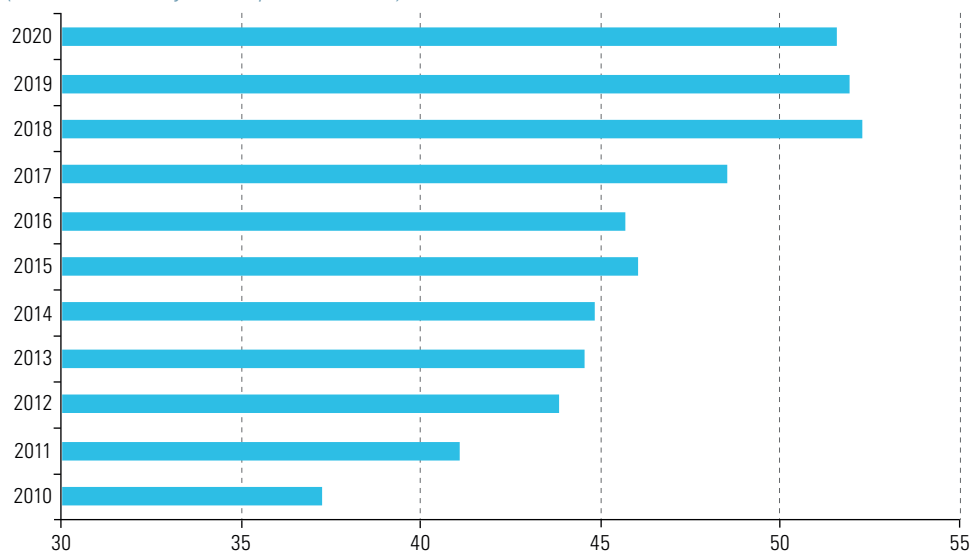


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

In the case of maritime transport, which accounts for 80% of the volume of world trade in goods and is fundamental for the global distribution of commodities (such as oil, natural gas and food), the COVID-19 pandemic greatly disrupted supply chains for four main reasons: (i) widespread shutdowns of activities; (ii) increased congestion in ports; (iii) limited availability of containers; and (iv) higher concentration in the shipping industry (ECLAC, 2023a). These disruptions led to shortages of imported products, disruption in logistics markets, more unreliable shipments owing to delays, and an increase in shipping freight rates. In these circumstances, in 2020 the region saw a contraction in both container port traffic and the indicator that measures cargo loaded and unloaded (see figures IV.8 and IV.9, respectively).

Figure IV.8
Latin America and the Caribbean: container port traffic, 2010–2020

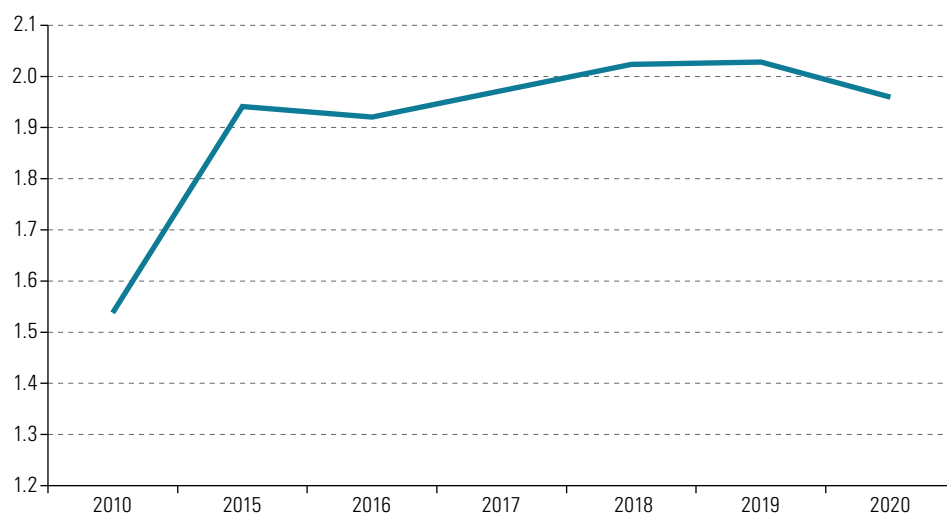
(Millions of twenty-foot equivalent units)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Figure IV.9
Latin America and the Caribbean: cargo loaded and unloaded, maritime transport, 2010–2020

(Millions of metric tons)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

The declines seen in transport flows by land, air and sea for both passenger and freight reflect a drop in demand which, from an economic perspective, may discourage investment and initiatives to develop infrastructure or expand existing infrastructure. This would hamper the process that target 9.1 aims to promote, particularly in the transport sector but also possibly in other sectors that saw demand decline, thus discouraging investment.

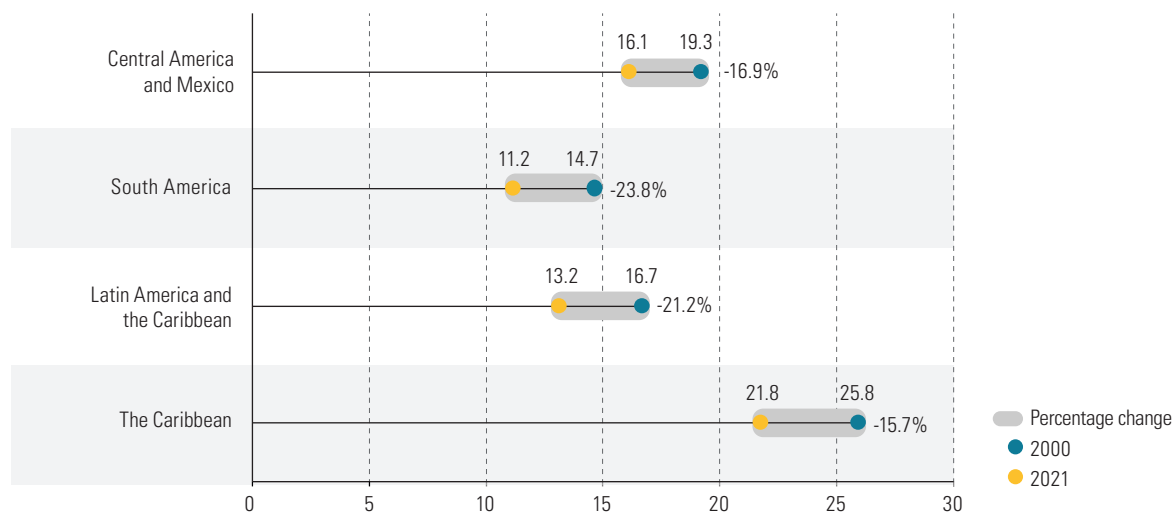
To meet target 9.1, efforts must be made to boost development of sustainable, resilient and inclusive infrastructure, especially for basic services, such as—in addition to road, water, sanitation and energy infrastructure analysed above—health, education, housing and public services in the surroundings of housing, such as pavements, parks and greens. In this situation, the role of the State in providing these basic infrastructure services for millions of people in Latin America and the Caribbean has been vital and will continue to be so, given the extent of the investments required, the length of the planning and implementation periods for construction work, and the fact that many of the benefits spill over into other sectors. However, the cascading crises the region is facing call for bold ways to finance construction and maintenance, as well as participation by various sectors in order to achieve the SDGs. Creative and efficient mechanisms and strategies are required to foster participation by other stakeholders to bear some of the financial costs of infrastructure projects. Private sector participation is necessary both for financing new projects and for maintaining existing infrastructure. In recent years, progress has been made in this regard, based on more public-private partnerships, enabling sharing of costs and improved investment quality, especially for development of basic infrastructure.

(b) The contribution of industrialization to employment, economic growth and productivity (target 9.2)

The early deindustrialization of the region means that it is not on track to meet target 9.2 by 2030. The internationalization of production processes and the growing technological intensity of the industrial sector have widened the gap between the countries of the region and the rest of the world. After China burst onto the world's economic stage in the early 2000s, demand for commodities shot up, leading to fierce competition over production of manufactured goods in the region (ECLAC, 2023a). Owing to the low levels of industrialization, the manufacturing sector has tended to shrink over the last two decades. With respect to indicator 9.2.1 (manufacturing value added as a proportion of GDP and per capita), figure IV.10 shows that between 2000 and 2021 the share of manufacturing in the economy of Latin America and the Caribbean shrank in all subregions, with the largest decline in the countries of South America (-23.8%), followed by the group made up of Central America and Mexico (-16.9%) and lastly the Caribbean (-15.7%).

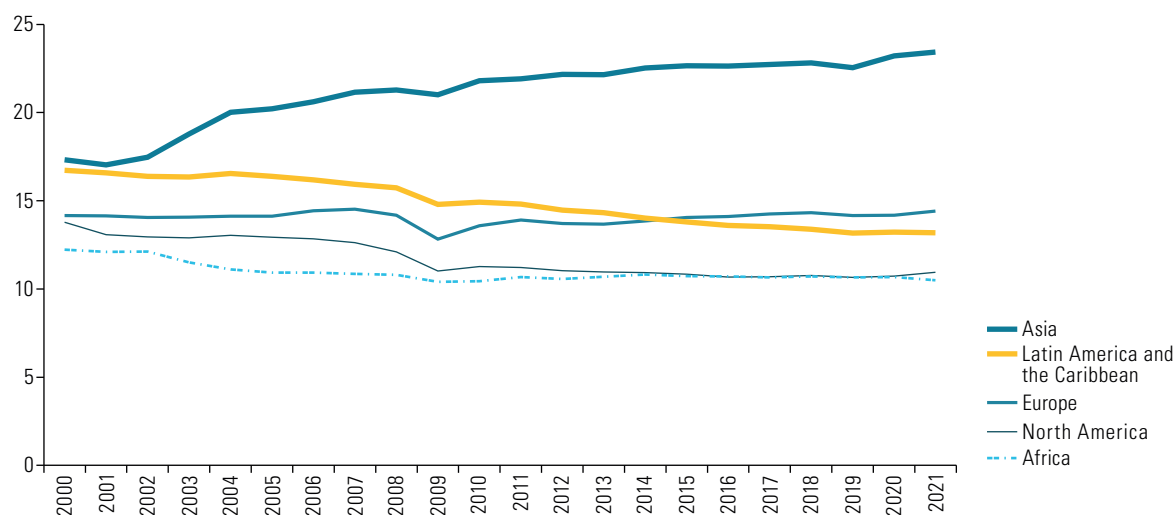
Manufacturing value added per capita, a synthetic index of level of industrialization, has remained stagnant at around US\$ 1,100 over the past two decades. Manufacturing's relative importance in the regional economy has declined, to 13.2% of GDP in 2021, the lowest level two decades (see figure IV.11). Manufacturing has also contracted in terms of employment, from 14.5% of the total in 2000 to 11.8% in 2019.

Figure IV.10
Latin America and the Caribbean: manufacturing value added as a proportion of GDP, by subregion, 2000–2021
(Percentages)



Source: United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, “SDGs in Latin America and the Caribbean: Statistical knowledge management hub” [online] <https://agenda2030lac.org/estadisticas/index.html>.

Figure IV.11
Manufacturing value added as a proportion of GDP, by region of the world, 2000–2021
(Percentages, based on dollars at constant 2015 prices)



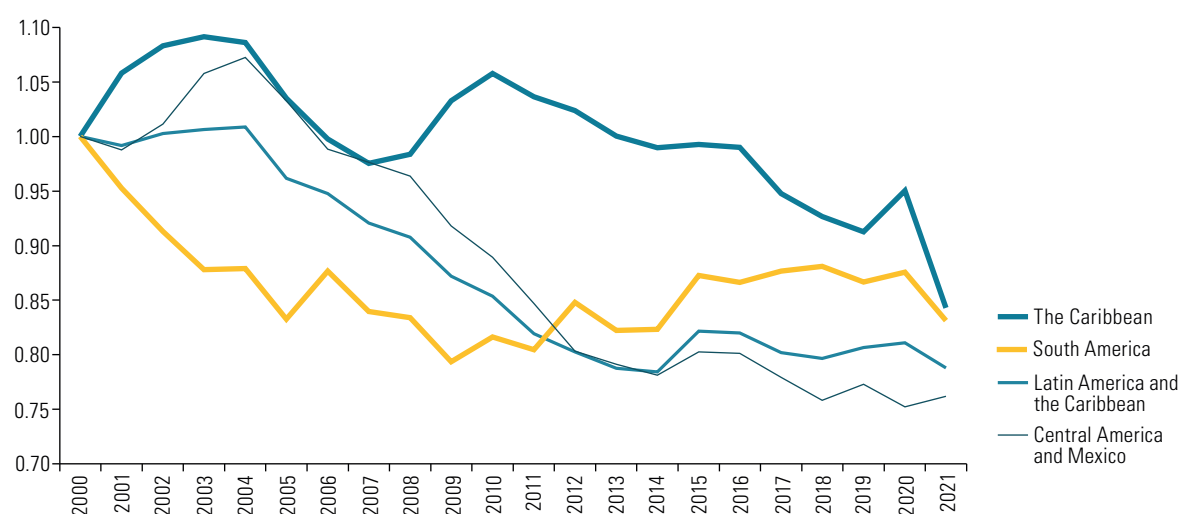
Source: United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/dataportal>; United Nations Industrial Development Organization (UNIDO), “UNIDO National Accounts Database” [online] <https://stat.unido.org>.

The trend in the manufacturing sector's contribution to the economy over recent decades is primarily attributable to the countries of South America (see figure IV.12). In the subregion of Central America and Mexico, although the share of manufacturing shrank from 2020 to 2021, the sector has grown more quickly overall since the late 2010s, mainly owing to its performance in Costa Rica and Mexico. In particular, Mexican manufacturing, after a slump in the 2000s, returned to growth after the global financial crisis of 2008 and 2009, reaching a 16.7% share of the economy before the onset of the COVID-19 pandemic. In the Caribbean countries, manufacturing's share of the economy has remained largely stable, with a slight downward trend.

Figure IV.12

Latin America and the Caribbean: growth in the share of the manufacturing sector, by subregion, 2000–2021

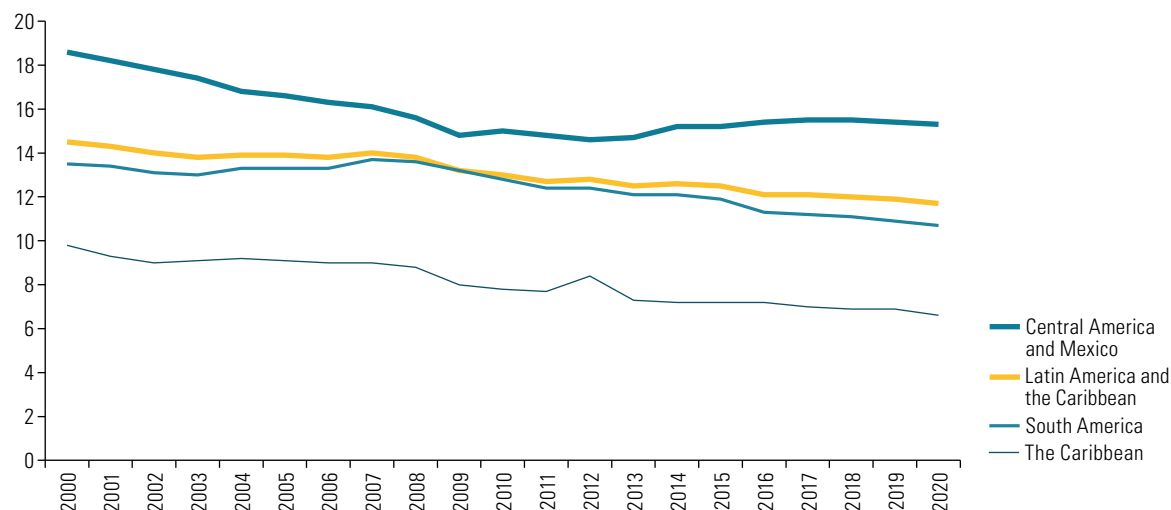
(Index of manufacturing value added as a percentage of GDP, base year 2000 = 1)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

The trends in manufacturing's share of the economy have been mirrored by a decline in its capacity to absorb employment (see figure IV.13). The Caribbean countries recorded the longest downturn. In South America, in keeping with the pattern in the sector's share of the economy, the contribution of manufacturing to employment has been falling since the global financial crisis, from 13.6% in 2008 to 10.7% in 2020. In the subregion of Central America and Mexico there was a downtrend until the global financial crisis, followed by an uptrend from 2009 until the onset of the COVID-19 pandemic. The manufacturing sector has not only been affected by competition from Asia, but also by automation, which enables a higher output per worker and thus growth in manufacturing production with less job creation than in the past.

In essence, the region has not been able to trigger a sustained and inclusive process of industrialization (target 9.2) that would drive improvements in employment and economic growth. There are even signs of setbacks that it will be of utmost importance to reverse; this can be done by strengthening productive development policies, particularly those concerning industrial modernization and conversion, given their enormous potential for producing other economic, social and environmental benefits.

Figure IV.13**Latin America and the Caribbean: manufacturing sector employment as a share of total employment, by subregion, 2000–2020***(Percentages)*

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

(c) Modernization of infrastructure for sustainable industrialization (target 9.4)

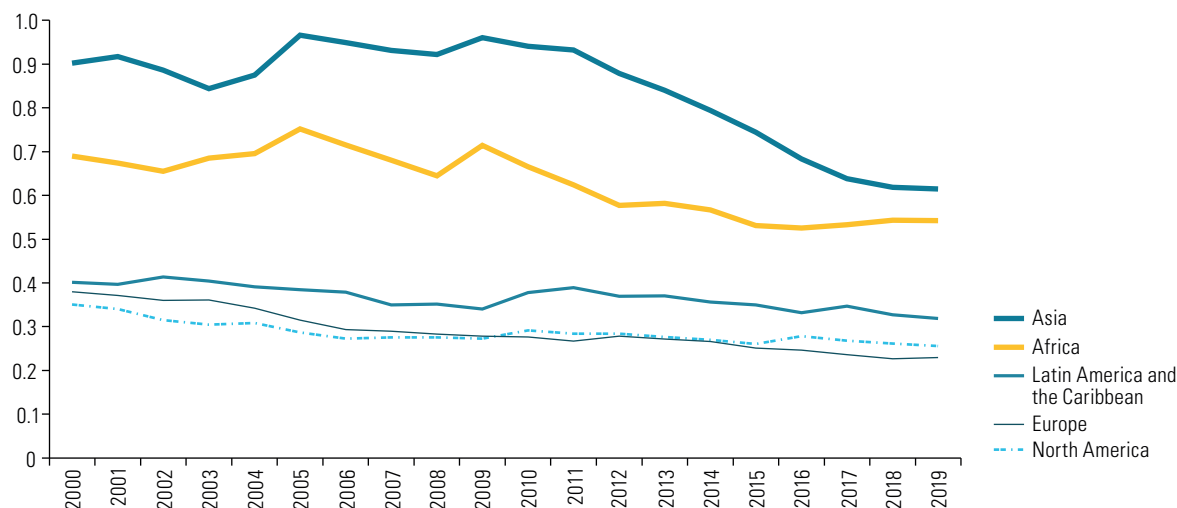
The region is on track to meet target 9.4, which relates to upgrading infrastructure and retrofitting industries to make them more sustainable. Climate change and accumulation of greenhouse gases are both linked to the industrial revolution. The concentration of carbon dioxide emissions increased from 278 parts per million (ppm) in the pre-industrial period to 417.2 ppm in 2022 (NOAA, 2022). Mitigating climate change and adapting to its effects requires new production models and innovative solutions, to reduce greenhouse gas emissions. The manufacturing sector has been characterized by high energy intensity and CO₂ emissions. It is therefore vital to link industrialization and productive development strategies to energy transition and sustainability strategies, as well as to decouple productive development from energy and carbon dioxide intensity.

The carbon dioxide emissions intensity of the manufacturing industry in Latin America and the Caribbean, measured in CO₂ emissions per unit of manufacturing value added (indicator 9.4.1), has remained largely steady, with a slight downward trend between 2000 and 2019 (see figure IV.14). In the region, the ratio of 0.319 kg per dollar recorded in 2019 was just 26% lower than the level seen in 2000, which means that, over the last two decades, the region has achieved only marginal improvements in the carbon dioxide efficiency of its industrial processes. Other regions of the world have achieved more significant progress; for example, in the early 2000s, Asia's emissions per unit of manufacturing value added stood at 0.902 kg per dollar, but in the last 20 years it has achieved a significant improvement, to 0.615 kg per dollar in 2019.

Energy efficiency in the industrial sector, defined as the value added that can be generated with one unit of energy, has remained almost unchanged in the region over the last two decades. Figure IV.15 shows that in contrast, in the United States, manufacturing energy efficiency has improved significantly, owing to new technologies and diversification of production into activities that are less energy-intensive and into knowledge-intensive services. In 2019, the United States was responsible for 20% of all patents for new environmental technologies.²³

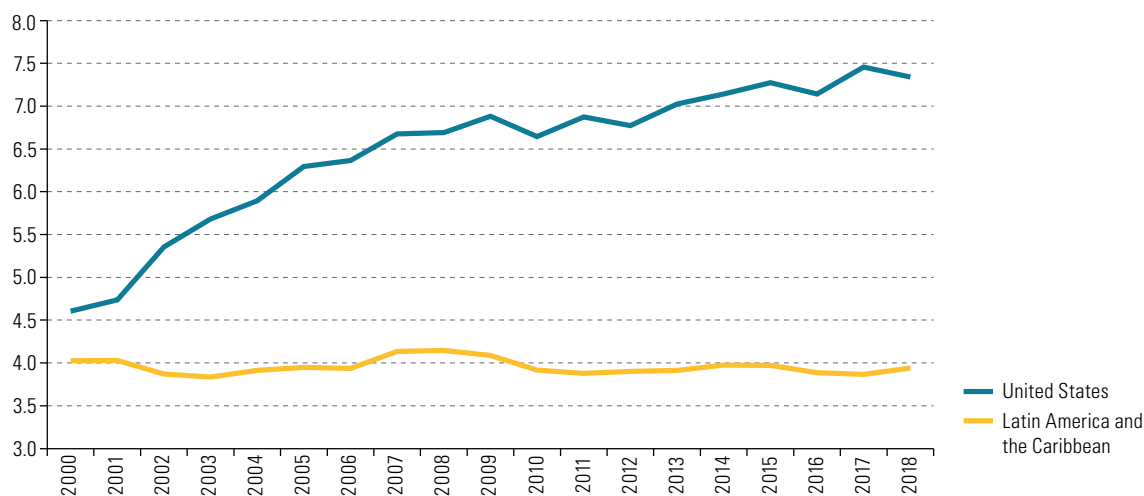
²³ See Organisation for Economic Co-operation and Development (OECD), OECD.Stat [online database] <https://stats.oecd.org/>.

Figure IV.14
Carbon dioxide (CO₂) emissions from the manufacturing industry, by region of the world, 2000–2019
(Kilograms of CO₂ per dollar of manufacturing value added)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/dataportal> and United Nations Industrial Development Organization (UNIDO), National Accounts Database [online] <https://stat.unido.org>.

Figure IV.15
Latin America and the Caribbean and the United States: energy efficiency of the industrial sector, 2000–2018
(Thousands of tons of oil equivalent per dollar at 2010 prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Energy Agency (IEA) and CEPALSTAT [online database] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

The trend in Latin America and the Caribbean is primarily a result of the make-up of the production structure and the relative importance of energy-intensive manufacturing segments, such as those based on natural resources.

Lastly, it is important to align energy and transport infrastructure to reduce carbon dioxide emissions. Transport is the largest contributor to CO₂ emissions in Latin America. The International Energy Agency (IEA) estimates that in Central and South America, if countries maintain current policy, CO₂ emissions

per unit of GDP will increase from 420 million tons in 2019 to 435 million tons in 2025, whereas a reduction is required to mitigate climate change.²⁴ Sustainable infrastructure and the related services must contribute to reducing GHG emissions and must therefore take into account the gap between transport requirements and the need to reduce their environmental impact (Serebrisky and others, 2020; Lardé, 2020). The growing trend of producing green hydrogen at ports is a sustainable alternative that countries of the region should consider. Unlike other clean energy sources, green hydrogen can be exported to other countries, and this requires further progress from the countries of the region in developing alternative storage and transport techniques.

In general terms, it can be said that, although progress has been made, it is modest. Greater efforts must be made to modernize and retrofit the region's industries to put them at the forefront of technological progress and promote clean and environmentally sound industrial processes.

(d) Enhance science, upgrade technology and encourage innovation (target 9.5)

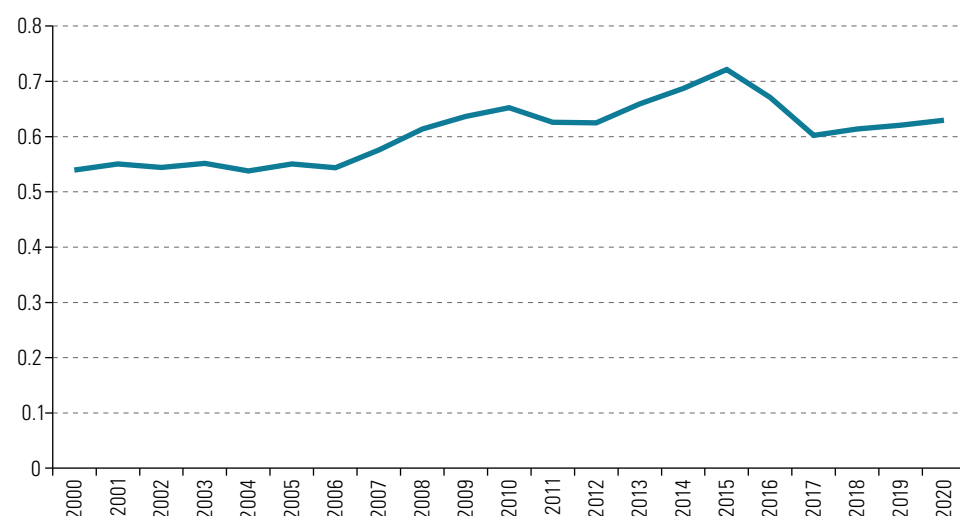
Enhancing scientific research, upgrading technology and encouraging innovation by industrial sectors, as stated in target 9.5, is key to higher productivity that can drive long-term growth with quality job creation, developing environmentally sustainable solutions, and increasing resilience. Greater investment and coordination of innovation stakeholders is required, to accelerate progress toward target 9.5 by 2030.

The resources that countries allocate for science, technology and innovation give some idea of their advances with respect to the target. Indicator 9.5.1 (research and development expenditure as a proportion of GDP) has seen only meagre improvement in Latin America and the Caribbean.²⁵ Research and development expenditure as a proportion of GDP in the region rose from 0.54% in 2000 to 0.72% in 2015, but subsequently fell to 0.63% in 2020 (see figure IV.16).

Figure IV.16

Latin America and the Caribbean: research and development expenditure as a proportion of GDP, 2000–2020

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

²⁴ The stated policies scenario, according to the International Energy Agency's (IEA) *World Energy Outlook 2020*, reflects all announced policy intentions and objectives, provided that they are supported by detailed measures for their implementation.

²⁵ While research and development processes differ from those relating to innovation, it is accepted that there is a positive correlation between them, as research and development indicators are considered an indirect reflection of innovation indicators at an aggregate level.

Not only are these percentages significantly lower than those of developed countries —and even some emerging economies, such as China, where such expenditure accounts for more than 2% of GDP— the gap is also widening. The situation varies at the regional level. In 2020, in absolute terms, Brazil alone accounted for 65% of the entire region's research and development spending. If Argentina and Mexico are added to Brazil, the three countries together were responsible for 86% of research and development spending. In terms of the ratio of expenditure to GDP, Brazil's figure is 1.17%, followed by Cuba, Uruguay and Argentina, with percentages close to 0.5%.

The number of researchers (in full-time equivalent) per million inhabitants (indicator 9.5.2) has almost tripled in the last two decades in the region as a whole, from 234 in 2000 to 614 in 2020. Argentina is the country with the most researchers per million inhabitants, at 1,230. While this progress is promising, it is not enough.

Enhancing scientific research, upgrading technology and encouraging innovation in the productive sectors also requires redesigns of science and technology policies—including the allocation of resources, incentives and their governance— and multi-stakeholder participation by the State, the academic sector and the private sector. Many countries, and especially advanced economies, have begun to modernize production policy based on complex, comprehensive and capable national innovation systems, thus enabling mobilization of productive, technical and knowledge capacities to address key development challenges. The success of this approach depends on how measures are interlinked and governed, as well as calling for new institutional arrangements to coordinate and build capacities for policymaking and policy management (ECLAC, 2022e).

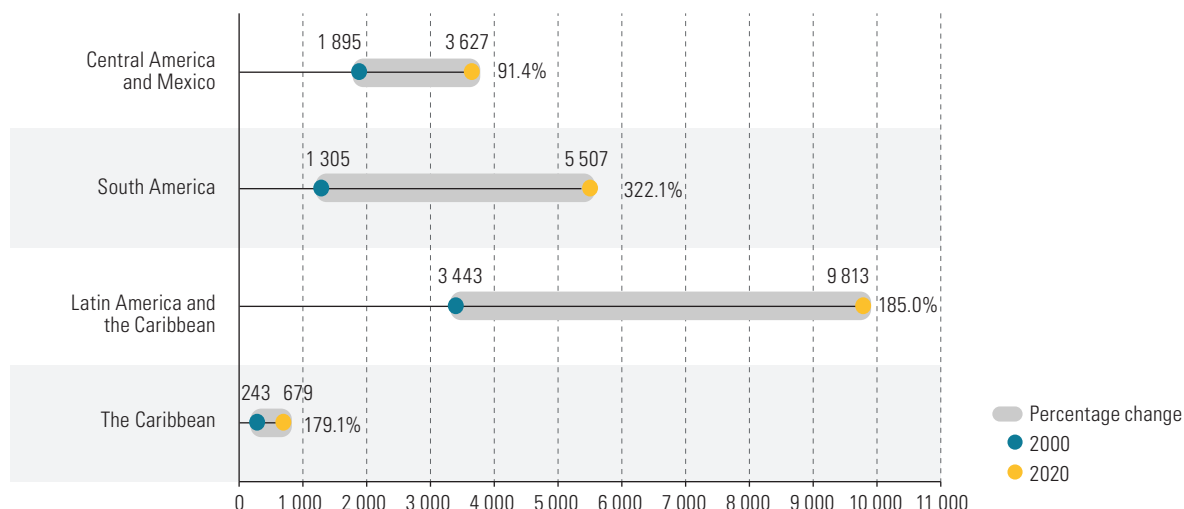
(e) International contributions and support for the pursuit of Goal 9 (target 9.a)

Target 9.a refers to facilitating sustainable and resilient infrastructure development through financial, technological and technical support from abroad. Official international support for infrastructure (indicator 9.a.1) has grown in the twenty-first century to date; however, the resources have not been enough to close the large infrastructure gap in the region, which has been exacerbated by the health crisis. Significant financing challenges must be overcome to meet the infrastructure investment needs of the region.

Figure IV.17 shows that official international support for infrastructure in the region as a whole increased by 185% between 2000 and 2020, but with a different trend in each subregion. South America benefited the most, with growth of 322.1%, with rises in the Caribbean and the subregion of Central America and Mexico of 179.1% and 91.4%, respectively.

Official development assistance has followed an irregular pattern. In the 2003–2008 period, linked to the commodity boom, official development assistance to the region from abroad fell, but subsequently rose during the global financial crisis of 2008 and 2009. Since then, official development assistance has continued to follow an upward trend. Assistance is concentrated in a handful of countries. Resources have not been distributed evenly or in a way that clearly reflects collective needs. Available information indicates that around 60% of international support for South America in 2020 went to Brazil and Colombia. In the group comprising Central America and Mexico, 72% of investment was concentrated in just three countries: Honduras, Mexico and Panama.

Chile and Uruguay are not included in the list of countries and territories that, according to the Organisation for Economic Co-operation and Development (OECD), are eligible for official development assistance (ODA) and stopped receiving international support in 2018.

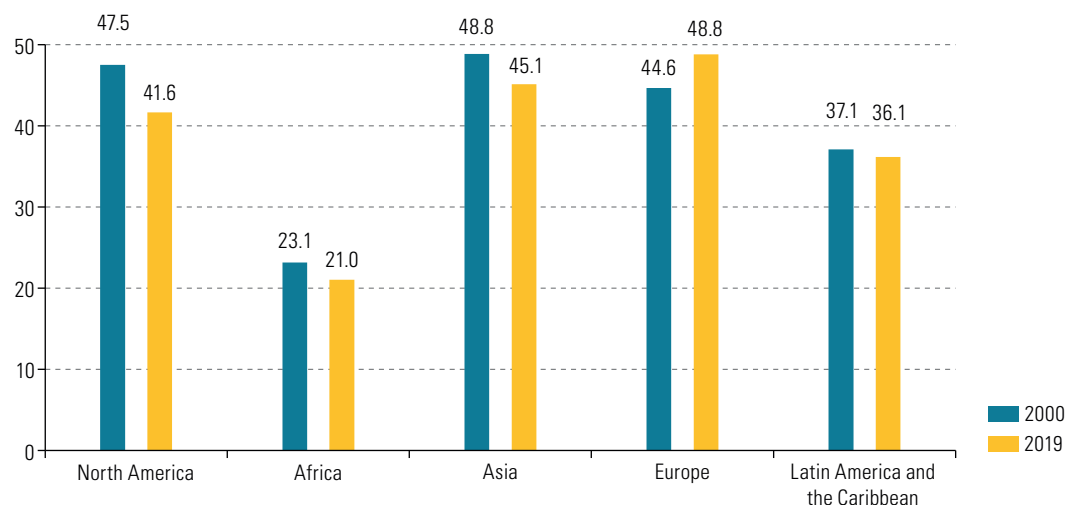
Figure IV.17**Latin America and the Caribbean: official development assistance for infrastructure, by subregion, 2000 and 2020***(Millions of dollars at constant 2020 prices)*

Source: United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

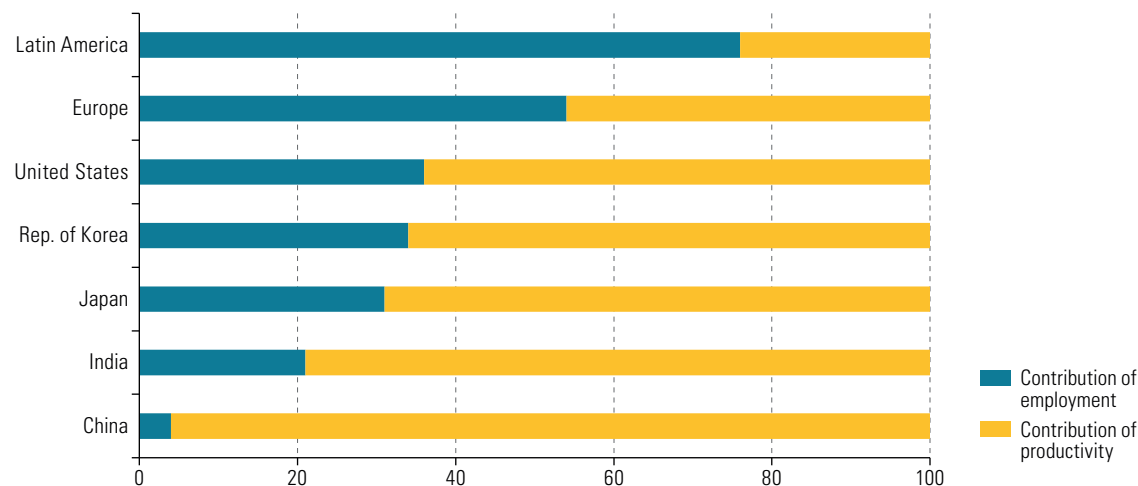
(f) National policies to support technology development, research and innovation (target 9.b)

Target 9.b highlights the importance of countries implementing measures to support domestic technology development and industrial diversification and value addition to commodities (target 9.b) and the region is on course to meet the threshold set for 2030. Analysis of value added in the manufacturing sector by level of technology (indicator 9.b.1), a proxy indicator of the national drive for technological development in the industrial sector, shows that, unlike other developing economies, the region has not succeeded in promoting development of more sophisticated activities in the manufacturing sector (see figure IV.18). Between 2000 and 2018, the region's medium- and high-tech industry accounted for less than 40% of total value added, with the exception of Mexico, where it contributed 46% of the sector's total value added in 2019.

The inability to incorporate more complex activities into the production structure and to create formal jobs has affected the region's productivity trend (see figure IV.19). The region's limited increases in productivity are a result of its production structure, concentrated in basic manufacturing activities and activities that make intensive use of natural resources. Although some of these sectors are very active exporters, they are mostly poorly linked to the rest of the economy and do not produce spill-over effects in terms of technology or knowledge. The region's structurally low productivity limits both the ability to improve wages and countries' capacity to enter international markets for products with more value added.

Figure IV.18**Proportion of medium- and high-tech industry value added in total value added, by world region, 2000 and 2019***(Percentages)*

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/dataportal> and United Nations Industrial Development Organization (UNIDO), National Accounts Database [online] <https://stat.unido.org>.

Figure IV.19**Selected countries and regions: contribution of productivity and employment to GDP growth, 2000–2019***(Percentages)*

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of The Conference Board, Total Economy Database [online] <https://www.conference-board.org/data/economydatabase/total-economy-database-productivity>.

(g) Increase access to information and communications technology and strive to provide universal access to the Internet (target 9.c)

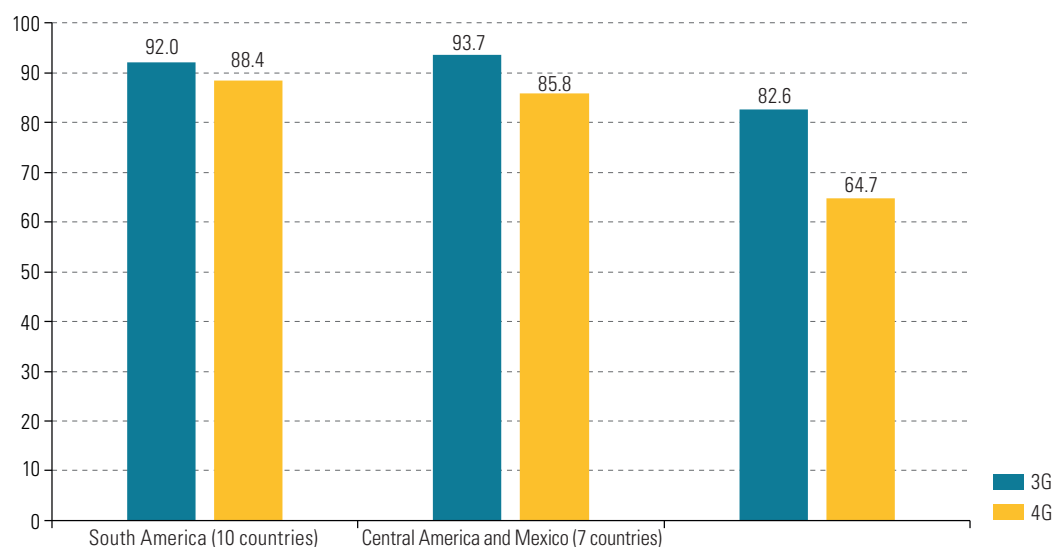
The region has made progress on increasing access to information and communications technology (ICT) and providing universal affordable access to the Internet, which is central to inclusive and sustainable industrialization. Digital technology facilitates creation of new industries and business models and better jobs, as well as benefitting other areas that are vital for development, such as education, health and government services.

With regard to indicator 9.c.1 (proportion of population covered by a mobile network, by technology), it is estimated that in 2021 around 92% and 86% of the regional population was covered by 3G and 4G networks, respectively. However, in the same year, 72% of the population reported being Internet users, revealing a large gap between supply and demand, represented by the population that could have Internet access but does not for socioeconomic reasons. At the subregional level, there are significant gaps in 4G network coverage, especially in the Caribbean (see figure IV.20). In 2021, an average of 62% of households in the region had fixed broadband, while in Europe and North America coverage was 90%–100% (ECLAC, 2022d).

Figure IV.20

Latin America and the Caribbean: population covered by a mobile network, by type of network, around 2021

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database [online] <https://www.itu.int/en/ITU-D/Statistics/Pages/publications/wtid.aspx>.

2. Conclusions

Just seven years from the deadline for the Goals of the 2030 Agenda for Sustainable Development, Latin America and the Caribbean still has a long way to go to meet the targets of Goal 9. To do so, efforts must be expanded on and stepped up, in terms of infrastructure, productive development and sustainability.

Although the manufacturing industry has an important role to play in productive development policies and will continue to have such a role, it is vital to formulate strategies that encompass all production sectors. Modern industrial policies must focus on the enormous transformations driven by the environmental transition and the digital revolution, led by the highly sophisticated modern services sector, in order to properly respond to the challenges that these transformations entail. To focus on such transformations, productive policies must be adopted that target transformation and diversification, sustain them over time and build the capacities of the State to design and implement effective policies (ECLAC, 2022c).

It is also important not to lose sight of the potential synergies and productive complementarities that can be fostered and capitalized on in Latin America and the Caribbean by developing new regional production chains. The investments needed to build a modern and sustainable industry require partnerships between stakeholders from all sectors of society (government, academia, business and civil society) and at different levels (local, national and international). Only thus can the region align efforts to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation in the short time remaining until 2030.

Goal 11 of the 2030 Agenda for Sustainable Development

Make cities and human settlements inclusive, safe, resilient and sustainable

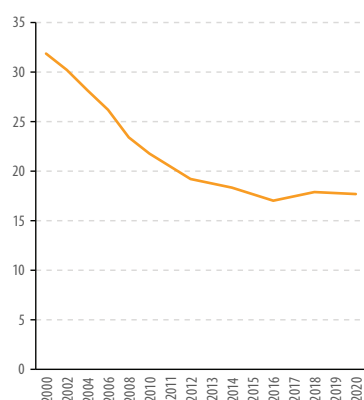
Progress in Latin America and the Caribbean



Target 11.1 Universal access to housing and basic services

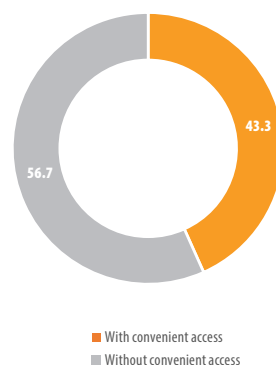
11.1

Indicator 11.1.1 Proportion of urban population living in slums, 2000–2020 (Percentages)



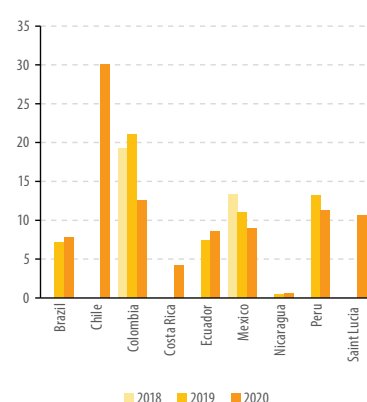
Target 11.2 Expand access to public transportation

Indicator 11.2.1 Proportion of population that has convenient access to public transport, 2020 (Percentages)



Target 11.4 Protect cultural and natural heritage

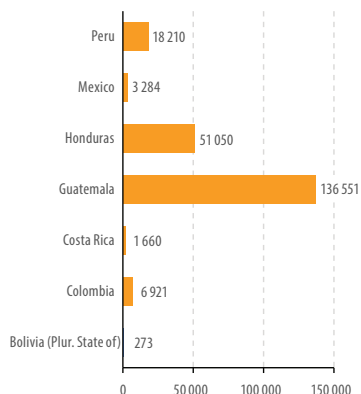
Indicator 11.4.1 Total expenditure per capita on cultural and natural heritage, 2018–2020 (Purchasing power parity, dollars at constant 2017 prices)



Target 11.5 Reduce deaths and economic losses from disasters

11.5

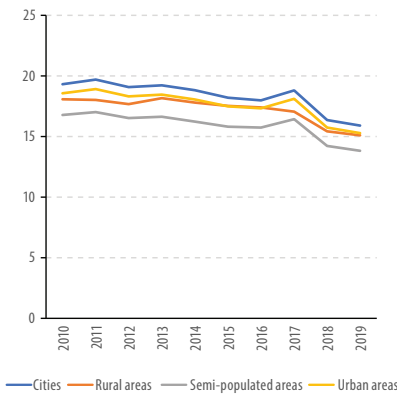
Indicator 11.5.1 Selected countries: number of people with dwellings destroyed by disasters, 2020 (Numbers)



Target 11.6 Improve air quality and municipal waste management

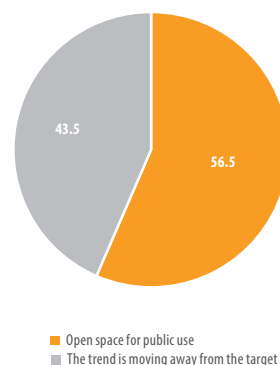
11.6

Indicator 11.6.2 Annual mean levels of fine particulate matter (population-weighted), by location, 2010–2019 (Micrograms per cubic metre)



Target 11.7 Universal access to green spaces and public urban spaces

Indicator 11.7.1 Average share of the built-up area of cities that is open space for public use for all (percentages), 2020 (Percentages)



The trend is moving away from the target

The trend is in the right direction, but progress is too slow for the target to be met

Target already reached or likely to be reached on the current trend

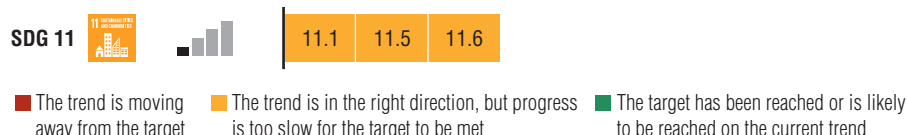
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: Each indicator is comprised of 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.

D. Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Diagram IV.7

Latin America and the Caribbean: Goal 11 targets, by possibility of achieving the defined threshold by 2030



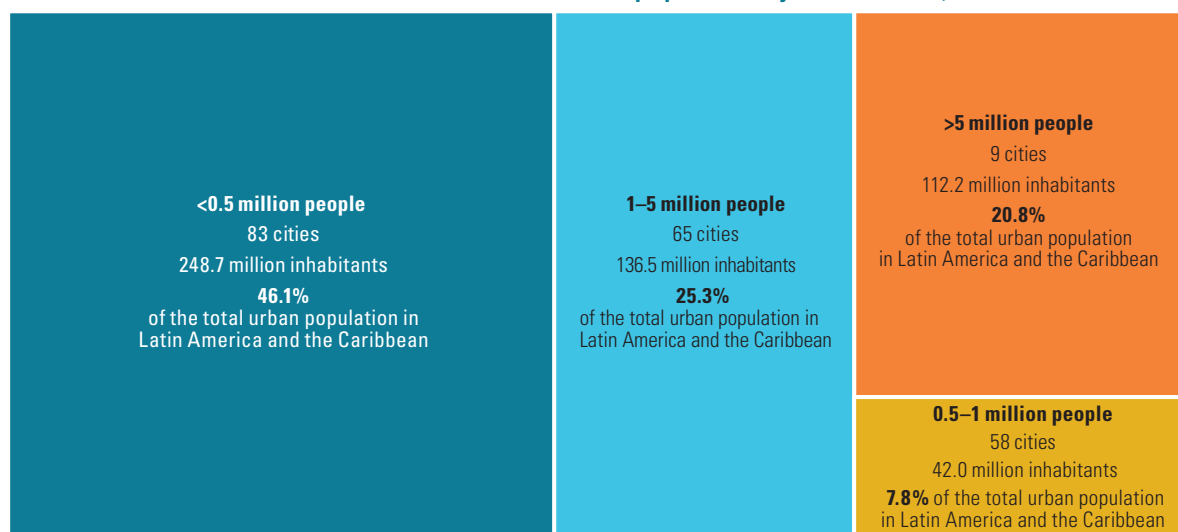
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Latin America and the Caribbean was the first region in the developing world to undergo intense urban growth. By 2030, an estimated 86.5% of South America's population will live in cities, making it the most urban region of the developing world.²⁶ In the Caribbean and Central America and Mexico, 76.2% and 78.5% of the population, respectively, live in cities, confirming that the region's problems—and solutions—are largely urban in nature (see figure IV.21).

Progress towards the 2030 Agenda in cities inescapably entails addressing urban gaps in the social, economic and environmental dimensions, in line with the New Urban Agenda adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) held in Quito. In Latin America and the Caribbean, overcoming this challenge involves collaborating with local authorities, especially in cities with more than 1 million inhabitants, since they account for 46.1% of the total urban population.

Figure IV.21

Latin America and the Caribbean: distribution of urban population by size of cities, 2020



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Population Prospects [online database] <https://population.un.org/wpp/>.

²⁶ South America is projected to be the second most urban region in the world in 2030, just behind Australia and New Zealand, with a projected urban population of 87.7% by that year.

Since the 1990s, however, several large cities have become substantially less attractive for migrants. This has occurred primarily in the case of megacities: cities with 10 million inhabitants or more, which mostly lose population to the rest of the country. The COVID-19 pandemic may have led to temporary easing of urbanization in 2020 and 2021, slowing the momentum of large cities and strengthening medium-sized and smaller cities (ECLAC, 2022f).

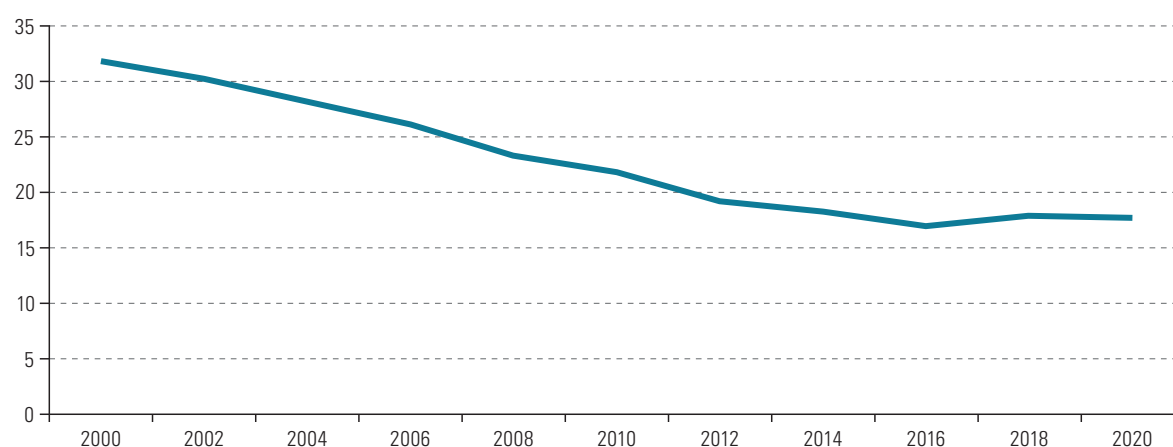
For targets 11.2, 11.3, 11.4 and 11.7, a lack of data prevents regional analysis or projections at this time. In the case of target 11.5, because of climate change there is a risk of more climate-related hydrometeorological events and Latin America and the Caribbean must make greater efforts to reduce disaster-related economic and human losses. Fortunately, the region's record in this regard is good, since, despite the rise in the number of disasters in the region, the number of disaster-related deaths has fallen. However, climate change mitigation and adaptation measures must be increased.

1. Analysis of progress by target

(a) Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums (target 11.1)

The proportion of the urban population living in slums, informal settlements or inadequate housing (indicator 11.1.1) declined during the 2000s, but progress has come to a halt in recent years (see figure IV.22). This may be a result of various factors, including increased poverty and economic stagnation. Hence, progress is being made with respect to this target, but too slowly for it to be achieved by 2030.

Figure IV.22
Latin America and the Caribbean: urban population living in slums, 2000–2020
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Slums are expanding ever more noticeably in several countries²⁷ and this pattern could worsen for four reasons:

- (i) Higher construction costs as a result of disruption in international and local production and supply chains (up 30.7% between January 2020 and June 2022).²⁸
- (ii) Slower growth in lending for housing. Although this form of credit has continued to rise in real terms, there is a downward trend in the total financing for construction, purchase, expansion or improvement of housing, close to stagnation.²⁹
- (iii) Stagnation of public spending in the housing sector, which declined over the last decade, only slightly mitigated by a brief upturn during the pandemic owing to awareness of the relationship between housing conditions and the spread of the virus. Public social spending on “Housing and community services” amounted to 0.61% of GDP in 2021, down from 0.64% in 2012 (CEPALSTAT).
- (iv) Higher urban unemployment, which was 8.7% in 2021, well above the levels of previous years, marking a continuation of the trend seen prior to the pandemic, but which the pandemic worsened, exacerbated by a high rate of informal employment (close to 48.1% of the labour market) in 2022.

These factors make it more difficult for households to own homes or even obtain formal rental housing. The outcome of this is a greater prevalence of informal access to housing, generally in inadequate housing units.

It is also important to address growing international migration which, in some countries, such as Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Panama and Peru, puts additional pressure on the housing sector. In fact, some immigrants join existing slums or form part of groups that build new informal settlements owing to the high cost of housing and the risk of being left on the street³⁰ or living in overcrowded or even precarious homes (Contreras and Seguel, 2022; Servicio Jesuita a Migrantes, 2020). Therefore, target 11.1 must be pursued in the region with a focus on immigrants’ rights and social inclusion, as they often require housing solutions that are somewhat different from those of the local population.

(b) Access to safe, affordable, accessible and sustainable transport systems for all (target 11.2)

There are not enough data available for this target to make projections for 2030, so this section will instead analyse the available information. In the highly urban region of Latin America and the Caribbean, public transport is vital for social inclusion. A suitable public transport system improves access to opportunities in terms of employment, education and culture, while also encouraging use and enjoyment

²⁷ For example, according to the Ministry of Housing and Urban Affairs of Chile (2022), between 2019 and 2022, there was an increase of 29,000 households living in informal settlements in the country.

²⁸ Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the construction cost index. The countries included are Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Mexico, Nicaragua, Peru and Uruguay.

²⁹ Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Brazilian Association of Real Estate Loans and Savings (ABECIP), Brazilian Institute of Geography and Statistics (IBGE), Central Bank of Brazil, Central Bank of Chile, National Institute of Statistics (INE) of Chile, Financial Market Commission of Chile (CMF), Central Bank of Colombia, Office of the Financial Superintendent of Colombia, Central Bank of Costa Rica, Office of the Superintendent of Banks of Ecuador, Central Bank of Ecuador, National Banking and Securities Commission (CNBV) of Mexico, National Institute of Statistics and Geography (INEGI) of Mexico, Central Bank of Paraguay, Central Reserve Bank of Peru, Office of the Superintendent of Banking, Insurance, and Private Pension Funds of Peru, Office of the Superintendent of Banks of the Dominican Republic, Central Bank of the Dominican Republic, Office of the Superintendent of Banks of Guatemala, Bank of Guatemala.

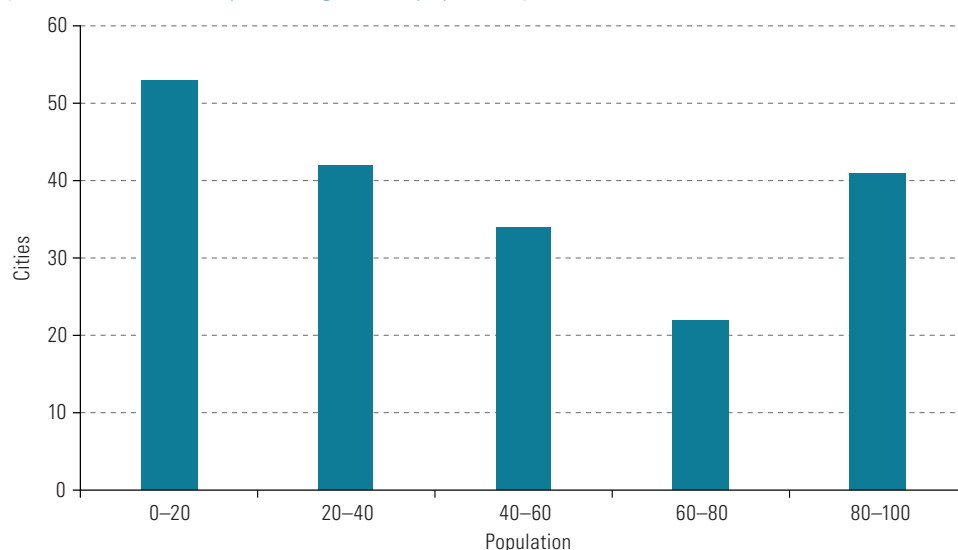
³⁰ Of the refugees and migrants arriving in Panama, 96% report having slept at least one night on the street during transit, and more than 90% of those surveyed in transit in Colombia had slept on the street once in the past three days (IOM, 2022). In Trinidad and Tobago, 24% of Venezuelans surveyed in December 2021 stated that they had nowhere to sleep or had been evicted (UNHCR, 2022).

of public spaces and services, especially for the first three income quintiles of the population. In addition, addressing climate change requires transformations in urban travel, as the transport sector typically accounts for the majority of GHG emissions.

Although Latin America and the Caribbean is one of the most urban regions in the world, just 43% of the urban population had convenient access to public transport in 2020. This figure is below the world average (51.6%) (UN-Habitat, 2018) and is well behind the trend in developed countries (in Europe and North America the rate is 90.6%).³¹

However, convenient access to public transport varies greatly from city to city in Latin America and the Caribbean. In the global comparison, some Latin American cities are included, both those with less access and those with more access. Figure IV.23 shows the varied results found in the region: from cities with little more than 5% of convenient access to public transport,³² to others that have almost universal access.

Figure IV.23
Latin America and the Caribbean: cities and population with convenient access to public transportation
(Number of cities and percentage of the population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Public transport system infrastructure is often linked to income levels in the local economy, although this is clearly not the only factor that determines accessibility. Access to public transport (indicator 11.2.1) is also affected by factors such as urban planning models, urban density, the rate of growth of cities, and the priority assigned to different modes of transport in public policies. Even considering these factors

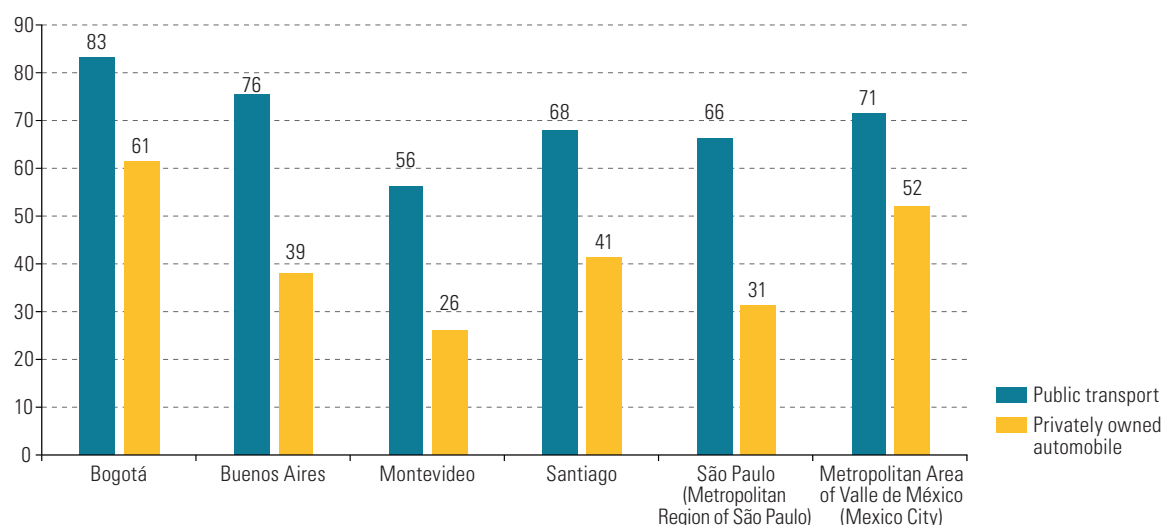
³¹ Access to public transport is estimated by considering the proportion of the population at a convenient distance from public transport stops, which may include formal and informal stops. By also considering the coverage of informal transportation, the indicator seeks to reflect the different realities of transportation systems, recognizing that many cities in the world do not have a centrally organized travel systems or regulations. However, this is one of its weaknesses. Because transport informality is not fully considered in the databank, since there is no guarantee of the existence of data on it in official or complete records from the different sources of information, this informality is underestimated in the actual total coverage. Therefore, indicator 11.2.1 (proportion of population that has convenient access to public transport, by sex, age and persons with disabilities) tends to underestimate access in cities with more informal transportation systems.

³² Access is considered convenient when a stop or station is within a walking distance of 500 metres from a reference point (such as a place of residence, school, workplace or market) for systems classified as low-capacity (such as bus or bus rapid transit) and 1 km for high-capacity systems (such as rail, metro or ferry).

that may result in underestimates of the true level of access in cities where informality is prevalent, limited access to public transport means fewer interlinkages among organized and registered transport systems, limiting local governments' ability to manage the systems comprehensively.

Moreover, in the region's cities, the average travel time for work-related trips (from home to work) in privately owned automobiles tends to be significantly shorter than for the same trips by public transport (see figure IV.24). In fact, it is common for public transport users to need more than one hour to travel from home to work (not including the return trip). Therefore, access is fundamental to making public transport use viable, but it is not enough to bring about a real change in cities, because they have been built to favour privately owned motor vehicles. Average travel time to work is a complementary regional indicator, which was prioritized for SDG monitoring in Latin America and the Caribbean. It is also included in the indicators for regional follow-up of the Montevideo Consensus on Population and Development under the heading of territorial inequality, spatial mobility and vulnerability.

Figure IV.24
Latin America (selected cities): average travel time to work by public transport and privately owned automobile on a working day
(Minutes)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of mobility surveys from the respective cities.

Note: Bogotá (2019), Buenos Aires (2010), Montevideo (2016), Santiago (2012), São Paulo (Metropolitan Region of São Paulo) (2017), Metropolitan Area of Valle de México (Mexico City) (2017).

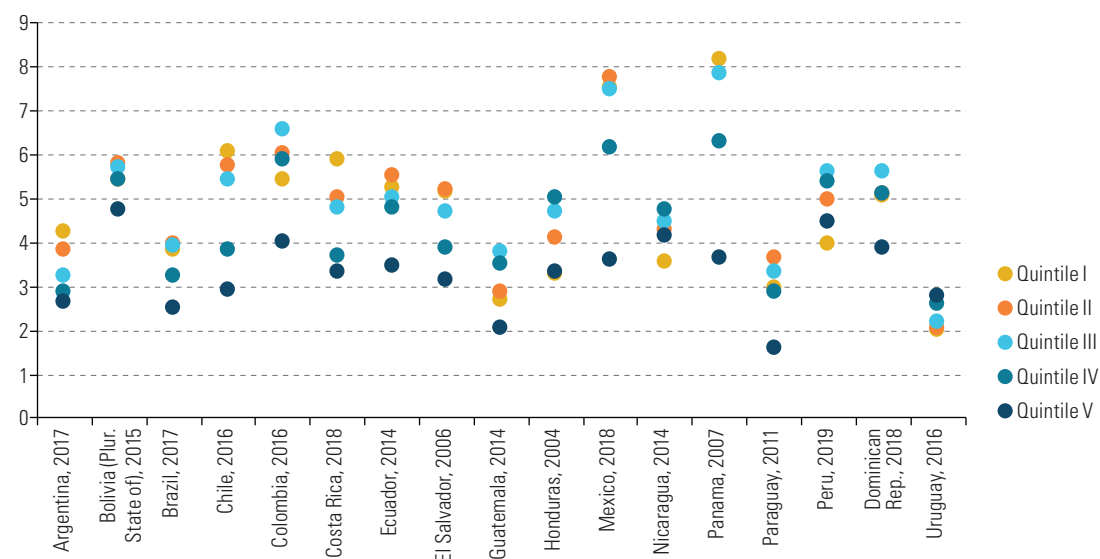
Given the advantage of using privately owned transport because of the shorter travel time, as household income increases, there is a progressive substitution of public modes of transport for private ones. This is reflected, in part, in figure IV.25, which shows that the first few quintiles of the income distribution are those that spend a greater proportion on public transport: on average, 4.7% of the expenditure of the first, second, third and fourth quintiles. Only the fifth quintile differs substantially by spending, in the simple regional average, 3.4% of its income on public transport, as a result of both relatively lower expenditure and higher income.

There are also clear differences in spending on fuel for transport, a proxy for spending related to the use of private transport, which rises gradually and steadily as a proportion of total spending as income increases (see figure IV.26). The simple average of spending on fuel for transport in the countries of the region is 1.9% for the first quintile, 2.6% for the second quintile, 3.2% for the third quintile, 4.0% for the fourth quintile and 5.1% for the fifth quintile.

Figure IV.25

Latin America (13 countries): spending on public transport as a proportion of total spending, by per capita income quintile of the urban population

(Percentages)

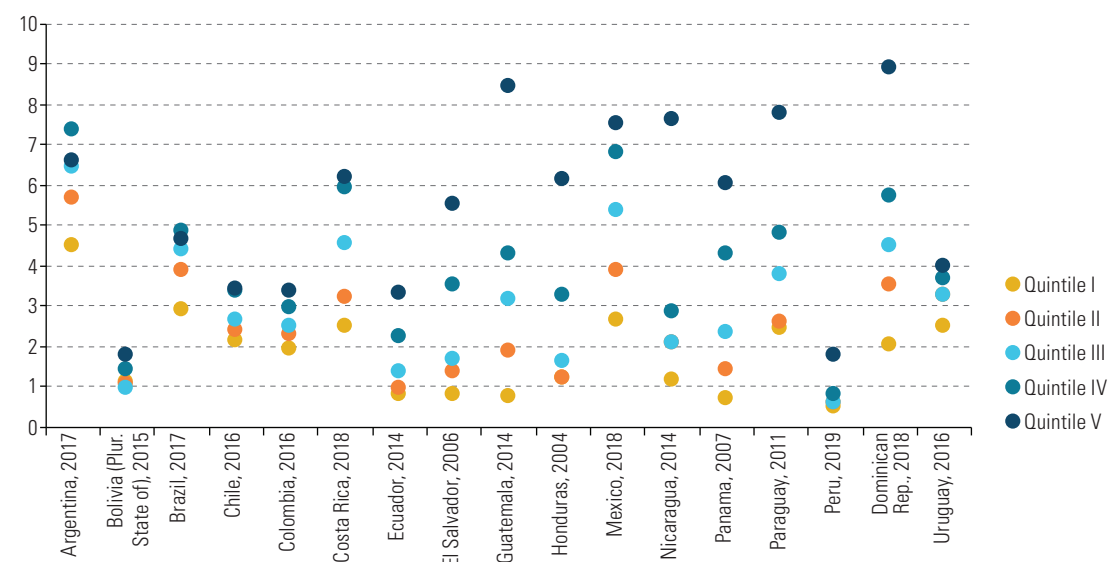


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of income and expenditure surveys of the respective countries.

Figure IV.26

Latin America (13 countries): spending on fuel for transport as a proportion of total spending, urban population, by per capita income quintile

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of income and expenditure surveys of the respective countries.

Persons in the first to fourth quintiles (i.e. 80% of the population) spend a larger share of their income on public transport, while spending on fuel for private transport is concentrated in the highest income segment of the population. Therefore, policies that reduce the cost of public transport are likely to have a significant redistributive impact. These social benefits are in addition to the environmental benefits related to better incentives for the use of public and collective modes of transport, and the more reasonable and intensive use of urban land.

(c) Inclusive and sustainable urbanization (target 11.3)

Although the lack of data for target 11.3 hinders regional analysis and projections for 2030, this section examines the urban growth pattern and the tremendous social and environmental challenge that it represents for Latin America and the Caribbean. In many instances, urban sprawl expands far beyond the needs of populations, failing to guarantee spatially integrated social housing and underutilizing the benefits of urban renewal for the financing of infrastructure investments. The ratio of land consumption rate to population growth rate (one of the indicators of target 11.3) enables these trends to be monitored.

Satellite data (CCI, 2023) on the ways in which urban areas change reveal various trends. In South America and in Central America and Mexico, the population growth rate in urban areas outpaced the expansion of built-up areas over the periods 1975–1990 and 2000–2015. However, over the period 1990–2000, population growth was slightly below that of built-up areas. In the Caribbean, growth of built-up areas has never been above population growth.

As such, between 2000 and 2015, the population of urban centres (consolidated zones) grew by 20.7%, while built-up areas expanded by 9.2% (CCI, 2023). This supports the hypothesis that Latin American cities display peculiar growth patterns, in which real estate markets and activities generate city structures that are both compact and diffuse (Abramo, 2012).

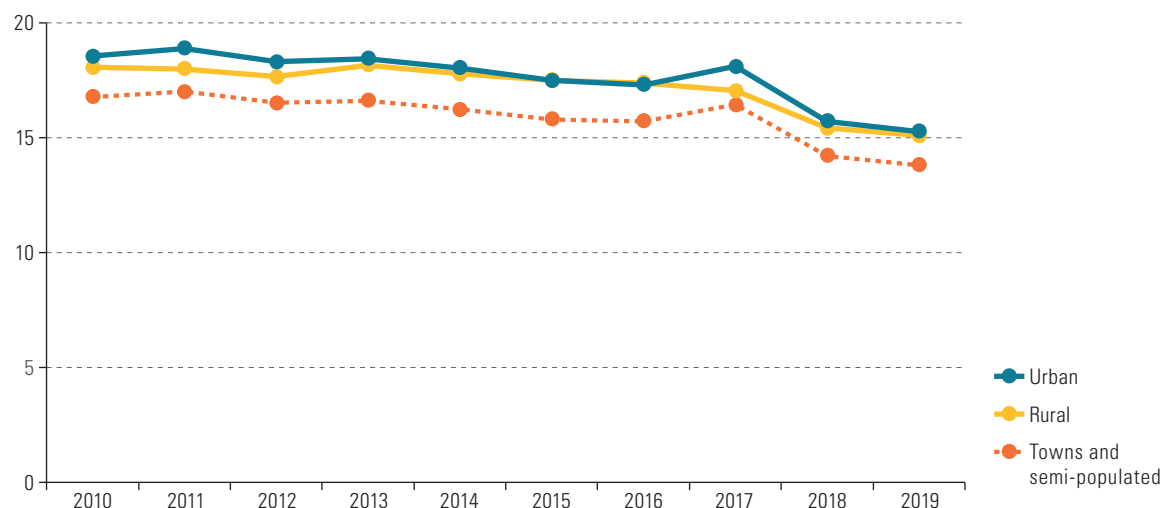
These patterns can also be affected by demographic changes and their impacts on housing demand. Population ageing and progressively smaller average household sizes create added pressure to implement housing solutions, a problem for which the solutions provided both by the State and the market have been insufficient.

(d) Improve air pollution and waste management in cities (target 11.6)

With regard to this target and in keeping with the trend observed in Latin America and the Caribbean, although progress continues, efforts need to be strengthened to achieve the target by 2030. The World Health Organization (WHO) establishes global air quality guidelines (WHO, 2021) for the pollutants $PM_{2.5}$, PM_{10} , ozone, nitrogen dioxide, sulfur dioxide and carbon monoxide. The following is a description of the evolution of air quality as measured by the average annual concentration of fine particulate matter measuring less than 2.5 microns in diameter ($PM_{2.5}$), one of the indicators of target 11.6.³³

Between 2010 and 2019, Latin America and the Caribbean achieved a gradual reduction in average annual concentrations of fine particulate matter. The trend of air quality improvement has been observed both in urban areas, where concentrations fell from 18.6 to 15.3 micrograms per cubic meter ($\mu g/m^3$), and in rural areas, where they fell from 18.1 to 15.1 $\mu g/m^3$. The reduction in urban areas of nearly 20% has been greater than the global reduction of 11%. In addition, the 2019 global average (35.3 $\mu g/m^3$) is considerably higher than the average for Latin America and the Caribbean (see figure IV.27).

³³ The regional average is an average weighted by the urban population in a country and is expressed in micrograms per cubic meter ($\mu g/m^3$). Similarly, the national average is an average weighted by the population of the cities considered. The methodology for calculating the annual urban mean concentration of $PM_{2.5}$, developed by WHO, is based on satellite data monitoring, population estimates, topographic analysis and field measurements (WHO, 2016a; Shaddick and others, 2018).

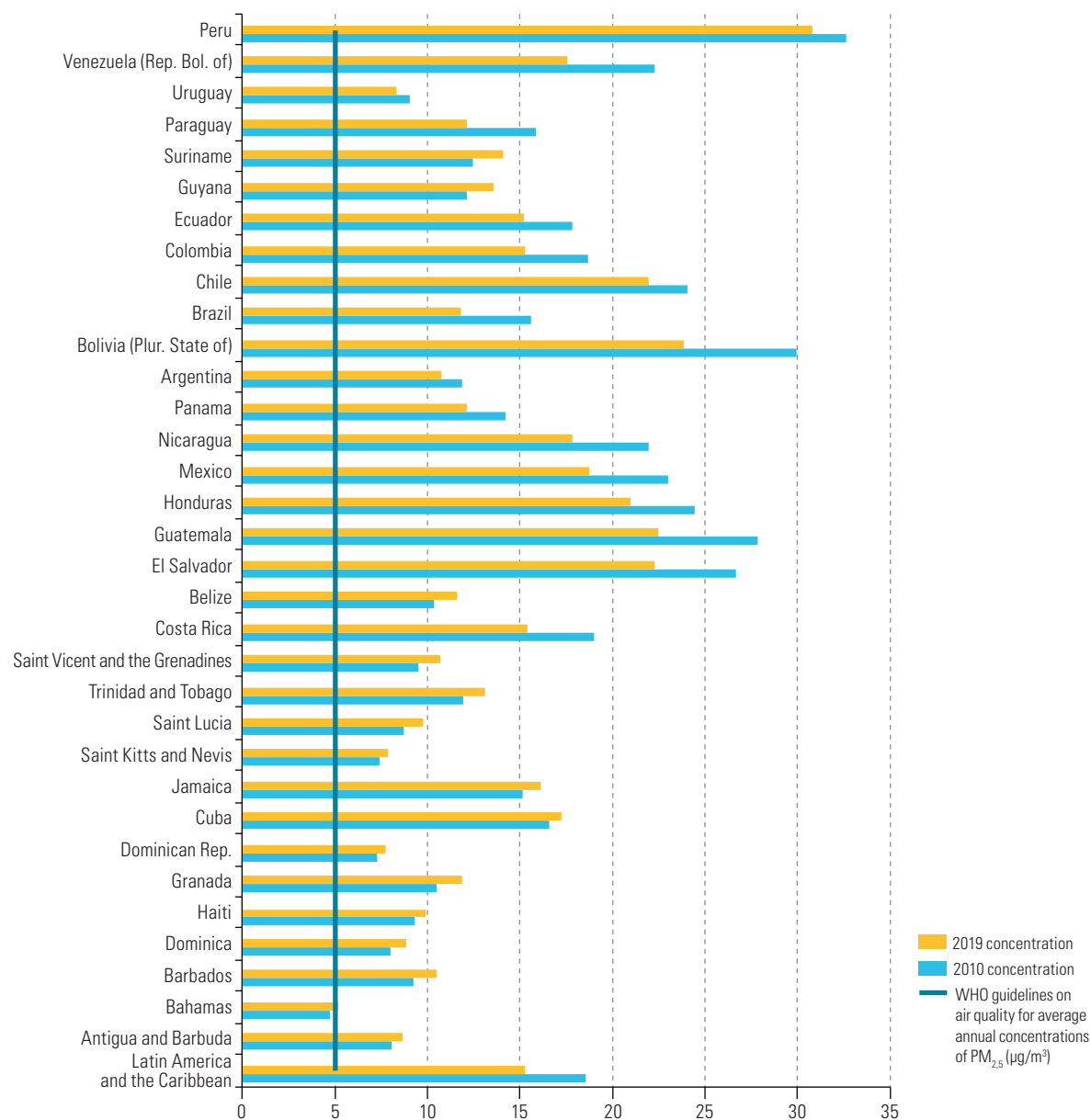
Figure IV.27**Latin America and the Caribbean: average annual levels of fine particulate matter (population-weighted), by location, 2010–2019***(Micrograms per m³)*

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

The levels and trends suggest a certain geographical pattern. The urban areas with the highest air pollution are found in Peru (30.8 µg/m³) and the Plurinational State of Bolivia (23.9 µg/m³), while the lowest concentrations have been observed in Caribbean countries, such as the Bahamas (5.2 µg/m³), the Dominican Republic (7.7 µg/m³) and Saint Kitts and Nevis (7.9 µg/m³), where greater air circulation disperses pollutants. However, the Caribbean is the only subregion where urban pollution levels have worsened over the period: in all countries, microparticle concentrations increased by between 4% and 13%. In South America, the most significant reductions of pollution in urban air, as measured by lower particulate matter concentrations, were observed in Brazil (-24.4%), Paraguay (-23.5%), the Bolivarian Republic of Venezuela (-21.2%) and the Plurinational State of Bolivia (-20.3%) (see figure IV.28).

However, the progress recorded during the decade observed remains insufficient to achieve adequate air quality, and, therefore, to meet this target by 2030. The WHO global guidelines were updated in 2021 on the basis of new and improved scientific evidence on the impact of air pollution on human health. The new guidelines recommend annual average PM_{2.5} concentrations below 5 µg/m³, half the limit of the previous guidelines, under which only the Caribbean countries and Uruguay would have met the standard. When the update is taken into account, the overall average for the region remains far from the target, and in 2019, no country achieved a value below the new guideline.

Figure IV.28
Latin America and the Caribbean: average fine particulate matter concentration levels, urban areas, 2010–2019
(Micrograms per m³)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

2. Conclusions

More than half of the SDGs have urban components (UN-Habitat, 2018). In a region such as Latin America and the Caribbean, where 8 of 10 people live in cities, this reality implies both challenges and significant opportunities.

Although there is scant information available at the regional level on Goal 11, an overview of its evolution suggests that, in aggregate terms, progress has been made, although it remains limited. As shown in diagram IV.7 (at the beginning of this section), for the indicators for which data are available, the trends are positive, but progress is too slow to reach the target by 2030.

The population living in informal settlements (target 11.1), the growth of which is inherently linked with urban growth in the region, has decreased in relative terms. However, progress has stalled and the future scenario is worrisome. Factors such as rising construction costs, reduced access to credit and difficulties in accessing long-term credit, as well as the loss of budgetary space, conspire against access to housing for lower-income households. To this must be added the impact of lower economic activity, higher unemployment and migration, which together create a complex context for the near future.

Access to sustainable, quality public transportation (target 11.2) is one of the major challenges facing the region. Wasted time and the resulting negative impact on quality of life and productivity disproportionately affect lower-income households. This also includes the expansion of the urban sprawl, which forces people to travel ever-greater distances, and which, although encouraging in relation to population growth, is still far from creating the efficient patterns that could lessen urban segregation.

However, the air quality improvement in the region's cities is positive (target 11.6). Although in light of recently defined thresholds, there is ample room for improvement, progress has undoubtedly been made.

Goal 17 of the 2030 Agenda for Sustainable Development

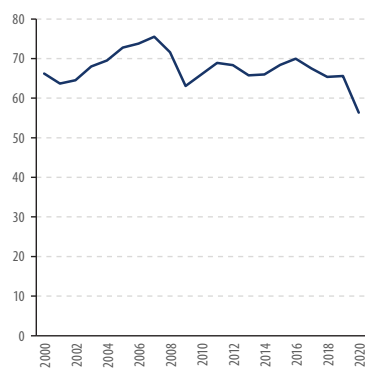
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Progress in Latin America and the Caribbean



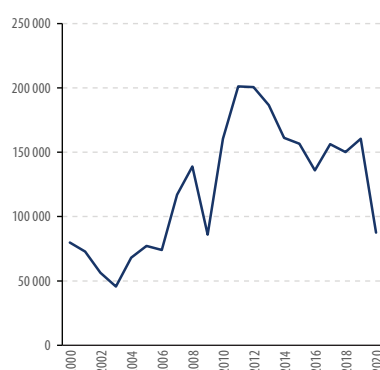
Target 17.1 Strengthen domestic resource mobilization and other revenue collection 17.1

Indicator 17.1.2 Proportion of domestic budget funded by domestic taxes, 2000–2020 (Percentages of GDP)



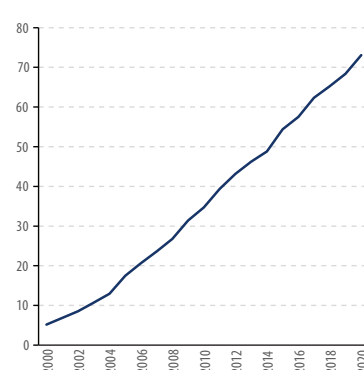
Target 17.3 Additional financial resources 17.3

Indicator 17.3.1 Foreign direct investment (FDI) inflows, 2000–2020 (Millions of current dollars)



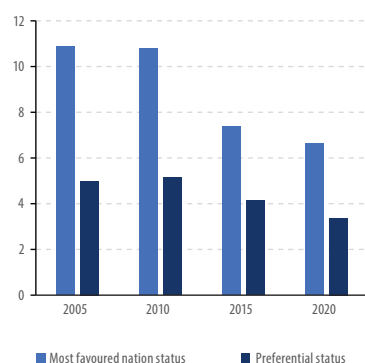
Target 17.8 Increase capacity and use of science, technology and innovation, in particular information and communications technologies (ICT) 17.8

Indicator 17.8.1 Internet users, 2000–2020 (Per 100 inhabitants)



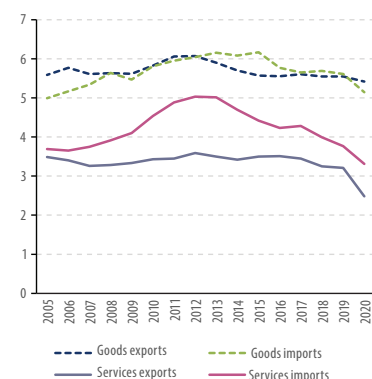
Target 17.10 Universal multilateral trading system 17.10

Indicator 17.10.1 Worldwide weighted tariff-average by nation status, 2005, 2010, 2015, 2020 (Percentages)



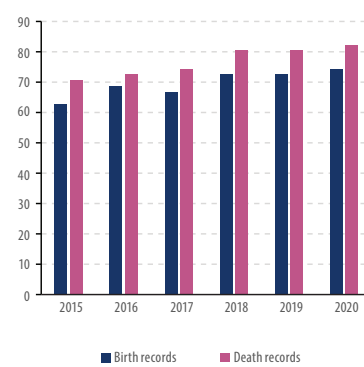
Target 17.11 Increase the exports of developing countries 17.11

Indicator 17.11.1 Developing countries' and least developed countries' share of global exports and imports of goods and services, 2005–2020 (Percentages)



Target 17.19 Support statistical capacity-building 17.19

Indicator 17.19.2 Proportion of countries that have achieved 90% birth registration and 75% death registration, 2015–2020 (Percentages)



The trend is moving away from the target

The trend is in the right direction, but progress is too slow for the target to be met

Target already reached or likely to be reached on the current trend

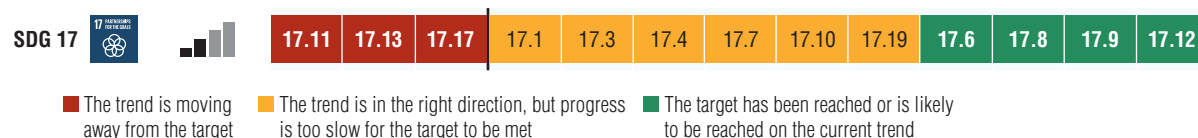
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: Each indicator is comprised of 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.

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

Diagram IV.8

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



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

Revitalizing the Global Partnership for Sustainable Development will require multiple collaborative actions and progress through multilateral agreements, which is reflected in the various targets and indicators, including Goal 17. Some of the targets of this Goal have been addressed in previous chapters of this document, such as those related to data, monitoring and accountability (targets 17.18 and 17.19), of which the analysis in chapter III of this report shows the efforts made by public authorities to improve data and statistics. Although significant efforts and progress have been made in the generation of statistics (target 17.18), there are still insufficient data to draw conclusions on this topic. In addition, work to boost financing for the development of statistics and for timely census-taking (target 17.19) must be stepped up. Similarly, the target of enhancing the partnerships between the many stakeholders that mobilize and exchange knowledge to support the achievement of the SDGs (target 17.16) was examined in chapter II of this report. Analysis of the various cooperation activities and sharing of good practices between countries shows the progress made on this target, although there is not yet enough data to formulate projections. This section provides a more detailed analysis of the targets related to financing for development (targets 17.1, 17.3 and 17.4). The data for assessing the trajectory of the target on ODA (17.2) refer to developed countries, and are therefore not included in the indicators of progress in Latin America and the Caribbean. Targets related to trade and technology are discussed in depth in the section in this report on Goal 9 and in other documents discussing Goal 8.³⁴

1. Analysis of progress by target

(a) Domestic resource mobilization: tax revenues (target 17.1)

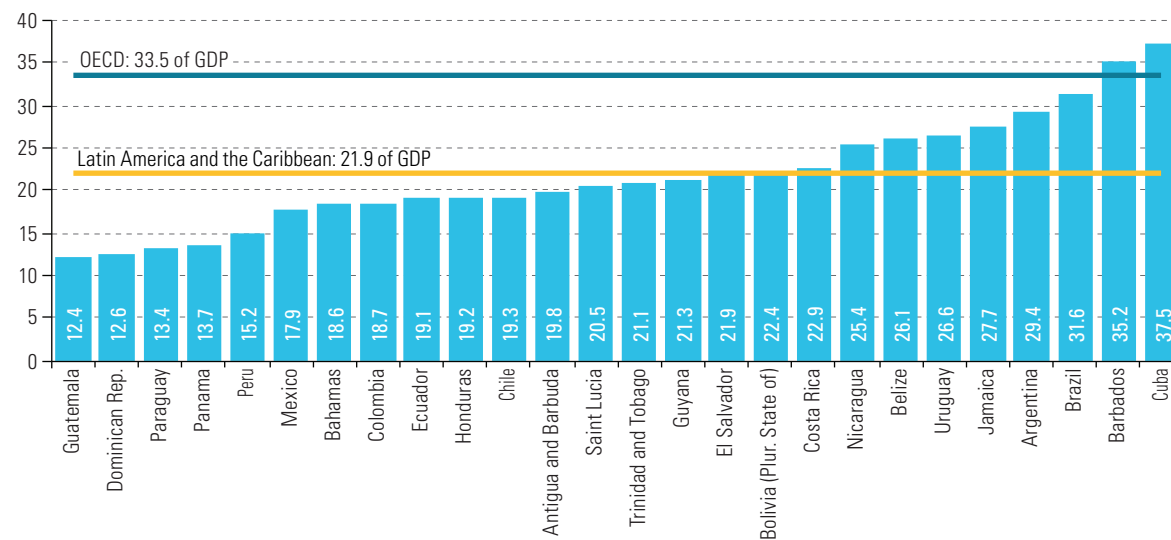
Tax collection in the region is low, not only compared with OECD countries (21.9% of GDP in 2020 compared with 33.5%), but also compared with other countries with similar levels of development (OECD and others, 2021; Rossignolo, 2015), which explains the need for greater efforts to meet target 17.1. At the country level, however, the situation is far from homogenous, and the tax burden ranges from levels significantly below the regional average to levels that reach the OECD average (see figure IV.29). This situation underscores the different challenges that countries face with regard to strengthening domestic resource mobilization; most need to increase the tax burden, but they must also ensure the effectiveness and efficiency of public spending.

³⁴ See ECLAC (2021f).

Figure IV.29

Latin America and the Caribbean (26 countries) and the countries of the Organisation for Economic Co-operation and Development (OECD): general government tax pressure, 2020

(Percentages of GDP)



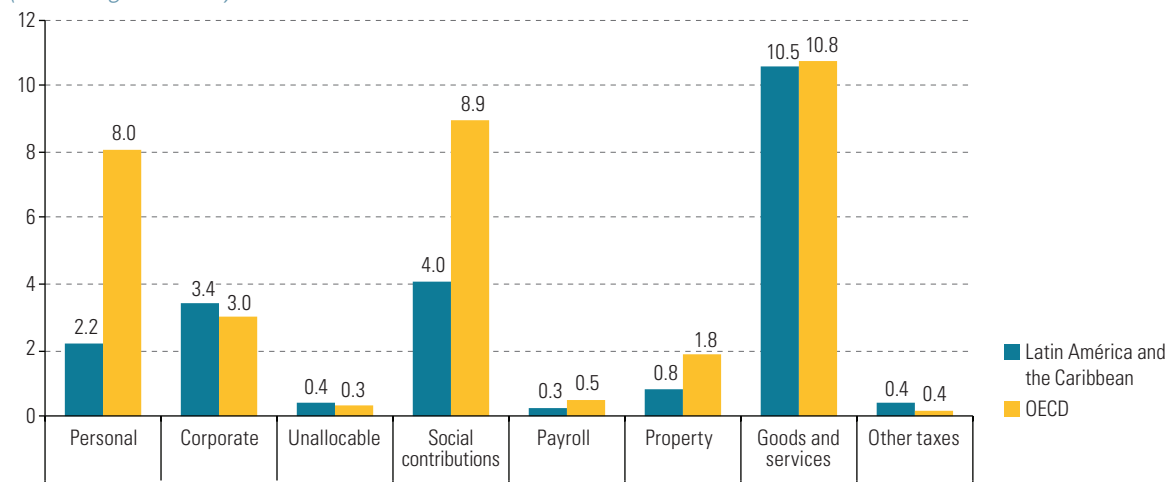
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organization for Economic Co-operation and Development (OECD) and others, *Revenue Statistics in Latin America and the Caribbean*, 2021, Paris.

The tax structure in the region shows a marked bias toward regressive taxes on the consumption of goods and services. These taxes account for around 50% of total tax revenues in the region, compared with one third in OECD countries. Direct income and property tax collection is very low in the region, in particular for personal income tax (2.2% of GDP compared with 8.0% of GDP in OECD countries). This weakness limits domestic resource mobilization and hampers the redistributive power of the tax system, a topic of great importance in the most unequal region of the world. At the same time, there is a lack of income from social contributions, which reflects the limited scope of social security systems in the region (see figure IV.30).

Figure IV.30

Latin America and the Caribbean and Organisation for Economic Co-operation and Development (OECD): general government tax structure, 2020

(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD) and others, *Revenue Statistics in Latin America and the Caribbean*, 2021, Paris, 2021.

Strengthening the fiscal capacity of the State is fundamental to achieving the SDGs and, of course, to achieving target 17.1. There are multiple public policy options to strengthen domestic resource mobilization, in both the short and medium term. At the same time, in a context of limited public resources, it is crucial to adopt a strategic vision of public spending that favours investments that generate higher combined economic, social and environmental returns.

In the short term, countries should consider actions to tighten their measures against tax evasion and improve the governance of tax expenditures. Income tax and value added tax (VAT) non-compliance in Latin America represented an estimated US\$ 325 billion loss of tax revenues in 2018, equivalent to 6.1% of GDP (ECLAC, 2020). Meanwhile, tax expenditures averaged 3.8% of GDP in Latin America, and were equivalent to 20.6% of tax revenues in 2020 (Campos, 2022).

In the medium term, structural tax reforms must be implemented to progressively increase the tax burden. In particular, increasing personal income tax and property and wealth taxes is key. These reforms should also include a new generation of environmental and public health-related taxes with a view to creating economic incentives for environmentally sustainable development and responsible consumption and production. Reviewing and updating tax frameworks for the extractive sector will become increasingly important amid the transition to net-zero emissions. Hydrocarbon-producing countries will be the hardest hit, with a drop in hydrocarbon-related revenues that could threaten public debt sustainability (Titelman and others, 2022). Mining countries could benefit from the adoption of low-carbon technologies around the world, underscoring the importance of adopting reforms to ensure a fair share of economic rent for the State.

(b) Mobilizing external resources to achieve the SDGs (target 17.2)

Target 17.2 refers to the official development assistance (ODA) commitments of developed countries, which is why it is not included in the set of indicators for Latin America and the Caribbean. This section analyses the region's capacity to mobilize external resources to meet the Goals of the 2030 Agenda, which is currently significantly limited given that most Latin American and Caribbean countries are classified as high-income or upper-middle-income. In the region, 20 countries are classified as upper-middle-income and 8 countries fall into the high-income category (Antigua and Barbuda, Bahamas, Barbados, Chile, Panama, Saint Kitts and Nevis, Trinidad and Tobago, and Uruguay). Only 5 countries are classified as lower-middle-income (El Salvador, Haiti, Honduras, Nicaragua and Plurinational State of Bolivia) and the region has no low-income countries. This condition makes it difficult to mobilize resources, both ODA and additional financing from various sources. As a result, target 17.2 is compromised and immediate action is required to ensure that it is met by 2030.

In comparative terms, Latin America and the Caribbean is the region with the highest percentage of countries classified as upper-middle-income and high-income after Europe and Central Asia. At the same time, it is the region with the lowest share of lower-middle-income countries, also after Europe and Central Asia (see table IV.3).

In the international cooperation system, per capita income is the main variable common to the different international financial organizations that is used to allocate resources to emerging and developing economies. This indicator determines whether an emerging and developing country has reached a certain level of institutional development and capacity to access private capital markets that allows it to sustain its own development process over time without recourse to concessional financing (Heckelman, Knack and Halsey, 2011). Other variables used to channel international cooperation resources include vulnerability to external shocks, which depends on the degree of export concentration and the size of the country in question, the debt service ratio and institutional development indicators.

Table IV.3
Regions of the developing world: countries classified as high-income, upper-middle-income, lower-middle-income and low-income, 2022
(Percentages)

	High-income	Upper-middle-income	Lower-middle-income	Low-income	Total
East Asia and the Pacific	37	24	37	3	100
Europe and Central Asia	66	28	7	0	100
Latin America and the Caribbean	41	46	12	0	100
Middle East and North Africa	38	14	38	10	100
South Asia	0	13	75	13	100
Sub-Saharan Africa	2	13	35	50	100

Source: N. Hamadeh and others, "New World Bank country classifications by income level: 2022–2023", Washington, D.C., World Bank, 1 July 2022 [online] <https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2022–2023>.

It is generally assumed that an increase in per capita income reflects a country's greater capacity to mobilize internal and external resources by accessing capital markets on reasonable terms, and that, therefore, that country may cease to be eligible for ODA, either bilaterally or through a multilateral development agency or institution, and any other flows granted on preferential or concessional terms. ODA includes technical cooperation, grants that neither carry interest nor require repayment, and concessional loans, which have lower interest rates than commercial banks loans.

This reasoning justifies the decision to graduate emerging and developing countries above a certain per capita income threshold and to channel the financial and technical resources deriving from international cooperation and multilateral institutions to lower-income countries. Graduation has significant direct and indirect costs, as countries may experience changes in the terms of non-concessional development financing (loans and other financial instruments). In the non-financial sphere, graduation implies greater difficulty in leveraging resources and accessing international funds, a greater increase in quotas for participation in multilateral organizations, and fewer resources for academic and professional training or for projects linked to innovation, among other issues (see table IV.4).

Table IV.4
Potential direct and indirect costs of graduation

Direct costs	
Financial	Non-financial
1. Contraction of concessional loan and grant flows 2. Reduction in funding flows for scholarships and academic training 3. Contraction and displacement of sectoral flows 4. Change in the terms and conditions of non-concessional development financing	1. Increase in fees payable to the multilateral system 2. Difficulties in mobilizing resources for triangular and South-South cooperation 3. Difficulties in leveraging funds for science and technology 4. End of preferences for trade and for academic and professional training 5. Weakening of support for civil society organizations
Indirect costs	
Financial	Non-financial
1. Potential reduction of concessional and non-concessional resources linked to development challenges 2. Difficulty in leveraging other resources	1. Potential closure of the formal dialogue channel with donor countries 2. Low rates of participation in mechanisms for dialogue with graduated countries

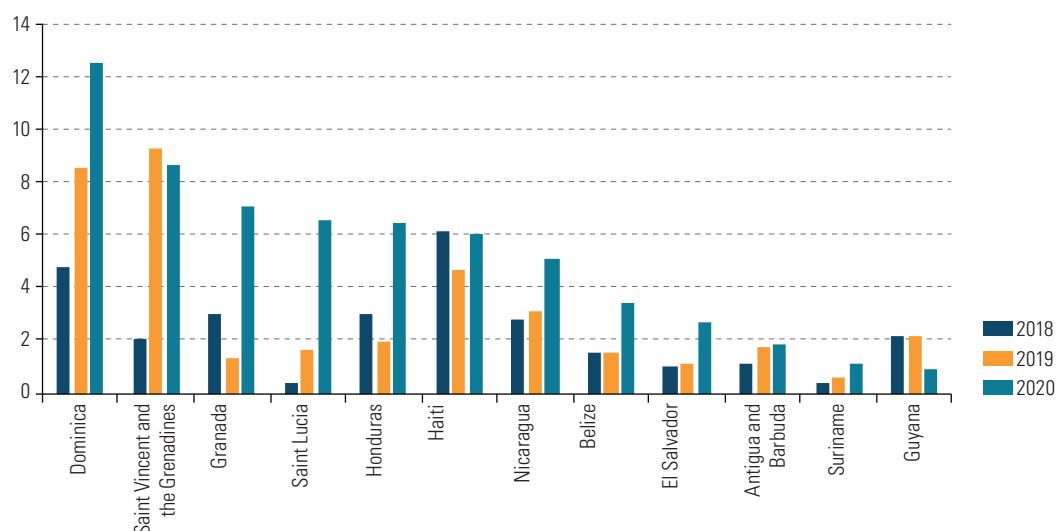
Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Development in transition: concept and measurement proposal for renewed cooperation in Latin America and the Caribbean* (LC/TS.2021/95/Rev.1), Santiago, 2021.

Upper-middle-income and high-income countries have to replace preferential and concessional sources of financing with greater domestic resource mobilization efforts and access to private markets.

This approach ignores the fact that middle-income countries face economic and social challenges, along with similar vulnerabilities to those of lower-income countries, and that the impact of external shocks, such as the COVID-19 pandemic, does not distinguish between income levels and can deepen the structural imbalances of low- and middle-income countries.

The data show that the capacity to mobilize external resources is not related to per capita income. ODA accounts for a large share of the financial flows of the smallest economies in the region (34% of total financial flows for the Caribbean in 2019) (ECLAC, 2021d). Moreover, not only is the level of ODA in terms of per capita income significant (over 1% for 12 countries of the region in 2020), but most of these countries have increased their dependence on ODA (see figure IV.31).

Figure IV.31
Latin America and the Caribbean (selected countries): official development assistance (ODA)
as a share of gross national income, 2018–2020
(Percentages)



Source: World Bank, "World Development Indicators," Washington, D.C. [online database] Source: World Bank, <https://databank.worldbank.org/home.aspx>.

Access to external resources depends on a wide range of factors beyond per capita income criteria, including external conditions beyond the control of middle-income countries, perceptions of risk and investment grade, as well as external demand conditions. Thanks to low interest rates and perceptions of high profitability, the region received significant flows of short-term capital during the pandemic. Subsequently, tighter external conditions, together with higher debt levels, raised country risk indices and resulted in weaker financial inflows and stronger financial outflows.

The productive structure, patterns of trade specialization and competitive advantages, along with the size of the country, are also determining factors, as shown by the analysis of long-term flows (foreign direct investment).

In addition, the size of the country and certain institutional conditions also affect the ability to access international capital markets. Non-financial corporate sector debt issuance is concentrated in the region's larger countries. Smaller countries tend to have higher debt issuance costs.

Access to new sources of financing, such as climate change funds, poses similar challenges. Despite their status as middle-income countries, some of the smallest economies in Latin America and the Caribbean have had difficulty in accessing these funds, as they have failed to generate sufficient economies of scale and struggle to invest in the human capital that would provide them with the expertise to access these funds.

Lastly, the lack of credit ratings, whether of sovereign, non-financial corporate sector or even thematic bonds, which are central to assessing creditworthiness and, therefore, to determining the value of the financial instrument, impedes access to the region's private market. The absence of credit ratings is one of the main constraints faced by countries that want to issue green bonds.

Recent data show that ODA has a positive effect on recipient countries. Net per capita ODA disbursements tend to have a significant positive impact on the long-term per capita GDP of most countries of the region. A 10% increase in ODA would raise long-term per capita income in the region by an average of 4.5%. On the basis of a breakdown of ODA commitments by sector of destination, empirical evidence confirms the positive effect of ODA in the 1995–2019 period, particularly in terms of the favourable contribution of resources targeting economic infrastructure, productive sectors and environmental protection (Titelman and Carton, 2023).

The external financing needs of middle-income countries have grown because of the pandemic, which has weighed heavily on developing countries, with negative effects on productive structures and supply chains, employment, poverty, equality and livelihoods.

However, the response of international financial institutions to this situation has been inadequate, falling far short of the estimated US\$ 4 trillion needed to achieve the SDGs. Moreover, although the effects of the pandemic and the successive cascading crises do not distinguish between income levels, multilateral initiatives have focused on the financing needs of low-income and lower-middle-income countries.

In 2022, 78% of World Bank financing went to low-income and lower-middle-income countries, with the remainder (24%) going to upper-middle-income and high-income countries. The share of World Bank financing allocated to Latin America and the Caribbean has decreased since the global financial crisis (2008–2009). The corresponding figures stood at 19% and 30% of the total in 2008 and 2009, respectively, higher than those of any other developing region. The proportion of total World Bank loans allocated to Latin America fell to 19% in 2012, 17% in 2016, 14% in 2019, 13% in 2020, 15% in 2021 and 15% in 2022. Latin America and the Caribbean is also the region for which non-concessional loans account for the largest share of total committed loans (90%), above the levels seen in the other developing regions (see table IV.5). With respect to the Inter-American Development Bank (IDB), only four countries of the region (Guyana, Haiti, Honduras and Nicaragua) qualify for concessional loans.

Table IV.5
Regions of the developing world: share of non-concessional loans in total World Bank loan commitments
(Percentages)

Region	2018	2019	2020	2021	2022
Africa	6.8	5.5	8.3	7.5	10.7
East Asia and the Pacific	86.3	76.0	65.6	85.8	76.6
Europe and Central Asia	78.8	86.5	79.2	77.6	70.4
Latin America and the Caribbean	90.1	93.0	87.4	92.5	90.1
Middle East and North Africa	93.3	88.9	94.4	85.8	83.5
South Asia	42.3	45.3	47.7	34.5	53.1

Source: World Bank, "Annual Report 2022 Lending Data," Washington, D.C., 2022 [online] <https://thedocs.worldbank.org/en/doc/cd9fa1e2938c3eb6483e9e2fc0aed728-0090012022/related/WBAR22-App-Lending-Data.pdf>.

Credit from the main funds of the International Monetary Fund (IMF) for the provision of concessional financing (the Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust) targets low-income, lower-middle-income and upper-middle-income countries that are considered vulnerable. Of a total of 50 low-income countries (68%), 34 are eligible for financing from the Poverty Reduction and Growth Trust. Ten upper-middle-income countries with a debt overhang, including five from the region, are also eligible for funding from the Poverty Reduction and Growth Trust (Dominica, Grenada, Guyana, Maldives, Marshall Islands, Samoa, Saint Lucia, Saint Vincent and the Grenadines, Tonga and Tuvalu).

The mandate of the Resilience and Sustainability Trust is to help vulnerable low- and middle-income countries to build resilience to external events and ensure sustainable growth, thereby contributing to the longer-term stability of their balance of payments. IMF complements this set of financial instruments by providing affordable longer-term financing to address structural challenges, including climate change.

The Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust are the two institutional mechanisms for recycling special drawing rights (SDRs). In October 2021, the Group of 20 (G20) committed to recycle SDRs worth US\$ 100 billion from G20 members to vulnerable countries. Currently, reallocation of SDRs using the Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust platforms only benefits countries eligible for support from both trust funds; middle-income countries, therefore, are excluded.

(c) The role of development banks and international cooperation in closing the financing gap (targets 17.3 and 17.4)³⁵

Development banks must be strengthened with a view to closing the financial gaps in Latin American and Caribbean countries and thus advancing towards the achievement of goals 17.3 and 17.4. National, subregional and regional development banks can provide financing for sectors that generate considerable social benefits but attract insufficient private flows. They can also create an enabling environment and the right incentives to maintain a risk-return profile that attracts private capital and directs it towards development objectives. Development banks can also combine public and private funds to increase resources and maximize the impact of development financing.

The lending capacity of development banks can be increased through two different means: increased capitalization and greater flexibility in lending criteria. The Central American Bank for Economic Integration (CABEI) expanded its authorized capital for the eighth time, from US\$ 5 billion to US\$ 7 billion (a 40% rise) in April 2020, and the Development Bank of Latin America (CAF) approved the largest capital increase in its history (US\$ 7 billion in paid-in capital) in December 2021. In 2022, IDB approved a road map for an IDB Invest capital increase.³⁶ For IDB and the World Bank, the available capital could also be used more effectively by reducing the ratio of equity to loans to a level commensurate with that of commercial banks. Multilateral development banks take a conservative approach to capital adequacy: the major banks of this kind have an equity-to-loan ratio between 20% and 60%, surpassing that of most commercial banks (10%–15%) (Humphrey and Brugger, 2020).³⁷ In other words, multilateral development banks have US\$ 2–US\$ 6 in equity for every US\$ 10 in outstanding loans, whereas commercial banks have only US\$ 1–US\$ 1.50 in equity per US\$ 10 in outstanding loans. The equity-to-loan ratios of the World Bank and IDB stand at 22.6% and 38.2%, respectively.³⁸

³⁵ This section is based on ECLAC (2021e).

³⁶ The Inter-American Investment Corporation, renamed IDB Invest in 2017, is responsible for fostering and supporting the development of the private sector and capital markets in Latin American and Caribbean member countries.

³⁷ Equity consists of paid-in capital and accumulated reserves. Lending includes loans, guarantees and capital investments for development purposes.

³⁸ Capital includes paid-in capital and accumulated reserves. Lending includes loans, guarantees and capital investments for development purposes.

Greater mobilization of resources to bolster investment in strategic areas requires better coordination among development banks. Not all development banks have the same lending capacity and access to the same financing conditions. Among the constraints affecting some institutions, particularly domestic banks, the main barrier is access to low-cost long-term capital. A major related challenge is lending to entities that do not have a clear guarantee from their government. This problem is especially significant when it comes to financing projects for highly indebted municipal entities and local governments.

Lastly, there are considerable technical capacity constraints, including a lack of capacity to identify and rank relevant green projects, difficulty in assessing the financial and technological risks of climate projects, and a lack of experience in climate finance and innovative products (see table IV.6).

Table IV.6
Constraints facing national development banks

Challenges	Classification (Percentages of total)	Challenges that call into question the conditions for effective public policies for financial inclusion
Low risk-management capacity	51	Scope and capacity
Not financially self-sustainable	48	Financial capacity
Weak corporate governance and transparency	39	Clear objectives and avoidance of contradictions
High credit and market risk	33	Appetite for development
Difficulties with hiring qualified staff	31	Innovative capacities
Undue political interference	14	Technical autonomy

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of E. Gutierrez and T. Kilatskova, *National Development Financial Institutions: Trends, Crisis Response, Activities, and Lessons Learned*, Washington, D.C., World Bank, 2021; J. Ferraz, "Cambio climático y transición energética y las instituciones financieras públicas", Washington, D.C., World Bank, 2022, unpublished.

The strengthening of development banks must be accompanied by greater diversification in the use of financial instruments and strategies to support the entire productive spectrum, from small productive units (SMEs) to larger projects in different strategic productive sectors and in areas that foster economic complementarity.

Guarantee systems make it possible to counteract the difficulties faced by SMEs in accessing productive credit (lack of assets, collateral or sufficient background). They also enable greater risk diversification, increase the supply of credit in general and play an important countercyclical role. During the pandemic, guarantee systems became the strongest instrument for supporting micro-, small and medium-sized enterprises (MSMEs), accounting for 32% of the financial support provided by national development banks.

Supporting projects aimed at improving the environment, such as those focused on renewable energy and urban infrastructure, requires a different type of financial strategy. These are large-scale projects that call for a high initial capital investment and have long gestation periods. Regional and subregional banks in Latin America and the Caribbean have made progress in incorporating environmental criteria into their loan portfolios. IDB has set a target of 35% of its portfolio for climate investments. CABI and CAF targets are 35% and 30%, respectively. CAF projects that by 2025 it will devote 40% of its portfolio to climate investments, and 50% by 2050.

For national development banks, climate investment accounts for a much smaller share of the total loan portfolio. According to an IDB study, the average in 2017 was 1% for domestic banks in Brazil, Chile and Mexico. Most of these banks are required to provide financing or other support for climate change-related activities.

Because of the limitations faced by national banks, mechanisms for cooperation and coordination between development banks must be strengthened to support this type of project. Better coordination between national development banks and regional development banks would mean that the latter

could provide important financial support to their subregional and national counterparts, reducing costs, mitigating financial risk and building technical capacity for drawing up and presenting projects to obtain green financing.

International cooperation must be renewed on the basis of a classification system that goes beyond per capita GDP to properly capture the level of development of each country, especially middle-income countries. ECLAC has proposed a new type of cooperation that addresses the long-term difficulties of middle-income countries on the basis of three pillars: (i) cooperation mechanisms must be applied to countries at all levels of development; (ii) cooperation instruments should take into account the economic, productive and social differences between the countries of the region while at the same time responding to the development priorities of each country and (iii) countries must have a variety of instruments to improve international cooperation (ECLAC, 2021d). Progress in these three areas would make it possible to increase financial resources and alleviate and restructure the debt of overindebted poor countries, accelerating the achievement of targets 17.3 and 17.4 by 2030.

(d) Financing partnerships (targets 17.9 and 17.17)

International support and cooperation for capacity-building (target 17.9) has been on a positive trend, as discussed in chapter II of this report. However, for partnership-related activities, more specifically to leverage funding from those partnerships (target 17.17), the objectives have not yet been met, meaning that efforts must be stepped up. An example of the initiatives to mobilize resources from partnerships is the Caribbean Resilience Fund. In recent years, Caribbean islands have joined together with other small island developing States (SIDS) to raise global awareness of their unique vulnerabilities and exposure to the worst impacts of climate change. In particular, the region is drawing attention to the indirect effects of climate disruptions on local fiscal capacity for recovery and investment in sustainable development. There is now a global push for the twin strategies of building climate resilience and strengthening the sovereign financial sustainability of small island developing states (SIDS), and the Caribbean subregion has leveraged the related momentum and international partnerships to advocate for (i) vulnerability-based determinants of access to concessional financing and (ii) reform of the global financial system.

For more than 30 years, small island developing States (SIDS) have been calling for a globally accepted measure of vulnerability to augment the insufficient traditional measures used to determine the allocation of concessional resources (United Nations, 2022a). In 2020, the President of the Alliance of Small Island States (AOSIS) reiterated to the Secretary-General of the United Nations the need to advance in the establishment of a multidimensional vulnerability index. In 2022, the President of the General Assembly appointed a high-level group with 12 members, co-chaired by the prime ministers of Antigua and Barbuda and Norway, to formulate recommendations on a multidimensional vulnerability index and submit them for the consideration of member States. The final report of the panel, which is expected to be completed by June 2023, will represent the most significant international cooperation effort undertaken to better understand the vulnerabilities of developing countries and design a tool that enables more equitable access to international development financing.

At the twenty-seventh Conference of the Parties to the United Nations Framework Convention on Climate Change, important progress was made in financing for combating climate change, through the establishment of the Loss and Damage Facility, with support from AOSIS. The coalition of 44 small island and low-lying coastal States, which includes all member States of ECLAC in the Caribbean, has been at the forefront of this issue for many years. Although operational details are still being discussed, international cooperation and strategic defence have forged a path for the achievement of climate justice. The Caribbean Resilience Fund proposed by ECLAC (see box IV.3) represents a global partnership of donors, the private sector and multilateral funding agencies that has the potential to reduce the debt load of the Caribbean and strengthen climate resilience through the use of innovative financial instruments.

Box IV.3**The Caribbean Resilience Fund: the proposal of ECLAC to boost resilience and reduce the debt load**

The Caribbean subregion is extremely vulnerable to the effects of climate change, natural disasters and extreme weather events. Relative to GDP, the average cost of damage from disasters in Caribbean countries is six times higher than in large States in other regions, and often exceeds the size of the local economy (Ötger and Srinivasan, 2018). As a result, governments in these countries have had to increase public spending on recovery and rebuilding, often financed by external debt. As a consequence of this and other economic disruptions, average public debt in the Caribbean in 2021 increased to levels of up to 90.8% of GDP, while average fiscal deficits reached 3.6% of GDP (Alleyne and others, 2023). Meanwhile, the frequency and severity of disasters is expected to worsen because of climate change. Given the limited contribution made by the Caribbean to climate change and its extreme vulnerability to its impacts, financing from industrialized countries is a key aspect of climate justice.

To address the twin challenges of high debt and extreme climate vulnerability, ECLAC is proposing the establishment of a Caribbean Resilience Fund, a special-purpose financing vehicle created to leverage long-term, low-cost development financing and secure resources to invest in climate change adaptation and mitigation initiatives to develop green industries. The proposed design includes two windows through which Caribbean States and territories can seek financial support:

- Window 1. Resilience-building: a resilience fund to finance public and private sector projects. Initially, the Caribbean Resilience Fund will focus on activities that diversify energy sources and reduce costs, pool and expand insurance, and promote water and food security, while integrating with the tourism sector.
- Window 2. Debt restructuring and improving liquidity: liability management operations aimed at purchasing and replacing the short-term, high-interest debt of the Caribbean countries with a long-term (12–20 year), lower-interest green bond. This regional strategy will ideally be implemented with a consortium of regional and international partners with experience in similar debt swaps or that have expressed a strong interest in participating. The intention is for governments to allocate 50% of their additional fiscal space to activities to increase resilience to climate change. This window would put target 17.4 on track to be met by 2030.

The Caribbean Resilience Fund has the potential to address several widespread regional challenges, such as economic vulnerability, high debt levels, low economic growth, gaps in the achievement of the SDGs and limited access to concessional funding. In addition, it can help accelerate the green and just transition.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of S. McLean and others, “Promoting debt sustainability to facilitate financing sustainable development in selected Caribbean countries: a scenario analysis of the ECLAC debt for climate adaptation swap initiative”, *Studies and Perspectives series*, No. 89 (LC/TS.2020/5), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020; I. Ötger and K. Srinivasan, “Bracing for the storm”, Washington, D.C., International Monetary Fund (IMF), 2018 [online] <https://www.imf.org/en/Publications/fandd/issues/2018/03/otger>; D. Alleyne and others, “Economic Survey of the Caribbean 2021”, *Studies and Perspectives series*, No. 106 (LC/TS.2021/222-LC/CAR/TS.2021/8), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2023.

Developing countries have called for the modernization of the global financial system to better reflect the needs and importance of low- and middle-income countries. These calls have grown louder during recent, successive global crises. In Latin America and the Caribbean, this is most clearly articulated in the 2022 Bridgetown Agenda for the Reform of the Global Financial Architecture, which aims to direct financial resources towards climate action and the achievement of the SDGs (Ministry of Foreign Affairs and Foreign Trade of Barbados, 2022), a clear step forward in terms of target 17.17. Led by Barbados, the Bridgetown Initiative calls for emergency liquidity, including an expanded sustainable development support initiative for middle-income countries, an additional \$1 trillion in multilateral lending to governments, and low-cost, low-interest instruments to facilitate private investment in the low-carbon transition. After the twenty-seventh Conference of the Parties to the United Nations Framework Convention on Climate Change, the President of France and the special envoy of the United States for climate matters were among the global leaders who expressed support for the Bridgetown Initiative (Masterson, 2023).

2. Conclusions

Goal 17 is the last of the SDGs in the 2030 Agenda. It is an essential point of convergence for achieving the other Goals because it provides the necessary institutional framework for addressing the economic, social and environmental dimensions of the problems of sustainable development and for monitoring and recording progress with the targets for accountability purposes.

Through Goal 17, the 2030 Agenda acknowledges the importance of consolidating support from a network of partnerships, including with governments, the private sector, civil society and international agencies, enabling them to collaborate and work together in the understanding that the SDGs can only be properly achieved if inclusive partnerships are established based on a shared vision, principles and values, focused on ending poverty, protecting the planet and improving people's lives and futures.

The analysis in this section on external resource mobilization complements the content of chapter on institutional progress in the means of implementation for the 2030 Agenda for Sustainable Development. Both sections examine targets for the achievement of Goal 17 that seek to strengthen means of implementation and revitalize the Global Partnership for Sustainable Development.

Chapter II showed the significant progress made in strengthening institutional frameworks in the countries of the region for the implementation and monitoring of the 2030 Agenda and its territorialization, and the increasingly important role of civil society. At the regional level, emphasis was placed on the ECLAC Community of Practice on voluntary national reviews for the countries of Latin America and the Caribbean, an informal forum for exchanging good practices and lessons learned, in which government officials, professionals, researchers and technical experts participate as well as representatives of ECLAC and the rest of the United Nations system, including resident coordinators' offices. At times, representatives of civil society, the private sector and academia are also invited to participate, as well as young people, local authorities and other stakeholders.³⁹ At the regional level, information was also provided on the role of the subsidiary bodies and intergovernmental meetings of ECLAC. One important development is the establishment of the Regional Conference on South-South Cooperation in Latin America and the Caribbean, a subsidiary body of ECLAC that, beginning in 2023, will have the following objectives, which are aligned with the targets of Goal 17: (i) promote the strengthening of national South-South and triangular cooperation mechanisms, as well as their possible interaction with North-South and multilateral cooperation; (ii) promote South-South and triangular cooperation between regional and extraregional stakeholders, including donor countries and international organizations, to facilitate technology and knowledge transfer and conduct joint cooperation activities; and (iii) examine the experiences of South-South and triangular cooperation among the countries of Latin America and the Caribbean and make progress in evaluating them, in coordination with the work performed at the other subsidiary bodies of ECLAC.⁴⁰

This section has outlined the need to mobilize external and domestic resources to recover from the negative effects of the COVID-19 pandemic and achieve the SDGs, highlighting the role of development banks and international cooperation, among others, in bridging the funding divide, and the Caribbean Resilience Fund as an example of a partnership for gaining access to financing for development.

In the framework of the greater institutional efforts required by the 2030 Agenda, ECLAC has continued to improve regional capacity to assess progress towards the achievement of the SDGs, as required by the targets of Goal 17 on data, monitoring and accountability. Since 2017,⁴¹ a regional database has been established and the statistical capacity to analyse the series of SDG indicators has

³⁹ See [online] <https://www.cepal.org/en/topics/2030-agenda-sustainable-development/eclac-community-practice-voluntary-national-reviews>.

⁴⁰ See [online] <https://www.cepal.org/en/subsidiary-bodies/regional-conference-south-south-cooperation-latin-america-and-caribbean>.

⁴¹ The year of the first annual report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean (ECLAC, 2017).

been enhanced, as seen in chapter III of this document, which reports on measuring progress in the achievement of SDG targets by 2030.

The COVID-19 pandemic brought to light the need for stronger systems for the timely gathering and dissemination of data on fertility, mortality and population, disaggregated by territory and broken down by age, sex, and for mortality data, cause of death. Countries that had those data at the right time have had more and better background information to define action plans to confront the pandemic, in addition to better tools for monitoring the disease. At the same time, countries whose administrative systems for gathering data were less computerized, mainly with regard to data on births and deaths, and which lacked a contingency plan to guarantee the maintenance of operating systems, faced greater limitations in providing opportune information to health authorities.

Target 17.19 of the SDGs underscores the importance of creating statistical capacity in developing countries, carrying out regular population and housing censuses and recording all births and deaths. It establishes indicators for measuring compliance. Specifically, indicator 17.19.2 corresponds to the proportion of countries that (a) have conducted at least one population and housing census over the previous 10 years, and (b) have recorded 100% of births and 80% of deaths. The countries of Latin America and the Caribbean have not managed to comply with the international recommendation to conduct censuses at least once every 10 years (United Nations, 2010, p. 19), but at least all countries have succeeded in performing at least five censuses each (with the exception of Haiti, which conducted four).

Because of the pandemic, many countries that had planned censuses for 2020 had to postpone them; some were able to conduct them in 2022 or have planned to do so in 2023. This was because of both continued health restrictions and budget cuts or difficulties in complying with all the processes related to the pre-census stage.

Although, in this century, significant improvements have been observed in the region in birth and death records (indicator 17.19.2.b), there is room for much more progress and there are substantial gaps between countries regarding the completeness of registers and quality of data. In general, death records have more gaps and are of poorer quality than registrations of live births, and few countries of the region have full records of deaths. Non-compliance is higher in Central America and Mexico for death records (75% of countries have data that are 75% complete) and higher in South America for birth records (57.1% of countries have data that are 90% complete). In the Caribbean, although records are very complete, data do not fulfil the minimum requirements of being broken down by age, sex and subnational level, nor are they regularly published online.

Despite statistical efforts, not all regional progress can be captured by using quantifiable indicators. In the area of “systemic issues”, specifically the regulatory and institutional coherence of sustainable development policies, ECLAC has proposed, always respecting the policy space and leadership of each country in the establishment and application of poverty eradication and sustainable development policies, that the countries of Latin America and the Caribbean continue with efforts to reactivate the economy and transform the development model, “centring these efforts around policies for productive transformation and diversification along with a big, public and private investment push, which would allow for accelerating structural change and technological and digital transformation to achieve high, sustained growth and sustainable and inclusive development” (Salazar-Xirinachs, 2022).⁴²

⁴² Although sectoral specifics will have to be defined in each national context, ECLAC proposes affording special attention to 10 sectors that have strong potential. Six of the sectors —the energy transition, e-mobility, the circular economy, the bioeconomy, the health-care manufacturing industry and the digital transformation— are at the core of innovation processes. The care economy, tourism, micro-, small and medium-sized enterprises (MSMEs), and the social economy, therefore, are sectors that have generated much employment, with its consequent positive effects on income and upward mobility for disadvantaged segments of society (Salazar-Xirinachs, 2022).

F. General conclusions on progress with Goals 6, 7, 9, 11 and 17

In this chapter, five SDGs were analysed and the examination of data for some of their indicators has shown that several of the targets are not on track to be met, which sheds light on additional challenges and reveals a need to strengthen policy action, cooperation and innovative strategies to get back on track and ensure that no one is left behind.

To regain the momentum lost as countries responded to the emergencies of the most critical phases of the pandemic, the gains in institutional capacity-building need to be strengthened and maintained, driven by countries' commitment to the 2030 Agenda. The main challenge is to adopt a long-term perspective to address the complexity of the current situation, crafting State strategies that extend beyond specific terms of government.

In terms of improving the quality and quantity of statistics in the region, essential progress has been made in creating the SDG follow-up indicators. However, there is still a significant data gap, which leaves 34% of all the indicators defined beyond the scope of analysis. Even so, 74% of the indicators in the regional framework of SDG follow-up indicators for Latin America and the Caribbean were able to be projected with the information available (see chapter III). Closing the statistical gap also contributes to a better understanding of the general trends relating to the economic and social conditions of the population. This is fertile ground for collaboration between countries, in which institutions responsible for the production of statistics can provide advice to their counterparts in other countries.

The following is a summary of progress on the targets corresponding to each of the five SDGs examined in this chapter. The summary is based on both the data presented in chapter III on the evolution of all SDGs and on the information in the present chapter.⁴³ Actions and policy measures to realign with the targets set and spur progress towards meeting them are presented in chapter V, in order to provide both conclusions and recommendations for policy decision-makers, and as appropriate, supporting entities and organizations and the private sector and civil society.

1. Goal 6: Ensure availability and sustainable management of water and sanitation for all

Two of the nine indicators for Goal 6 for which information is available demonstrate that the corresponding targets have been reached, or are on the way to being reached if the trend continues; four show that, while on track, the targets are not expected to be met by 2030; and the remaining three indicate that the corresponding targets will not be reached (see annex III.A1 of chapter III), unless relevant public policy interventions are implemented. In particular, urgent action is required to bring target 6.6 (protection and restoration of water-related ecosystems) back on track, which demands political commitment, improvements and regulations, citizen participation and the availability of nature-based solutions and appropriate incentives.

To bring indicators that are off course on track and strengthen the progress of those on the right path, it is also urgent to strengthen capacity in the production of water-related statistics in order to generate series that are in line with international recommendations and guarantee the stable and comparable production of disaggregated series, both for the sector and for vulnerable groups.

⁴³ Available information is included on both the targets that show the changes in indicators and the targets that refer to means of implementation (which are listed after the number for each target: policies, international cooperation, institutional development and capacity-building, normative frameworks, financing, market operation, and research and development, to list some of the most important.)

2. Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 7 has five targets and, on the basis of the available data, two have been met or will be met if current trends continue, two others are progressing satisfactorily, and one has regressed. Policy interventions are required for these five targets in order to consolidate progress towards their achievement by 2030 (see annex III.A1 of chapter III).

Considerable advances are observed on target 7.1 (universal access to energy services) although multidimensional energy poverty persists. Progress is also being made with regard to target 7.2 (increasing renewable energy), but the regional energy mix continues to be characterized by high fossil fuel content and remains vulnerable to external geopolitical shocks, which is hindering progress at the speed required to meet the target. Target 7.3 (double the global rate of improvement in energy efficiency) requires the greatest attention, while also presenting a tremendous opportunity for transformation.

Progress towards meeting the targets of Goal 7 has been difficult because of the effects of external shocks in recent years. Higher hydrocarbon prices have worsened the fragility of energy production in the region, in particular in countries that are net importers of hydrocarbons, but also in countries with low levels of diversification and renewable energy in their energy mix. Bringing them back on course to meet the targets by 2030 will require improvements to energy resilience and security, acceleration of the energy transition towards clean, renewable sources, electrification of the energy mix, improvements in energy efficiency, and universalization of coverage with high-quality supply and without outages, as described in greater detail in chapter V.

3. Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

For the nine indicators of Goal 9 for which data are available, five indicate that the corresponding targets have been met or are on the way to being met by 2030; one reveals good progress, although the target will not be achieved; and three indicate that the corresponding targets are not on track to be met (see box III.1 of chapter III).

Target 9.1 (develop quality, reliable, sustainable and resilient infrastructure), which is key for progress towards the targets of the other SDGs, has been one of the most deeply affected by the pandemic, given that a number of infrastructure investment projects had to be interrupted owing to the need to reallocate resources to address the pandemic and its effects. This has created additional barriers in terms of progress with other infrastructure investment categories (transport, communications, bridges, ports, airports and others) that are crucial for sustainable development. Getting back on track towards the infrastructure targets under Goal 9 demands State intervention owing to the significant investments required, long planning and execution cycles for works, and multiplier effects for other sectors.

In the case of target 9.2 (inclusive and sustainable industrialization), the industrialization index has stalled over the past two decades. The relative GDP share of manufacturing in the region has declined, reaching 13% in 2021 (the lowest level in the last two decades), mainly owing to the downtrend in South America. However, it is important to emphasize the strong growth in industries in the services sector, which will require closer monitoring.

In terms of environmental sustainability, CO₂ emissions per unit of value added in manufacturing maintained a slight downtrend from 2000–2019. Energy efficiency has remained practically constant over the past two decades, although it is lagging in relation to other regions of the world because of

the slow progress in or absence of the incorporation of new technologies and productive diversification towards less energy-intensive activities and less knowledge-intensive services.

Regarding target 9.5 (enhance scientific research and upgrade the technological capabilities of industrial sectors), spending on research and development as a share of GDP has increased, but not at the pace that would be required for the target to be reached without additional policy interventions.

4. Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

According to the data presented (see annex III.A1 of chapter III), the three indicators of Goal 11 for which figures are available show that good progress is being made towards the corresponding targets, but they will only be met through appropriate public policy intervention.

Reduction of the urban population living in informal settlements (target 11.1) has stalled in recent years, the result of higher poverty and economic stagnation, among other factors. In several countries, there has been marked growth of slums.

Although Latin America and the Caribbean is one of the most urbanized regions of the world, convenient access to public transportation (target 11.2) is below the global average. In fact, access to public transportation in the region is far from being on par with that of developed countries.

In terms of air pollution, a gradual reduction of the average annual concentrations of particulate matter (target 11.6) was achieved in the region over the period 2010–2019, both in urban and rural areas. However, the advances are not sufficient to achieve adequate air quality.

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

The level of ambition of the SDGs requires an implementation agenda involving broad sectors of society. For this reason, Goal 17 addresses a broad range of topics for which support and collaboration are required (at the global, regional, national and local levels) to achieve its targets.

An important constraint for the countries of Latin America and the Caribbean is the limitation on external resource mobilization owing to their classification as middle-income countries. This is because high-income and upper-middle-income countries become ineligible to receive ODA funding, along with any other type of concessional funding.

The external financing needs of middle-income countries have increased, but the response from international financial institutions has been insufficient and far below the level required to achieve the SDGs. In addition, multilateral initiatives have focused on responding to the financing needs of low-income and lower-middle-income countries.

In this context, development banks can boost their loan capacity by various means, and resource mobilization would increase if development banks enhanced coordination on topics such as guarantees and the identification of environmentally sustainable projects or those oriented towards addressing the costs of climate-related disasters.

Renewed international cooperation is recommended on the basis of a classification system that goes beyond per capita GDP to properly capture a country's level of development, especially for middle-income countries. Along those lines, ECLAC has proposed a new type of cooperation that addresses the long-term difficulties of middle-income countries on the basis of three pillars: (i) cooperation mechanisms must be

applied to countries at all levels of development; (ii) cooperation instruments should take into account the significant economic, productive and social differences between the countries of the region, while at the same time responding to the development priorities of each country; and (iii) countries must have a variety of instruments to improve international cooperation.

It is also increasingly important for the countries of Latin America and the Caribbean to step up efforts and coordinate policies to mobilize domestic resources to finance the 2030 Agenda, maximizing tax revenues. In both cases, State capacity must be strengthened, both in fiscal matters and spending planning. At the same time, in a context of limited public resources, it is crucial to adopt a strategic vision of public spending that favours investments that generate higher economic, social and environmental returns.

Lastly, the importance of the institutional efforts required to implement the 2030 Agenda and the capacities created through those efforts cannot be overemphasized. Public capacities and the interest and participation of the private sector and civil society in the implementation of the 2030 Agenda have grown and accelerated since its adoption in 2015. The path travelled and the journey have been altogether positive. Even though adjustments, imagination and bold action are needed to achieve the targets, institutions are now stronger and better equipped to take on that task.

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CHAPTER V

Final reflections: looking towards the future

Introduction

A. Proposals for a push to attain Goals 6, 7, 9, 11 and 17

B. Strategy, foresight and planning to get back on track for the SDGs

C. Transformative initiatives

D. Conclusions

Bibliography

Introduction

The COVID-19 pandemic has had severe repercussions in Latin America and the Caribbean. Together with other adverse international developments, such as the conflict between the Russian Federation and Ukraine, inflation and forced migration, it is a factor that has worsened the economic situation and cast a shadow over the prospects for sustainable development in the region.

The COVID-19 pandemic required extra efforts from the countries to deal with its immediate aftermath, and today, while its effects are still being felt, it is being compounded by other challenges arising from the global context. Although these adverse events have affected progress towards many of the SDGs, the path already embarked upon by the countries in their effort to achieve them has left a positive institutional footprint that is reflected in public, private and civil society institutions, which are striving to attain the SDGs at all levels and in all sectors.

The lessons learned by the countries of the region in this process of change geared towards the year 2030 have shown how important that institutional footprint is. Both the present report and the voluntary national reports show the importance of institutional development in public, private and civil society bodies, which have been virtuously transformed to incorporate elements of the 2030 Agenda for Sustainable Development into their work. We have seen the creation and strengthening of individual and collective capacities geared not only towards progress with the SDGs but also, in general, towards modern public, private and social management practices such as inclusiveness, transparency, solidarity, teamwork, respect, peer-to-peer collaboration, the coordination of activities and the allocation of shared responsibilities within the framework of the 2030 Agenda's coordinating dimension. These and other practices are positively reflected in the work of a variety of institutions, communities and groups representing diverse interests in both the public and private sectors.

The lessons learned along the way are as important as success in reaching the target, because they are preparing the groundwork for the years to come. There is still a long distance to travel before a lasting path to sustainable development is secured, and the countries are accordingly being urged to maintain and even increase their momentum so that they can build on these lessons. However, the recent crises make it necessary to develop new policies, based on the lessons learned, for a redoubled effort to achieve the SDGs.

To address the region's problems, robust strategies and long-term outlooks must be adopted, especially where public policies are concerned. These must achieve greater effective participation by government, society, the private sector and other actors, including international cooperation, to achieve the structural transformations that the region needs if it is to return to and remain on the path of sustainable development.

The Secretary-General of the United Nations has urgently called on the international community to redouble efforts to accelerate progress towards the SDG targets for 2030. In Latin America and the Caribbean and other regions of the world, it has been recognized that the pandemic and the cascade of crises have created additional stumbling blocks to progress on the 2030 Agenda. The Secretary-General has therefore called for an extra push from everyone and reminded us that *Our Common Agenda* is aimed at turbocharging the 2030 Agenda and making the SDGs real in the lives of people everywhere because, halfway to 2030, we are far off track (Guterres, 2023).

The aim is to accelerate public policies, plans and programmes and other innovative activities and initiatives conducive to the structural transformations discussed, since this is the basis for developing public policies that are resilient to the vagaries of decision-making caused by the external shocks affecting countries such as those of Latin America and the Caribbean.

To effectively shift the trend of indicators so that the SDG targets are met, it is also necessary to change the way public policy is managed. In addition to implementing actions to solve short-term problems and challenges, public policy needs to consider its effect over longer time horizons. The aim of the conclusions and the policy measures and actions suggested in section A of this chapter is precisely to get back on track for Goals 6, 7, 9, 11 and 17, which are analysed in this report, and to accelerate the pace of the changes needed to attain them.

As a follow-up to the Secretary-General's diagnosis and proposals in *Our Common Agenda* (United Nations, 2021), we propose the incorporation of a long-term perspective to encourage persistence and continuity in initiatives aimed at achieving the SDGs, which would undoubtedly help to increase the pace of progress.¹

For the region to escape from the predicament it is in and build a better future in which no one is left behind, it is necessary to expand the capacities of the State, the private sector, society and all actors committed to sustainable development and able to contribute to the continuity, persistence and consistency of forward-looking public policies within the framework of a new social covenant like the one proposed by the Secretary-General (United Nations, 2021). Policies of this type set long-range goals and rely on the participation, agreement and commitment of society and the private sector in their design, implementation and evaluation, regardless of who is in government at any given time.

The future does not have to follow the adverse trends of the past; the accumulation of crises afflicting the region can become an opportunity to alter the trajectory that has led to uneven development, slow growth and, now, the possibility of falling away from the path towards the SDGs.

This final chapter is structured into four sections. Section A presents a set of policy recommendations for making up the ground lost to the pandemic and accelerating progress towards Goals 6, 7, 9, 11 and 17. Section B emphasizes the urgency of making changes in public practices to incorporate the anticipation and exploration of possible futures into policy analysis and decision-making. This would give the necessary continuity to actions implemented to achieve the SDG targets, transcending different periods of government. Among the proposals in this section, reference is made to the importance of foresight analysis so that the transformative policies recommended in section A can be designed from a long-term perspective, according to the needs of each country. Section C, in line with the approaches of the previous sections, proposes seven initiatives characterized by their capacity for transformation in the long term. These initiatives are visionary and require the participation of a variety of broad sectors, as they cover several SDGs, which underlines their capacity for synergy in the context of the coordinating dimension of the 2030 Agenda. Lastly, section D contains the overall conclusions of the report.

A. Proposals for a push to attain Goals 6, 7, 9, 11 and 17

This report has analysed in detail, as far as the information available permitted, Goals 6 (clean water and sanitation), 7 (affordable and clean energy), 9 (industry, innovation and infrastructure), 11 (sustainable cities and communities) and 17 (partnerships for the goals).

The first proposal, encompassing all five SDGs under review, is to take measures to enhance the quality and quantity of statistical information of importance for monitoring the SDG target indicators. As seen in earlier chapters, while the availability of the data needed to monitor progress towards the individual targets has increased significantly, there is still ample room for improvement. Fortunately, there are regional initiatives to build measurement and monitoring capacities, as shown by the work of the Economic Commission for Latin America and the Caribbean (ECLAC), which has contributed to

¹ See Yusuf (2021) for a summary of the key aspects and proposals of *Our Common Agenda*.

United Nations efforts in the Caribbean, and particularly the English-speaking Caribbean countries, to generate statistical information for the calculation of climate change and disaster indicators and use this to design data-driven public policies.

Collaboration between the institutions responsible for statistics in the countries of the region must be maintained (and expanded on some issues and for some countries) in order to strengthen national statistical capacities. In times of crisis, when decision-making is urgent, data are essential to fill the information gaps that exist for most of the SDGs.

To respond better to the crises facing the region, there is a need to expand data and information infrastructure and develop institutional, technological and human capacities to be able to offer early responses, anticipate future needs and design the urgent actions required, thereby contributing to implementation of the 2030 Agenda (United Nations, 2022).

In the face of slowing progress towards some SDGs and the setbacks observed for some targets, there is an urgent need to get back on track to sustainable development by implementing new measures. In this section, we present proposals that are radically transformative and lasting, with the potential to generate the structural changes needed to achieve this.

1. Goal 6: Clean water and sanitation

Significant progress has been made over recent years in improving access to basic drinking water and sanitation services in the countries of Latin America and the Caribbean. However, the Goal 6 targets are more ambitious, since, in addition to the availability of water and sanitation, they incorporate the safe and sustainable management of these services, making it unlikely that the region will achieve this SDG by 2030 unless immediate measures are taken, the necessary investments are made and institutional and governance structures are improved.

Joint efforts and commitments are required to improve implementation of actions aimed at meeting the drinking water and sanitation targets with the participation of the public and private sectors and civil society, including social covenants to organize the contributions and investments of multiple actors, as well as arrangements to strengthen the still very fragmented institutional framework of the water sector, which has a great variety of characteristics in different parts of the water cycle and different territories.

In particular, there is a need to refocus efforts to meet target 6.6 (Protect and restore water-related ecosystems), as the region is further than ever from achieving it, and this requires political commitment and progress in areas such as modernizing regulatory and tariff frameworks, citizen participation and the design of creative nature-based solutions, as well as the establishment of incentives to enable implementation.

Achieving a sustainable and inclusive water transition in Latin America and the Caribbean must involve progress with the five cross-cutting accelerators of the Goal 6 Global Acceleration Framework (UN-Water, 2020),² namely financing, governance, capacity development, data and information, and innovation. Below, we suggest transformative policies to accelerate progress towards Goal 6, highlighting those that can have multiplier effects on different targets of other SDGs.

(a) Increasing investment and financing

Investment in infrastructure, capacities and modernization is essential to achieve a sustainable and inclusive water transition. ECLAC estimates that an annual water infrastructure investment drive equivalent to 1.3% of regional gross domestic product (GDP) over 10 years is required to universalize access to safely managed drinking water and sanitation (ECLAC, 2021a).

² For further details, see [online] <https://www.unwater.org/our-work/sdg-6-global-acceleration-framework>.

Addressing underinvestment is essential to closing sanitation infrastructure gaps. Sound financial structures and incentives are needed to encourage the development of new sanitation systems and maintain existing ones, especially in rural and urban slum areas. To enhance their impact, it is recommended that these investments be based on the principles of circularity, which in sanitation means treating sewage by recovering methane and sludge, as these can be used to produce fertilizers while also reducing carbon emissions, generating new green jobs and thus providing income for both workers and sanitation firms.

Inadequate investment is particularly problematic when it comes to closing sanitation investment gaps. It is important to innovate in financing and increase the use of commercial financing (OECD, 2020). For example, blended public-private financing and the use of sustainability bonds to scale up development finance are essential to overcome the investment barriers to achieving Goal 6 (Ikeda and others, 2020). Such financing must make provision for integrated water resources management, and it is therefore essential to prioritize sustainable and inclusive financing mechanisms for all purposes.

(b) Strengthening governance and institutions

Robust governance and an effective national institutional framework are essential to implement water transition policies and plans. Coordination is needed among the many major stakeholders, including community, municipal and private water managers or providers, regulators, inspectors and end users.

There is also a need to strengthen the regulation of water charges. Tariff regulation can prevent the most vulnerable groups from paying more than high-income groups, whence the importance of implementing social tariffs as a mechanism to reverse the regressive nature of the drinking water tariff systems prevailing in the region.

(c) Capacity-building

Training for public servants serves to consolidate knowledge, establish partnerships with different actors to mobilize investments, design incentives for efficiency or the adoption of innovative practices, or strengthen the production of statistical series for water management evaluation and monitoring systems, among other things. Capacity-building for local government officials and water and sanitation providers would facilitate the design of institutional mechanisms to improve planning, financing, implementation and monitoring of water and sanitation service provision.

(d) Strengthening the production of information to improve decision-making and action

Water is one of the sectors for which the fewest regularly produced statistical series and indicators are available. The production of consistent and regular statistical series, and the ability of a variety of users to access them, including those from other countries, are crucial to close statistical gaps and harmonize indicators with a view to accelerating the water transition. This makes it possible to report on countries' progress and thus improve decision-making and action, e.g., by targeting investments where they are most needed, improving policymaking and policy evaluation, building trust and mobilizing resources.

(e) Encouraging innovation

Investment and regulation must be based on the adoption of innovative concepts and technologies for water reuse and recovery, enabling the development of circular and efficient water systems. Innovation must address water demand and provide ideas to increase water productivity and improve water control, land management and agricultural practices (WWAP, 2015).

Space technologies can improve water management and water resource sharing on an international scale. These technologies can be used to observe and present clear visual information on surface water, groundwater, snow and glacier cover, weather patterns, water and sanitation systems and many other aspects that can inform decision-making, risk assessment and disaster response (UN-Water, 2020).

Innovation in the field of wastewater treatment is crucial in order to return cleansed wastewater to watercourses, recovering methane and fertilizer feedstock and strengthening circular water management. ECLAC estimates that the cost-benefit ratio of investing in water treatment and methane recovery systems for energy generation and self-consumption is positive, reducing plant operating costs by approximately 40% and lowering methane emissions by 86% (Saravia Matus and others, 2022). It is important to note that the region currently imports almost all its agricultural fertilizers, so this source of inputs would also increase resilience to external shocks. To reap the benefits of these innovative processes, funding and resources need to be mobilized on the basis of public-private and community partnerships.

2. Goal 7: Affordable and clean energy

The introduction of renewable energies in the most advanced countries has been the result of a combination of new energy policies, instruments, incentives and long-term plans, developed in collaboration with private enterprise and through the adoption of technological innovations. Also decisive has been the progressive reduction in the costs of energy generated from renewable sources, which has become increasingly competitive.

In contrast, in the most underdeveloped countries, such as a number in the region, the relatively slow growth in the renewables share of the primary energy supply is explained by high installed fossil fuel-based generating capacity, the considerable amount of resources and time needed to establish new solar and wind plants, the pressure on infrastructure, which requires fresh investment to absorb new renewable electricity, and the relatively slow adoption of the policies and instruments needed for this transition.

Fossil fuel subsidies persist everywhere; every minute of every day, coal, oil and gas receive roughly US\$ 11 million in subsidies. Each year, governments around the world pour around half a trillion dollars into artificially lowering the price of fossil fuels, which is more than triple what renewables receive (Guterres, 2022).

In Latin America and the Caribbean, long-term energy planning is incipient and regional energy integration inadequate, even though these would make it possible to exploit economies of scale, cope better with global energy uncertainty, volatility and crises, and build a regional energy security system.

There are also barriers to accessing finance to accelerate the energy transition. Transmission and distribution infrastructure may be obsolete or inadequate to accommodate new projects, while scaled-up production and reinforcement of the distribution grid may require substantial upfront investment, which distribution companies are often unable to afford. In several countries of the region, renewable energy projects do not have access to standard banking tools in financial institutions. The lack of regulatory mechanisms and the misperception of the risk these projects pose make it difficult to access financing for them. In addition, financing for renewable energy megaprojects is not always available and many countries still lack financial risk mitigation instruments, such as guarantees.

Conditions that can support effective governance of the energy transition and thus the achievement of the Goal 7 targets include the establishment and redesign of regulatory frameworks and their policy instruments to better enable renewable resources to contribute to inclusive and sustainable energy development, and the redesign of tax regimes to facilitate efficient and sustainable investment.

Such instruments can be coordinated in a fiscal covenant between the central government and subnational (provincial or municipal) governments, with clear allocation and implementation criteria, as has been done successfully in some countries.

To achieve the energy transition, cheaper technologies for renewable energy generation and storage must go together with the development of a new institutional, regulatory, and investment and financing ecosystem. ECLAC recommends eight transformative policies that should be implemented at the national level to accelerate an inclusive and sustainable energy transition:

(a) Boosting investment

Investment must be boosted to increase renewables use and expand energy services infrastructure and universal access to energy services, creating green jobs and new revenues. An annual investment equivalent to 1.3% of regional GDP over a decade would achieve universal electricity coverage, an increase in regional electricity integration, an estimated 31.5% reduction in CO₂ emissions through increased use of renewables in electricity generation, and the creation of 7 million new green jobs, with all the household income these would generate (ECLAC, 2020a).

(b) Universalizing electrification

The combined use of renewable technologies makes distributed electricity generation possible, so that local, decentralized electricity can be supplied to off-grid rural communities, and facilitates the universalization of electrification based on renewable energies, leaving no one behind.

(c) Boosting demand for renewables

It is not advisable to rely on the market alone to direct investments to the adoption of renewables at the pace necessary for a paradigm shift in energy before the deadlines set by the Goal 7 targets. Both supply and demand must be boosted to develop renewables. Induced demand stimulates the supply of renewables through long-term national policies and plans that include achievable targets with tools encompassing regulations and economic instruments such as subsidies and incentives to producers, institutions and households, awareness-raising and training in energy efficiency and renewability, as well as nudge methods in the context of choice architecture³.

(d) Developing all renewable energy value chains

The region has the skilled human capital and critical raw materials required to foster renewables, including the production and storage needed to create value and develop value chains for renewables as vectors of development and energy security. One example is the new green hydrogen industry, hydrogen being not only light, storable and energy-dense, but also non-polluting, as long as pollutants are not released during its production. More renewables-related inputs, technology and know-how mean greater energy security and resilience in the face of global events (ECLAC, 2022a).

³ In decision-making, “nudges” can shift citizens’ behaviour towards better or shared goals. They include providing default options, facilitating the choice of certain options, and also informing, educating or reminding people about specific issues. In a food shop, for example, fruit might be placed at eye level and processed and unhealthy snacks with warning labels lower down or away from the checkout to help people make better choices. In the field of energy, examples could include placing efficiency labels on different household appliances to highlight the most efficient options, or rewarding colleagues who carpool or cycle to work.

(e) Promoting productive policy for renewable technologies

This point includes support for the manufacturing of equipment, components and parts, as well as for engineering, maintenance and operation services for power plants using different types of technology. Promoting energy distribution creates specific challenges for installation and maintenance service sectors. Governments can support these initiatives by encouraging national and regional producers to bid in public tenders and implementing regulatory frameworks that ensure these firms greater market access (ECLAC, 2022a).

(f) Increased financing

To accelerate the deployment of renewable energies and of the necessary generating, transmission and distribution infrastructure, barriers such as inadequate regulatory mechanisms, limited access to credit and inaccurate risk perceptions need to be overcome. Blended finance can close existing funding gaps and unlock the trillions of dollars held by private actors, and this requires adjusted risk frameworks and more flexibility to scale up renewable energy financing (ECLAC, 2022a). It is also important to finance research and development (R&D) activities in order to gain competitiveness or adapt products to specific needs, as well as initiatives to scale up the operations of local or regional producers.

(g) Encouraging participatory governance and public-private cooperation

There is a need to encourage greater citizen involvement from the project inception phase onward for greater decentralization and informed participation. The capacities and commitment of local populations and civic organizations are very important, as is access to smart and small-scale technology (Stephens, 2019).

(h) Long-term planning and regional energy integration

Long-term planning and regional energy integration are vital to address global energy uncertainties, volatility and crises, and to establish a regional energy security system, by promoting and maintaining dialogue between policymakers, the private sector and stakeholders in each country and in the region (ECLAC, 2022a).

3. Goal 9: Industry, innovation and infrastructure

The production structure is crucial for long-term growth and also for the productive apparatus to be able to respond promptly and effectively to the ups and downs of the business cycle. International experience shows that countries with diversified economies and a preponderance of technology-, innovation- and learning-intensive sectors tend to be more socioeconomically resilient. The response of Latin America and the Caribbean to external shocks has historically been conditioned by structural problems such as inequality, low productivity, productive heterogeneity and labour informality. The cascade of crises experienced at the global level has highlighted the weaknesses of the region's productive apparatus and, therefore, the urgent need to implement policies aimed at taking advantage of the opportunities arising from the new global economic and technological landscape in order to move towards a more dynamic, inclusive and environmentally sustainable development model.

Halfway to the deadline set for meeting the 2030 Agenda targets, the urgency of the challenges means that efforts to achieve these need to be scaled up and accelerated by bringing to bear the necessary resources and institutional capacities. For this reason, the United Nations has urged actors from all sectors of society and at different levels (local, national and international) to mobilize effectively.

In the case of the Latin American and Caribbean countries, this means adopting policies for productive transformation and diversification and strengthening the capacity of the State to design and implement effective policies with a long-term perspective, especially as regards productive and technological development and infrastructure. To build resilient and sustainable industry, bring production sectors into line with the principles of sustainability and increase the capacity for innovation, the following transformative policies are proposed.

(a) Boosting the regional market

There are numerous opportunities to foster productive synergies and complementarities that can be exploited at the regional level through the development of regional production chains. The creation of dynamic and innovative production sectors requires the support of an enlarged and stable regional market, and further regional integration is proposed to achieve this goal.

(b) Fostering innovation and technological development

Despite progress in the design and construction of a suitable institutional framework for the promotion of industry, science, technology and innovation, the response to regional problems such as deindustrialization and low investment in innovation has been inadequate. R&D expenditure as a share of GDP in Latin America over the last two decades has remained below 0.7% of GDP (ECLAC, 2022b). There is also scope for improving the quality of investment, as spending on basic research continues to outweigh spending on experimental and applied research, and resources come mainly from governments rather than firms. The region also lacks adequate enabling infrastructure for the development of production and innovation. Countries in the region still face the challenge of improving connectivity in terms of both coverage and quality and implementing fifth-generation (5G) mobile networks, which can help close both gaps (ECLAC, 2022c).

(c) Closing the physical infrastructure gap

Levels of infrastructure investment are lower than required to cover projected needs and meet the 17 SDGs of the 2030 Agenda, and this reveals a gap that urgently needs to be closed. Sanchez and others (2017) estimated that annual infrastructure investment needs were equivalent to 6% of the region's GDP between 2016 and 2030. Considering that total investment (private and public) was 2.2% of GDP in the period 2000–2015 and that public investment in economic infrastructure was only 1.54% of GDP between 2019 and 2021,⁴ this confirms how much ground needs to be made up in the provision of infrastructure services and thence in the effort to attain the SDGs concerned.

(d) Strengthening the role of the State and encouraging participation by other actors

The role of the State in providing basic infrastructure services for millions of people in Latin America and the Caribbean has been and will continue to be fundamental, owing to the magnitude of the investments required, the long lead times for project planning and execution, and the fact that many of the benefits materialize in positive externalities for other sectors. However, the cascade of crises facing the region means that new ways must be found to finance and maintain projects and to involve a variety of sectors in these processes, with a view to achieving the SDGs. Creative and efficient mechanisms

⁴ The figures for 2019, 2020 and 2021, as proportions of regional GDP, were 1.79%, 1.42% and 1.41%, respectively. See Infralataam [online] infralataam.info/en/home/.

and strategies are needed to encourage the participation of different actors who can bear some of the economic costs associated with infrastructure projects. Private sector participation is necessary both to finance new projects and to maintain existing infrastructure. Progress has been made on these issues in recent years thanks to the increased presence of public-private partnerships (PPPs), which have made it possible to spread the costs and improve the quality of investments, especially for the development of basic infrastructure. Sharing experiences and good practices and facilitating infrastructure investments in different countries can be part of the institutional footprint that partnerships for the SDGs leave in the region.

(e) Improving infrastructure resilience

The region's infrastructure is not very resilient, and further efforts are therefore needed to improve its capacity to adapt and recover. In the Sendai Framework,⁵ resilience is defined as “the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions”. As part of the institutional footprint that the 2030 Agenda could leave in this area, the countries of the region could adopt guidelines to increase the resilience of their infrastructure. This increased resilience would represent a saving over the lifecycle of infrastructure, as it would result in reduced maintenance costs and less likelihood of disruption (Cavallo, Powell and Serebrisky, 2020; Weikert, 2021).

(f) Boosting green infrastructure

It is important to incorporate resilience criteria into infrastructure projects via green infrastructure, i.e., via a network of natural and semi-natural areas with other environmental features planned, designed and managed to deliver ecosystem services. These networks incorporate green spaces (or blue ones if water ecosystems are involved) and other physical features in terrestrial (including coastal) and marine areas (European Commission, 2013). This is a type of infrastructure that has the potential to deliver a range of ecosystem services and to increase the resilience of infrastructure to extreme weather events and natural disasters. Furthermore, green infrastructure networks link Goals 6, 7, 11, 14 and 15, among others, since they provide benefits such as protecting biodiversity and increasing the capacity of ecosystems to provide services such as disaster risk reduction, water purification, improved air quality and spaces for recreation.

(g) Projecting the productive specialization of the future

The region should carry out a foresight exercise to anticipate the type of productive specialization it wishes to promote, and align energy infrastructure, transport and the urban model to this. Knowledge-intensive industries, high value added services and the growing trend towards green hydrogen production could favour productivity growth in the region and, at the same time, decouple growth from carbonization in the economy.

(h) Promoting cluster initiatives as tools for production development policies

Policies based on the cluster approach, which build on collaboration between the public and private sectors and academia, starting from the local level, have been successfully implemented in many countries around the world, including several in Latin America and the Caribbean. This is one of the

⁵ See [online] <https://www.undrr.org/implementing-sendai-framework/what-sendai-framework>.

most effective ways to promote the economic development of specific groups of value chains and to maximize synergies not only between key actors in specific clusters of firms, but also between national policies (top-down) and decentralized policies in local areas (bottom-up). Wider and better-coordinated use of this approach would be a very powerful way to strengthen the region's production development policies (Salazar-Xirinachs, 2020; Llinás-Vargas, 2021).

(i) Incorporating information and communications technologies (ICTs) to a greater extent

Target 9.c is to significantly increase access to ICTs and provide universal and affordable access to the Internet in the least developed countries. A 10% increase in digitalization could raise the region's productivity by 5.7% and reduce the unemployment rate by 2.4% (Katz, 2022). Greater efforts should therefore be made to boost the adoption of ICTs in the productive sphere and enhance their impact by supporting disruptive technological trends such as artificial intelligence, the Internet of things, blockchain and next-generation mobile networks.

The expansion of 5G networks could boost higher-value, knowledge-intensive economic sectors and generate new opportunities for innovation in virtualization, sensorization and automation. In addition, the primary and secondary sectors could improve their processes, increase their efficiency and have a positive impact on regional productivity.

Connectivity gaps in Latin America and the Caribbean need to be addressed in a comprehensive manner, taking into account both supply and demand factors, e.g., affordability, availability of devices and people's digital skills.

(j) Supporting the digital transformation

Among the main challenges facing the region in terms of digital transformation is the digitalization gap in certain infrastructure-related production sectors that are fundamental to the economy. Likewise, the region has inadequately developed digital skills, is lagging behind in the deployment of 5G networks, as mentioned above, and suffers from problems with digital governance. Given this situation, ECLAC (2022d) makes five recommendations: (i) create enabling conditions in the areas of connectivity and skills development, (ii) develop meaningful digital solutions for the population, (iii) promote the digital transformation of production by boosting the incorporation of emerging technologies, (iv) establish digital governance with policies, strategies and institutions and (v) strengthen cooperation and integration through a regional digital market.

4. Goal 11: Sustainable cities and communities

Cities are home to four out of every five inhabitants in Latin America and the Caribbean, making it essential to strive to improve the quality of life and proper development of urban centres. Moreover, the advantages of agglomeration make them dynamic centres of innovation, job creation and production clusters (Glaeser, 2017). The high proportion of the population currently living in cities and the expected upward tendency of this figure in the future (it is estimated that 86.5% of the Latin American and Caribbean population will live in cities by 2030) indicate that the region will consolidate its position as the most urbanized on the planet, which justifies giving high priority to the harmonious development of cities with policies that combine economic, social and environmental elements to improve the quality of life of the population and effectively harness agglomeration economies. Below are some transformative policy proposals to turbocharge the effort to meet Goal 11.

(a) The location of housing and its relationship to improved mobility

The location of housing and the quality and efficiency of mobility are fundamental to the proper functioning of cities and have a direct impact on productivity. One of the greatest challenges facing the region is precisely low productivity, and a resolute public policy effort is therefore needed to optimize mobility in cities, for example by lowering the costs of freight transport and reducing travel times, which also affect quality of life. There is also an indirect effect, since better mobility services lead to greater agglomeration, which in turn boosts the productivity of people and firms, partly through expansion of the labour market and higher employment density (Chatman and Noland, 2013).

(b) Outlining housing strategies

The difficulty of obtaining housing in cities and its rising cost can be addressed with public policies that anticipate the possible growth of informal settlements. To this end, there needs to be considerable diversification of the housing supply, including the various tenure regimes. The supply of urban land in safe and well-located areas should also be expanded. Public land could be used for this, with appropriate management of the resulting gains in urban land value.

Housing strategies have great potential to impact economic development and job creation, particularly through the construction, expansion or improvement of housing. Construction growth of 1% expands per capita GDP by 0.07% (Livert, 2022). Moreover, if construction is carried out sustainably, it can drive a low-carbon economic recovery through a cross-cutting relationship between public and private sector actors that is integrated right along the production chain (Molina, 2022). From this perspective, housing construction, improvements to residential areas and greater mobility, for example, are opportunities to foster higher economic growth, generate employment and reduce social divides.

(c) Innovating in urban financing

It is important to explore opportunities for innovation in the financing of urban improvement investments, so that the resources can come from urban dynamics themselves. There is ample scope in the region to increase the use of land-based financing instruments and to share successful experiences across countries. At the same time, there is a need for greater coordination of public policy, avoiding the compartmentalization currently manifested in the failure to integrate climate action, mobility and land management plans.

(d) Improving strategies to reduce pollution in cities and promote circular and resilient cities in line with target 11.6

Air pollution in cities has major repercussions in the form of premature mortality and morbidity, affecting people's quality of life and productivity. Many large cities in the region exceed the concentration of fine particulate matter recommended by the World Health Organization (WHO) several times over, which is very harmful to health. The transport sector is mainly responsible for this. Thus, while air conditions in some urban centres have improved, much remains to be done, particularly as regards mobility-related measures, which can have large co-benefits in terms of reducing greenhouse gas emissions.

Likewise, using circular solutions to manage the increasing amount of urban waste (currently around 1 kg of waste is generated per person per day in the region) also has significant positive effects on health, the environment and the economy. Innovation and investment in new materials and product and service designs that are as sparing in materials, water resources and energy as possible and that facilitate reuse, repair, refurbishment and remanufacturing, as well as the extraction of value from

waste streams and by-products through recovery and recycling, help to make cities more sustainable and carbon-neutral and generate large economic benefits. Waste management legislation (which is increasingly common), and especially extended producer responsibility laws and plastics regulations, must also consider their potential contribution to the strengthening of local employment and supply chains, as must circular economy strategies, plans and road maps.

5. Goal 17: Partnerships for the goals

With its cross-cutting perspective, Goal 17 brings together the efforts of all actors to meet the other goals. In the aftermath of the pandemic, financial and non-financial resource allocations need to be restored to mitigate the setbacks observed in the trajectory of many indicators, as documented in this report. This effort is the responsibility of governments, the private sector, civil society and international cooperation institutions, which need to coordinate their collaboration under State leadership.

With regard to the creation of partnerships for the SDGs, redoubled efforts are needed to facilitate attainment of all the targets, particularly where progress is too slow for them to be met or the trend is in the wrong direction. The following are the transformative policies whose implementation is recommended in this area.

(a) A new basis for cooperation

International cooperation to support progress with the 2030 Agenda needs to be renewed on the basis of a classification that looks beyond per capita GDP and properly captures the sustainable development levels of countries, especially middle-income countries.

ECLAC has proposed a new type of cooperation to address the long-term development challenges of middle-income countries, based on three pillars: (i) cooperation mechanisms should apply to countries at all levels of development; (ii) cooperation instruments should take into account the economic, productive and social heterogeneity that characterizes the countries of the region, while responding to their development priorities; and (iii) countries should have a variety of instruments to enhance international cooperation.

(b) Strengthening the role of development banks

Cooperation between different development banks, whether international, regional, national or even local, is essential to increase access to development funds, improve management efficiency and share best practices in the financing of SDG-related activities. While there are forums for dialogue between development banks, the region lacks mechanisms for coordination between the national development banks of the different countries and between national, subregional and regional development banks. One measure to overcome this deficiency would be to promote the use of information-sharing tools, such as technological platforms to exchange experiences and best practices.⁶

⁶ In early 2023, the Latin American Association of Development Financing Institutions (ALIDE), the Inter-American Development Bank (IDB) and ECLAC launched the “Community of Practice on Financing for Development in Latin America and the Caribbean” technology platform. Its goal is to channel the knowledge generated by the members of the community to further enhance the capacities of development banks in the region. The purpose of developing this Community of Practice is to promote the sharing of information and knowledge about development finance challenges and opportunities in Latin America and the Caribbean, to facilitate collaboration between development finance professionals and to promote dialogue with other financial institutions and policymakers.

(c) Improving the ability to mobilize domestic resources

Strengthening the fiscal capacity of the State is vital to achieving the SDGs. Public revenues in the region have traditionally been insufficient to meet public spending needs, leaving a legacy of chronic deficits and ever-increasing levels of public debt. The way to make public spending levels sustainable is to strengthen domestic resource mobilization through progressive tax reforms that significantly and durably raise the tax burden in most countries.

In the short term, countries should take action to combat tax evasion and improve the governance of tax expenditures, both of which are a source of substantial losses. Non-payment of income tax and value added tax in Latin America resulted in losses of tax revenue estimated at US\$ 325 billion in 2018, equivalent to 6.1% of GDP (ECLAC, 2020b). Meanwhile, revenue foregone because of tax expenditures averaged 3.8% of GDP in Latin America, representing 20.6% of tax revenue in 2020 (Campos Vázquez, 2022). These kinds of preferential tax treatment need to be reviewed and aligned with the SDGs (ECLAC, 2019). Countries may consider taking steps to bring their tax frameworks into line with the new practices set out in the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), thus designing a plan to address the problem of base erosion and profit shifting with a view to agreeing on a package of international tax rules.

In the medium term, structural tax reforms will need to be designed to progressively increase the tax burden. In particular, strengthening personal income tax and property and wealth taxes is crucial. These reforms should also include a new generation of environmental and public health-related taxes to generate the economic incentives needed to move towards environmentally sustainable development and responsible consumption and production. Reviewing and updating fiscal frameworks for the extractive sector will become increasingly important in the context of the transition towards zero net emissions. Hydrocarbon-producing countries will be the most affected, owing to the fall in hydrocarbon revenues, which will threaten public debt sustainability (Titelman and others, 2022). At the same time, mining countries could benefit from the global adoption of low-carbon technologies, and this underlines the importance of implementing reforms to ensure a fair share of economic rents for the State.

B. Strategy, foresight and planning to get back on track for the SDGs

1. Building a better future for all

The journey towards the SDGs has been hampered by the COVID-19 pandemic and the multiple crises of the past two years. The Secretary-General of the United Nations has made a strong appeal to the whole international community and to all development actors (government, civil society, the private sector, academia and international cooperation agencies, including of course the United Nations Secretariat itself, as well as the organs, funds and programmes and specialized agencies of the United Nations) to act with a view to getting back on track to the SDGs, to implement new policies, forms of cooperation, financing modalities and technical assistance mechanisms and, accordingly, to establish a new global compact to counteract the dangers, instability, uncertainty and anxiety that affect much of the world's population (Guterres, 2023).

Our Common Agenda (United Nations, 2021) refers to the need to start incorporating a long-term perspective into the analysis and reflections and, above all, the decision-making of development actors, and encourages States to strengthen innovative, persistent and enduring actions and policies that can enable the structures hampering the progress of the 2030 Agenda to be transformed.

The call by the Secretary-General of the United Nations to renew the social contract between governments and their peoples, and also within society, is based on the notion of restoring trust and adopting a comprehensive vision of human rights (United Nations, 2021). Implicit in the creation of a new social compact is the need for long-term thinking. *Our Common Agenda* states that as human beings, grouped in communities, cities, countries and continents, and also at the global level, we have the opportunity and the obligation to better prepare ourselves to build the future. Hence the importance of giving a prominent place to the exploration of futures and the development of scenarios as part of the work of public policymaking.

This message is particularly timely in the case of Latin America and the Caribbean, which urgently needs long-term strategies for policy design and implementation. Fortunately, foresight capacities in the region have been strengthened in recent years, especially in academic institutions and research centres, and could begin to have a significant impact on public policy design.

The Summit of the Future, scheduled for September 2024, offers a great opportunity for Latin America and the Caribbean to contribute proposals for accelerating progress on the 2030 Agenda and improving its implementation modalities, both in the region and in the rest of the world, by harnessing collective intelligence, within a framework of renewed coordination, cooperation and partnerships between the countries of the region.

Our Common Agenda underlines the importance of future generations and calls for a new social contract, based on solidarity and respect for human rights. It also proposes setting up a Futures Laboratory, producing reports on strategic foresight and global risks, and strengthening preparedness to deal with unexpected high-impact phenomena. The COVID-19 pandemic, the conflict in Ukraine and the increasing number of extreme natural events with catastrophic consequences underline the urgency of designing public policy with the help of foresight analysis.

The development of future scenarios and their coordination with policies, plans and programmes contribute significantly to the design of development strategies on a sustainable and lasting basis. The discipline of foresight is an analytical and practical instrument that provides the necessary methods and tools for this purpose. As the Secretary-General has put it, “short-term calculations continue to dominate policymaking” (United Nations, 2021), so that “it is time to place long-term analysis, planning and thinking at the heart of national governance and the multilateral system” (United Nations, 2021).

This section presents a proposal to make foresight a key element in the public sphere, not only for public policy, but also in processes that involve direct or indirect interventions by different actors in the material and social well-being of the population. This implies broad, democratic, transparent and meaningful participation by representatives of the main development actors, something that is particularly important if we are to get back on track to meeting the aspirations of the 2030 Agenda.

2. Foresight as a discipline for anticipating and building the future

Foresight provides methods and tools for the exploration of futures, a necessary task if we are to anticipate global megatrends that may affect the dynamics of the region's countries. The development of possible, probable and desirable scenarios serves to clarify policy decisions and actions in the present, with long-term thinking and vision.

As a future-building discipline, foresight provides tools to look better and see further, deeper, wider and differently. It enables personal and institutional learning to take place through the exercise of imagination and the social, technical and political capacities needed to realize a desired future such as the one outlined in the 2030 Agenda, thus providing new options for society.

Through the study and analysis of megatrends and the exploration of futures, foresight connects ideas, finds common ground and reconciles opposing positions, and can thus become a tool for purposeful democratic dialogue, especially in relation to conflict resolution and at various levels (the social, sectoral, political and territorial levels, among others). It can be of great value as a tool for agreeing on converging paths towards the sustainable development proposed in the 2030 Agenda.

In the countries of the region, development challenges are considerable and the immediate economic problems so numerous and varied that public policy tends to focus on solving short-term difficulties, which prevents it from addressing the structural causes of development problems. Policies to advance the SDGs must be imbued with a long-term strategic vision of the kind the discipline of foresight provides (Bitar, Máttar and Medina, 2021).

For enhanced progress towards the 2030 SDGs, the long term must be connected with the short term, and this can be achieved by incorporating foresight into public policymaking, thereby fostering a new narrative that stimulates thinking and action for the future. The experience of some advanced countries whose public and private sectors have foresight capabilities can be of great help to the region and could form part of the actions needed to give substance to the cooperation and partnership building promoted in Goal 17. Moreover, the experience accumulated in the region itself provides valuable lessons that can be applied to intraregional collaboration on foresight.

The exploration and analysis of alternative future scenarios provide the opportunity for a participatory process to collectively choose a possible and desirable (futable) future like the one proposed by the SDGs, which can be realized through democratic and inclusive dialogue and action and State leadership, with the support of public policy and planning. The development of long-term scenarios entails greater uncertainty and risks than prioritizing the short term, but provides ample scope for reflection, discussion and agreement so that far-reaching and transformative decisions can be made. Foresight offers a variety of methodological alternatives for scenario development⁷ and the creation of an image of the future on which the various groups in society can converge. This image of the future goes hand in hand with the goals and targets of the 2030 Agenda.

3. Future-oriented policies to transform development models and get back on track to the SDGs by 2030

One consequence of the COVID-19 pandemic and the global crisis it triggered was that the need to be better prepared for unexpected high-impact events became obvious. Latin America and the Caribbean was poorly prepared for a pandemic, even though there was known to be a high probability of such an event occurring.⁸

Short-term thinking prevails in development decision-making in the region. The culture of reflection and action for the future is weak. The existence of public health policies with a long-term perspective would have facilitated foresight and cooperation, coordination and mutual support between countries during the pandemic. What happened instead was that each country tried to cope with the effects of the pandemic on its own, when a mature cooperation mechanism would have made it possible to negotiate better terms for the acquisition of vaccines and even facilitated the establishment of strategic agreements for their manufacture in the region.

⁷ For a description and examples of applications of different approaches and methods, especially in Latin America, see, among others, Cordeiro (2016), Gándara and Osorio (2014), Godet (1993), Medina Vásquez, Becerra and Castaño (2014), ILPES (2016), Mojica (1991), Miklos and Arroyo (2016) and GCPSE (2014). On the scope and limitations of the methods, see Concheiro (2016).

⁸ See, for example, Glenn and Gordon (1998).

Addressing crises with a medium- to long-term strategy anchored in the SDGs (looking forward to 2030 and beyond) must be a priority for governments, the private sector and civil society. The discipline of foresight is an appropriate public policy tool that serves to develop scenarios for the future, analyse them, determine how likely they are to materialize, collectively choose the one desired by all, and work towards it with the help of its sister discipline, planning. It is therefore necessary to strengthen State institutions and develop new capacities for analysis, foresight and anticipation.

Although foresight calls up the future, scenario building is the first task involved in actually influencing it. The State promotes the initiative, and the more open, democratic, inclusive and participatory the approach and methods chosen are, the more likely the desired scenario opted for is to be accepted and respected by the majority and therefore to be realized (Máttar, 2020).

As noted in the previous chapters of this report, the region's progress with public capacity-building to advance the SDGs has reached a level of institutional maturity whose effects should be valued and serve as a basis for strengthening ongoing work. The inclusion of futures studies as an organic part of the transformative policies that must be implemented to give an extra push to the 2030 Agenda would represent a fundamental contribution to the region's institutions.

Transformation processes to strengthen foresight capacities must encompass the day-to-day work of public policy and also permeate the private sector and society as a whole, academia, international organizations and other social actors.

Formulation of the desired scenario or “the future we want for all” (United Nations, 2012) must include the strengthening of institutions in order to incorporate foresight analysis into decision-making. What is decided today must serve not only to resolve present and short-term issues, but also, and crucially, to alter the trend towards concentration, poverty and marginalization that the region is currently following and to move towards a more productive, inclusive and sustainable development model.

The scale of the challenges facing the region provides an opportunity to make decisions that transcend the immediate present. To get out of the current economic predicament, which has been the main consequence (if not the only one, and perhaps not the most important) of the chain of global crises that have affected the region, a shared vision of the future turning on the SDGs will be needed, assuming that the aim is to recover quickly and with enhanced resilience. This would make the process of getting back on track to sustainable and inclusive development swifter and more robust.

The region's institutional framework and capacities have been strengthened during the process of pursuing the SDGs, and this institutional footprint constitutes a solid basis for the development of a culture of foresight in public policy design. The transformations that the region needs will not occur in a single term of government; forward-looking State policies are required. This is the task that the whole of Latin America and the Caribbean must address.

4. A renewed State to build a better future

It is up to the State to exercise new leadership and work for a change of direction in order to lead and coordinate the change of course towards sustainable development proposed in the 2030 Agenda. The very depth of the crisis may be the trigger for the necessary changes, which must be based on State agreements (or new democratic, inclusive social pacts) with broad citizen participation, representative of the social forces in each country. A renewed and proactive State must be capable of convening the partnerships needed to undertake this task as the coordinator of discussion, dialogue and agreements, thereby recovering its key role in the effort to achieve sustainable development.

The outcome of these discussions and agreements should be the desired image that each country has for its future, against the backdrop of the 2030 Agenda as adapted to collective national decisions, which can be expected to enjoy broad consensus. Progress towards the materialization of this desired future continues with the identification of the key factors and State public policies needed to achieve higher levels of material progress and social well-being. Their nature as State policies shields them from the vagaries in the exercise of government power that are common in Latin America and the Caribbean, especially when governments change. All the region's governments in power in 2023 will complete their mandates before 2030. The time has come to set 2030 as a finishing line and a key target date for policy decisions, but also as a new starting point for the onward journey towards sustainable development.

The transition from government policies to State policies entails significant changes in the way public affairs are conducted, which in turn implies a transformation or reprioritization of goals, in which the temporal dimension and strategy become the pillars of public policy. The transition involves moving from consideration of the immediate situation to foresight analysis, from economic growth to sustainable development, from crisis management to development planning, from a focused approach to a strategic vision, from dealing with the present to managing structural change. This does not mean ignoring the crisis or neglecting immediate needs; it means managing the intertemporal dilemmas that may arise in order to harmonize public policy objectives in space and time in accordance with circumstances, the economic situation and the vision of the future that social actors have collectively arrived at with the coordination of the State. When this happens, dilemmas dissipate and are replaced by discussion and strategic agreements, the orderly and persistent implementation of which makes it possible to bring about the structural changes necessary for sustainable development.

The transformation of the development model and the path to sustainable development require the State to exercise leadership and coordinate the process to promote an agenda of structural transformations with a long-term strategic vision. A proactive State acts quickly, knowledgeably and effectively when unexpected phenomena appear on the path to development, and carries out course corrections in accordance with the demands of society and the market.

For developed countries, it may be enough to have States that observe and arbitrate, because they have reached an advanced stage of development and democratic governance, and the primary task of the State is to maintain or refine these achievements. The region is far from being in this situation, and so a proactive and transformative State is needed to lead the process for decades and thus cement its development on a firmer foundation and move towards full attainment of the SDGs.

5. Institutionalizing foresight in public policy and strengthening foresight capabilities⁹

The discipline of foresight can become an effective instrument for accelerating progress on the 2030 Agenda. Its systematic and lasting incorporation into public life requires it to be gradually and progressively institutionalized as a State policy tool. International experience indicates that there are different institutional modalities for achieving this. In Latin America and the Caribbean, each country, according to its circumstances and priorities, should determine which one is the most effective for accumulating experience, knowledge and citizen participation. The institutionalization of foresight in public policy would strengthen the formulation of long-term policies and strategies, which are essential for bringing about the structural changes required to achieve the SDGs.

⁹ This subsection is based on Bitar, Máttar and Medina (2021), especially chapter V.

The experience of countries such as Finland, France and Singapore that have used these instruments shows that this is a progressive and cumulative process which is refined along the way. It also shows that, while central coordination within government is required, it is essential to organize a dense network of groups and institutions dedicated to thinking about long-term scenarios and strategies whose core components will endure regardless of changes of government and political swings (Medina Vásquez, 2023).

Institutionalizing foresight in public policy means engaging politicians and political forces, which makes it essential for it to be underpinned by consultation and deliberation with broad citizen participation. When citizens' aspirations are taken on board and a measure of consensus is achieved, the desirability of introducing these instruments in order to govern well becomes more obvious to politicians. In other words, "the idea of foresight for action and a strategic perspective [...] that connects reflection with decision-making and must be more closely linked to politics for this purpose" take shape (Bitar, Máttar and Medina, 2021, p.143).

Various institutional designs implemented on other continents in recent years can serve as a benchmark for the region. One example is the creation within the European Commission of the position of Vice-President for Interinstitutional Relations and Foresight. Some European countries have set up future scenario analysis groups at the prime ministerial or presidential management level. In other cases, futures analysis units have been set up in key sectors, ministries or territories.

Anticipation and learning capabilities must be complemented by the development of capacities for the appropriation and mobilization of collective intelligence. Citizens must be made aware of the potential and implications of technological change through informed public debates, actively participating in public decision-making and contributing to the identification in the present of the issues with projections for the future that will influence the development of their capabilities. The last step is to create the ability to act by effectively implementing transformative initiatives such as those described in section C of this chapter.

Getting back on track to the SDGs means incorporating the long term into social discourse, economic analysis and the political narrative. This is a formidable challenge, as the region's experience is that public policies tend to be applied only during single periods of government. This vision must be extended so that changes in political power do not lead to abrupt departures from the path to sustainable development laid down. Major challenges require continuity and persistence, anchored in State policies agreed by key development actors. "This can be achieved when citizens are better equipped and informed, when there are debates on future scenarios, and when the construction of long-range political agreements is underpinned by a common vision" (Bitar, Máttar and Medina, 2021, p. 145).

Efforts to strengthen foresight and anticipation capabilities are not the responsibility of a single government administration, as it takes considerable time to achieve results in relation to the path of sustainable development. For this reason, institutionalizing foresight in public policy requires strategies that extend over about a decade, with cross-cutting, multisectoral, multiscale and inter-institutional actions that are the product of consensus between government, the private sector and civil society, as key actors in development.

The incorporation of foresight into public policy is vital to progress in implementing the 2030 Agenda, in particular so that the institutional footprint it has created is more firmly established in pursuit of the SDGs and of more distant and challenging targets. Each country will need to decide on the institutional arrangements and tasks it wishes to prioritize to get back on track to SDGs which are no longer on course to be attained by 2030. Some examples of the inclusion of foresight in public policies are shown in table V.1.

Table V.1**Proposal for actions to integrate foresight into the institutions in charge of public policy design**

Set up a foresight analysis unit in the public administration (preferably in the office of the country's executive branch) whose work includes identifying global megatrends, conducting futures studies, acting swiftly in response to unforeseeable events and convening a regular national dialogue with a view to building the future. A similar model can also work in subnational governments and in the different thematic, sectoral and cross-cutting areas of the national public administration (the economy, production development, the environment, health, education, infrastructure, energy and transport, among others).	Form an analytical committee or group within parliament or the national congress to interact with the foresight unit of the President's office in monitoring and analysing global megatrends and conducting futures studies. A good precedent for the region is the interaction between the executive and parliament in Finland, which leads to the preparation of futures studies.
Task foresight units with considering and drafting policy and legislative proposals, considering their long-term impact. The aim should be to design laws and public policies that are prospective, i.e., that aim at solving structural problems which hinder sustainable development, and that should therefore take in a long time horizon, typically longer than a presidential or parliamentary term or the period of a subnational government. Preparation of a prospective public policy must include the participation of society, the private sector and other major actors so that its implementation transcends political time frames and periods of government.	Pursue advanced training in foresight capabilities at a higher level of government through ongoing capacity-building and sharing of experiences, lessons and specific learning among Latin American and Caribbean peers, and between the region and other major international experiences.
Integrate planning and foresight with public policy through knowledge networks linking universities, scientific centres and governmental decision-making bodies that contribute to governance and collective learning.	Carry out foresight exercises with the business sector in areas of strategic importance for production development and implement technology watch and competitive intelligence systems in areas presenting strategic and competitive opportunities for each country and the region.
In the sphere of education and the development of foresight knowledge, integrate the work of international foresight networks with relevant lines of research in cutting-edge master's and doctoral programmes.	In the sphere of public communication, strengthen the processes used to disseminate the results of foresight studies, public debates and social appropriation of foresight knowledge, especially through the mass media and social networks.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of S. Bitar, J. Máttar and J. Medina, *El gran giro de América Latina: hacia una región democrática, próspera, sostenible e incluyente*, Cali, Universidad del Valle, June 2021 [online] https://bibliotecadigital.univalle.edu.co/bitstream/handle/10893/20249/el_gran_giro_de_america_latina_ebook.pdf?sequence=1&isAllowed=y.

In the face of the cascade of crises affecting the region, the purpose of the Futures Laboratory proposed by the Secretary-General in the report *Our Common Agenda* would be to collaborate on studies of future megatrends and catastrophe risks and strengthen strategic foresight, catastrophe risk preparedness and anticipatory decision-making that values the future, with a view to supporting States and others in developing capabilities and sharing best practices to improve prospective action and adaptability.

"Conceiving ambitious futures is an inspirational force for great change. Even if they are not fully realized, they help to bring us closer to a common aspiration" (Bitar, Máttar and Medina, 2021, p. 148). The collective, inclusive and participatory construction of a desired vision of the future could contribute to great leaps along the path towards sustainable development in the region. The adjustments to the Latin American and Caribbean development model required to accelerate the pace towards the targets of the 2030 Agenda and to continue strengthening sustainable development over the next decade imply an unprecedented change in the region that would make it feasible to successfully implement the organizational and governance changes necessary to undertake new, large-scale transformative initiatives, such as those proposed in the following section.

C. Transformative initiatives

Given the challenges facing the world and the region, it is essential for the efforts of countries at both the national and subnational levels and those of different sectors to be focused more decisively on accelerating progress towards the SDGs. To achieve this, the region has a significant asset in the form of institutional capabilities forged over the past eight years by implementing processes and setting up organizations responsible for monitoring and reviewing progress towards the SDGs.

Revitalizing the implementation tools and efforts of all actors involved in achieving sustainable development requires a combination of commitments that translate into transformative actions and high-impact initiatives to help accelerate progress towards the SDGs.

The analysis presented on progress towards Goals 6, 7, 9, 11 and 17, as well as a range of studies by United Nations agencies, funds and programmes, countries and subnational bodies, and different civil society actors, demonstrate the need to strengthen initiatives with the capacity to generate momentum and influence the achievement of the SDGs. This stimulus should be directed at areas that are key drivers of progress towards these SDGs, in order to generate synergies that complement the proposals presented in section A. At the same time, the reflections presented in section B show that these initiatives must be seen as part of a long-term vision and be based on prospective scenario exercises to anticipate future events and create the enabling conditions for policy continuity. In this context, ECLAC has identified areas of action that have the synergistic capacity to simultaneously drive the achievement of a number of SDGs, in particular those analysed in this document. The effectiveness of efforts in these areas will depend on the ability to forge partnerships involving a variety of actors and on improvements in the public governance capabilities and multilevel institutional capacities of countries and subnational actors.

The first six of the seven initiatives presented below elaborate on the narrative and policy proposals that ECLAC put forward to member countries in the document presented at its thirty-ninth session (ECLAC, 2022a).

1. The energy transition and related industries

Section A analysed the importance of the energy transition in the framework of the Goal 7 targets. Emphasis was placed on the energy supply, and progress was highlighted, such as the increase in renewable energy sources in the region over the last 50 years from 25% of the primary energy supply in 1971 to 34% in 2020, which has led to a reduction in the energy intensity of GDP.

Efforts to modernize the energy mix and reduce the energy intensity of GDP have positive impacts in several areas: in the development of new industrial sectors and their productive linkages, with foreseeable effects on innovation and services, associated with the achievement of Goal 9, and in the creation of jobs and the reduction of greenhouse gas emissions, related to the achievement of Goal 13. ECLAC (2020a) has estimated that investing the equivalent of 1.3% of the region's annual GDP over a decade to universalize access to electricity from renewable sources would translate into the creation of 7 million green jobs, the modernization of infrastructure and the updating of regulations to attract investment. The energy transition is an opportunity to advance these goals, and that requires lasting partnerships between diverse actors committed to a vision of a sustainable future.

Latin America and the Caribbean has great energy potential, both in traditional hydrocarbon-based energies and in clean, modern renewable energy sources such as solar, wind and green hydrogen energy. Current foreign direct investment (FDI) flows, the potential future investments associated with them and their coordination with other production sectors are significant.

The region has a particularly strong record of attracting renewable energy investment projects, as it has been the second-largest destination by announcements in this sector since 2010, accounting for 17% of the global value of projects over the decade (ECLAC, 2022c).

In addition, the change in the energy mix will lead to transformations in transport and influence mobility and air quality in cities, something that is associated with fulfilment of Goal 11. In 2020, most of

the primary supply of fossil energy in Latin America was used for transport, so there is room for policies to replace fossil fuels with energy from renewable sources in this sector.

In the context of the energy transition, three sectors stand out in the region for their transformative and synergistic potential and the forward-looking vision they embody: green hydrogen, lithium and electromobility. It is estimated that green hydrogen will come to represent 18% of final energy demand by 2050, which would reduce emissions by 6 gigatons of carbon dioxide equivalent (CO₂eq) annually (i.e., 20% to 25% of the total projected reduction), while generating US\$ 2.5 trillion in annual sales and more than 30 million green jobs worldwide (Hydrogen Council, 2017).

In 2022, 17 countries around the world announced or launched their green hydrogen strategies, while another 20 countries are formulating theirs. The potential to generate electricity from renewable sources gives the region a comparative advantage in the production of green hydrogen. In the region, Chile, which launched its National Green Hydrogen Strategy in 2020, could achieve a strategic position, with production potentially reaching 160 million tonnes per year. As of August 2022, there were at least 12 green hydrogen projects in operation in countries of the region (Argentina, Brazil, Chile, Colombia, Costa Rica and Peru) and 71 projects in the development phase in those same countries, with other projects in French Guiana, Mexico, Paraguay, the Plurinational State of Bolivia and Uruguay.

Latin America and the Caribbean is home to 56.8% of the world's lithium resources and 51.3% of its reserves and currently contributes 31.4% of the world's lithium production (United States Geological Survey, n.d.). The region is expected to increase its production capacity by a factor of 2.7 over the next 10 years, going by projects in the pipeline that are classified as probable, and 5 times if projects classified as possible and speculative are also considered (Jones, Acuña and Rodríguez, 2021b).

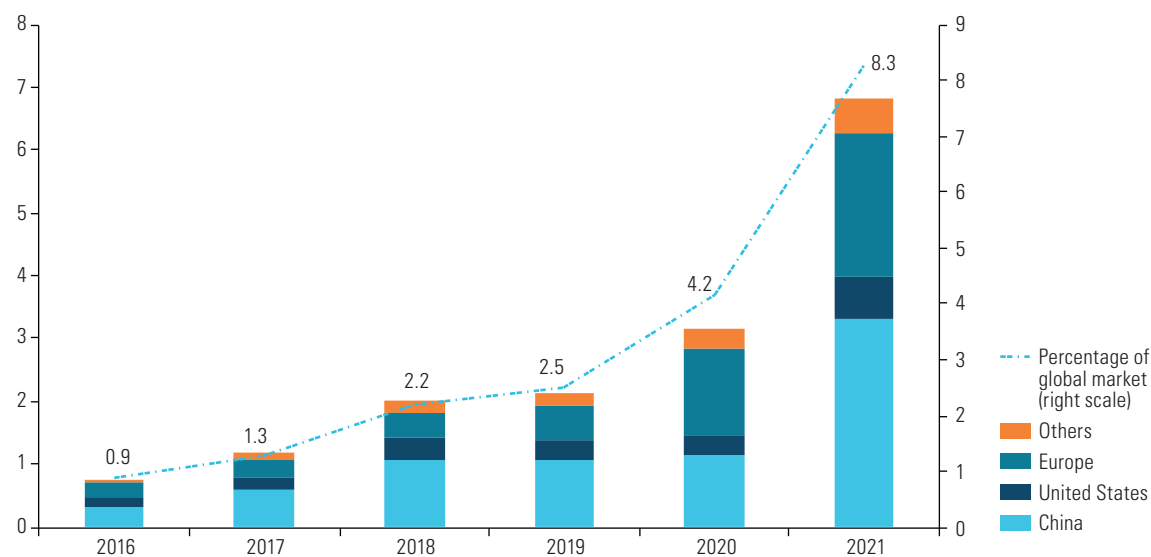
The physicochemical characteristics of lithium make it a key resource for the energy transition and electromobility, as it is one of the core components for lithium-ion batteries. The storage and recharging advantages of these batteries over other existing technologies and materials have boosted the market for them and underline the importance of developing a comprehensive strategy that encompasses production policy, urban mobility policy, the decontamination of large cities and improvements in population health.

Urban mobility is beginning to undergo profound transformations, and recent global trends indicate that the automotive sector will be powered by electricity in the future. Driven by a renewed sense of urgency, regulators in many countries, mainly developed ones, have set more stringent targets for reducing greenhouse gas emissions from vehicles. In response, manufacturers are adapting quickly, offering an increasing number of electric vehicles in their product portfolios and setting deadlines to cease production of internal combustion engine vehicles. These moves are promoting and consolidating the global electric vehicle market.

The electric vehicle share of global sales in the light passenger car segment increased from 2.2% to 8.3% between 2018 and 2021 (see figure V.1). Among heavy-duty vehicles, especially buses, electric models have also increased their share, coming to represent 4% of the global fleet in 2021.

Given that Latin America and the Caribbean is the most urbanized region in the world, the decontamination of cities and its positive effects on health require a new urban mobility in which electromobility and green hydrogen have a decisive role to play. Thus, support for energy transition initiatives would have a strong impact on sustainable urbanization and health, in addition to the effects on industrial development and innovation.

Figure V.1
Global sales and market share of light electric vehicles, 2016–2021
(Millions of units and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Energy Agency (IEA) and EV-volumes.com [online] <https://www.ev-volumes.com/>.

2. The bioeconomy: sustainable agriculture and bioindustrialization

ECLAC regards the bioeconomy as potentially one of the main drivers of sustainable and inclusive growth. The bioeconomy includes the production, use, conservation and regeneration of biological resources, as well as science, technology, innovation and related knowledge, to provide information, products, processes and services across all economic sectors with a view to creating a sustainable and inclusive economy (IACGB, 2018).

The rapid development of the bioeconomy has largely been made possible by the development of life sciences and related technologies (e.g., biotechnologies and gene editing), contributing to industrialization and innovation with positive effects on the environment, which is associated with the achievement of Goals 9, 13, 14 and 15, as well as food and nutrition security and the fight to eradicate hunger, and thence the achievement of Goal 2. Progress in this area increases food production in a sustainable manner, guarantees the nutritional quality and safety of food, increases resilience to climate change and climate variability and enables diversification of food production to suit different consumer tastes and preferences (ECLAC, 2022a). Rapid innovation in the bioeconomy requires the collaboration of the State, in the areas of both research and regulation; of the private sector, which can finance and drive forward these processes; and of academia, where many of the breakthroughs take place.

The bioeconomy fosters bioindustrialization through the production of goods and services in rapidly expanding market segments, including bioplastics, biomaterials, agricultural bioinputs, biopharmaceuticals, biocosmetics, bioremediation systems and biodiagnosis and biomonitoring services (ECLAC, 2022a). It also supports sustainable agriculture through both the sustainable use of genetic material and the use of biofertilizers.

Agriculture would benefit from increasing use of biofertilizers, which, among other favourable effects, contribute to the regeneration of soil and the improvement of its biota and organic content and have the potential to protect against drought and soil diseases, all major factors in a context of climate change (Gupta, 2021). Furthermore, the biofertilizer market is expanding significantly, and Latin America and the Caribbean can benefit from this. The global market for biofertilizers, valued at US\$ 1.8 billion in 2018, grew at a compound average annual rate of approximately 14.3% between 2011 and 2018 (Kumawat and others, 2021), and it is estimated that it could grow at a compound average annual rate of 13% between 2021 and 2030 to reach a value of US\$ 4.7 billion.

The use of biofertilizers is held back, however, by a lack of information resulting in lower uptake by farmers. Their application is still limited to certain crops and certain locations, as microorganism action depends on the type of plant and specific characteristics of the site where they are applied (ECLAC, 2022a). However, the scope for the local and regional market to grow is very large, and regional cooperation would be a great advantage.

Bioindustrialization favours the design and implementation of policies aimed at changing production structures, since biological resources are the basis for developing new production activities and value chains that are intensive in knowledge and new technologies.

Bioeconomy-based production development policies would have an effect on production and employment, since many of the processes involved depend on regionally specific biological resources that provide alternatives for diversifying production and adding value in rural areas, especially in the farming and agro-industrial sectors. Table V.2 presents growth forecasts for certain sectors of the high value added bioeconomy in the current decade (ECLAC, 2022a), which are very helpful for supporting analysis and policymaking in this area in the region and for boosting implementation of the 2030 Agenda, especially where the targets of Goals 7, 8, 9, 11 and 13 are concerned.

Table V.2
Estimates of global market growth in different sectors of the high value added bioeconomy, 2020s

Sector	Period	Compound average annual growth rate	Source
Biotechnology	2022–2029	17.5% (from US\$ 1.00 trillion to US\$ 3.09 trillion)	Research and Markets, Biotechnology Market, 2021 [online] https://www.researchandmarkets.com/reports/5261865/biotechnology-market-share-sizetrends-and#rela4-4396357
Biotechnology	2022–2030	13.9% (from US\$ 1.02 trillion to US\$ 3.30 trillion)	Grand View Research, Biotechnology Market, n/d [online] https://www.grandviewresearch.com/industry-analysis/biotechnology-market
Organic fertilizers	2021–2030	12.9% (from US\$ 1.40 billion to US\$ 4.70 billion)	The Brainy Insights, Global Biofertilizers Market, 2022 [online] https://www.thebrainyinsights.com/report/biofertilizers-market-12641
Biopharmaceuticals	2020–2030	12.8% (from US\$ 291.40 billion to US\$ 974.50 billion)	Next Move Strategy Consulting, Biopharmaceuticals Market, 2022 [online] https://www.nextmsc.com/report/biopharmaceutical-market
Biotechnological ingredients	2019–2027	9.3% (from US\$ 1.61 billion to US\$ 2.28 billion)	Grand View Research, Biotech Ingredients Market, n/d [online] https://www.grandviewresearch.com/industry-analysis/biotech-ingredients-market
Biotechnology and pharmaceutical services	2022–2030	5.5% (from US\$ 70.50 billion to US\$ 108.00 billion in 2030)	Research and Markets, Biotechnology & Pharmaceutical Services Outsourcing Market, 2022 [online] https://www.researchandmarkets.com/reports/5505273/biotechnology-and-pharmaceutical-services#rela3-4396357
Biocosmetics and personal care ingredients	2019–2028	5.18% (from US\$ 3.51 billion to US\$ 5.25 billion)	BIS Research, Global Bio-Based Cosmetics and Personal Care Ingredients Market – Analysis and Forecast, 2019-2029, 2020 [online] https://bisresearch.com/industry-report/bio-based-cosmetics-personal-care-ingredients-market.html

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the sources cited in the table.

3. The digital transformation

Digital technologies, which relate directly to Goal 9, are transforming production and consumption models in all sectors and extending the potential for using big data, knowledge and information to increase productivity, which relates to the achievement of Goal 12. This includes the growing use of advanced digital technologies, fifth-generation (5G) mobile networks, the Internet of things, cloud computing, artificial intelligence, big data analytics and robotics, among other things.

It is not only by optimizing production and management processes that the digitalized economy can transform production sectors, since it also creates the conditions for innovation with products and services that reconfigure production chains and alter markets and traditional production sectors.

The degree of adoption of new technologies differs from one industry to another, and there are still gaps in the ability of different actors to adopt and benefit from them. In the region, the agricultural and automotive sectors are among those that have done the most to incorporate digital technologies into their production chains, achieving substantial results in terms of productivity and sustainability and changing their productive ecosystems for the better by boosting innovation (ECLAC, 2022a).

At the same time, digital transformation has great potential to rapidly impact sectors with economic multiplier effects, such as health care, education and the government public sector. Its acceleration during the COVID-19 pandemic consolidated a trend that had been under way for several years. Indeed, while exports of goods contracted, digitally deliverable services grew exponentially. Telemedicine, online medical appointment scheduling, preventive health-care applications, tele-education, online professional training and administrative formalities carried out digitally, including for government services, are some applications that have shown their ability to influence styles of living, consumption and production. The widespread use of digital technologies has resulted in their growth revolutionizing all sectors and aspects of life, so that digital transformation is helping towards attainment of the SDGs related to health (Goal 3), quality of life in cities (Goal 11), job creation (Goal 8) and education (Goal 4), among others, while creating the challenge of ensuring that it is a factor for social inclusion and does not widen existing gaps (Goal 10).

The impact of digitalization on society is clear from the data on Internet penetration, the interconnection of devices and the volume of data created in recent years. Between 2011 and 2021, global Internet penetration doubled to 63% of the world's population. In that period, the number of Internet of things-connected devices multiplied by a factor of 11 to 12.2 billion devices, while the volume of data created and consumed grew 16 times, from 5 to 80 zettabytes.¹⁰ In 2020 alone, the volume of data increased by 57% as a result of greater use of online solutions for work, learning, entertainment and communication during the COVID-19 pandemic (ECLAC, 2022a).

The pandemic caused a silent crisis in education owing to the disruption of most students' learning. Disparities between and within countries were exposed and deepened; however, digitalization can spur a recovery from this crisis (ECLAC, 2022e).

Education, and particularly digital education, is central to the transformative recovery agenda. The Secretary-General of the United Nations convened the Transforming Education Summit in preparation for the Summit of the Future to be held in 2024. The calls to action of the Transforming Education Summit included ensuring quality public digital learning for all and improving its quality. In addition, there is broad consensus on the importance and urgency of harnessing the power of the digital revolution to ensure quality education as a public good and a human right, and to promote aspirations for a more inclusive and sustainable future.

¹⁰ One zettabyte is equivalent to the data contained on approximately 250 billion DVDs.

The information available shows that digital technologies can complement face-to-face education by tailoring the teaching and learning process to students' needs and improving the relevance and quality of education, can widen access and can reduce coverage gaps, especially at secondary level and in remote areas.

To make the most of digital education and ensure that it has a positive impact on the achievement of other SDGs, efforts are needed along four main lines: (i) ensuring universal access to digital infrastructure and equipment; (ii) developing the digital skills of teachers and caregivers (mediation in the digital environment is important for children and adolescents); (iii) ensuring that high-quality educational content and resources (such as online platforms and repositories) are available free of charge, easily accessible and, where possible, aligned with formal curricula; and (iv) ensuring the financial sustainability of the transformative digital education effort.

For digital transformation to increase productivity and narrow social divides, measures are urgently needed to close the connectivity gap, especially as it affects households, smaller firms and remote rural areas. Skills gaps, especially intergenerational ones, also need to be closed. On the basis that in the digital age there can be no social well-being without digital well-being, ECLAC proposes the provision of a basic digital basket to guarantee effective connectivity for the most vulnerable segments of the population as the main tool of a demand-side subsidy policy (ECLAC, 2022a).

4. Promoting exports of Internet-enabled modern services

Modern services have been the most dynamic category of world trade in recent decades, especially since the global financial crisis of 2008–2009. These services are activities in which exports are mainly conducted through the Internet and other digital means, such as business, professional, financial, engineering, design, educational and medical services. The large-scale introduction of broadband from the 2000s onward facilitated their rapid expansion, as they were previously not very tradable. Between 2010 and 2021, world exports of modern services grew at an average of 6.6% per year by value, outpacing total world services exports (3.9%), which in turn were more dynamic than world goods exports (3.5%). These services accounted for almost two thirds of world services trade in 2021.

In Latin America and the Caribbean, modern services have also been the most dynamic component of trade so far this century. The largest expansion was in the period from 2005 to 2014, albeit from a low base. Shipments of these services stagnated between 2015 and 2020, but grew again in 2021. The region is still a marginal player in world services exports, accounting for less than 2% of the total. By way of comparison, several small countries in Europe such as Belgium, Ireland, Luxembourg and the Netherlands each have shares of more than 2% of world services exports. Moreover, modern services accounted for only 45% of regional services exports in 2021, almost 20 percentage points less than the world average.

Differences between countries' per capita exports of modern services suggest that the region has great potential to increase these. In 2021, only Costa Rica, Panama and Uruguay exported more than US\$ 400 worth per capita, while values in most of the other countries were below US\$ 100. If all countries were to export US\$ 400 worth of such services per capita, regional shipments would be five times their current level. This potential is real, given that services account for more than 60% of regional output. In all the countries, the tertiary sector includes a number of modern activities that are intensive users of ICTs but have as yet done little to explore their export potential. Moreover, the success of Costa Rica and Uruguay is underpinned by long-term policies focused on training specialized human resources, attracting foreign multinationals and promoting exports (Álvarez, Fernández-Stark and Mulder, 2020). These policies could be replicated in other countries, with the necessary adaptations to local conditions.

Exports of modern services have great potential to deliver progress on several SDGs simultaneously, for a number of reasons. First, such trade fosters knowledge flows between economies and enables firms to benefit from local knowledge spillovers (externalities) (Goal 9), which in turn boosts growth and productivity. Second, modern services are a major source of employment for medium- and high-skilled workers, thereby contributing to the generation of quality jobs (Goal 8). Third, these services have a high potential to impact the quality of education (Goal 4) and health (Goal 3) services.

Fourth, trade in modern services can be a new driver of regional integration, since physical barriers (e.g., geographical distance) do not limit trade in these services as much as in goods. In addition, the countries of the region have strong similarities in respect of culture, language and legal systems, which favours intraregional demand for services. Greater integration in modern services would also facilitate an increase in the region's export competitiveness for goods, as these services are key inputs for agriculture and manufacturing.

Fifth, engaging in international trade in modern services has the potential to reduce gender gaps (Goal 5). This sector enables women-led enterprises to internationalize via the Internet, even in remote or rural areas, and irrespective of the size of the enterprise. This medium allows potential consumers to be reached immediately across borders. Although gender gaps still exist in the sector, some empirical information, for example in the case of Costa Rica, points to a narrowing of these over time (Bidegain and others, 2023).

Sixth, international trade in modern services contributes to the achievement of the climate-related Goals (6, 7 and 11 to 15), owing to their intangible nature and their contribution to the dissemination and application of the best environmental solutions at the lowest cost in the countries of the region. A wide range of services can be cited, such as waste management, environmental impact assessment and remote monitoring of renewable energy facilities, among others.

5. The care society and gender equality

To avoid a widening of gender gaps, which have already been worsened by the cascading crises that have affected the region, and to move towards substantive equality, it is essential to confer recognition on care for people and the planet. In the context of the demographic and epidemiological transition that the region is undergoing, a large increase in the demand for care is expected, and the care sectors accordingly have great potential to boost economies and create jobs.

The right to care is a human right recognized in international covenants and treaties, and everyone is entitled to it, regardless of vulnerability or dependency. It is a set of rights whose fulfilment requires work on a number of SDGs, such as those relating to gender equality (Goal 5), decent work and economic growth (Goal 8), good health and well-being (Goal 3), reduced inequalities (Goal 10), sustainable cities and communities (Goal 11), peace, justice and strong institutions (Goal 16) and partnerships for the goals (Goal 17).

In Latin America and the Caribbean, the resources available for the investments required to move towards a care society are inadequate, particularly given the considerable expected increase in demand for care and the need to invest in gender equality. To overcome this problem, fundamental changes are required in pursuit of a fiscal compact for gender equality, with progressive revenue increases, lower levels of tax evasion and avoidance and additional resources for gender equality policies, universal social protection systems and investments in care systems and policies. Gender equality transforms society and brings it closer to fulfilling the 2030 Agenda.

Care policies must address the territorial dimension. Care needs to be analysed in context, considering the different needs of people living in cities and in rural areas. Infrastructure and sanitation,

and likewise access to transport and connectivity, are crucial factors that determine the time spent on care work. Argentina and the Dominican Republic, as well as the city of Bogotá, have made progress with georeferencing for the design of territorially effective care policies, which could be usefully adapted in other countries of the region.

The absence or weakness of care policies and systems affects women's autonomy in Latin America and the Caribbean and reinforces the structural nodes of inequality, necessitating firm State intervention and the implementation of transformative policies.

ECLAC proposes five core guiding criteria for the design of care policies:

- (i) Universality with progressivity, based on the prioritization of the needs of different populations.
- (ii) An intersectoral and inter-institutional approach, with coordinated work involving different ministries, agencies and levels of government.
- (iii) Gender and social co-responsibility between the State, the market, households and the community.
- (iv) A targeted and intersectoral approach that considers the demographic, social, economic, cultural and territorial characteristics in which care relations are embedded.
- (v) Financial sustainability, i.e., allocation of budgetary resources that are sufficient to finance policies in the short, medium and long term.

Setting out from these criteria, what are proposed are public policies to strengthen the care society, harmonized and coordinated with other economic, social and environmental policies, which underlines the synergetic power of this transformative initiative. Five dimensions of action are recognized: (i) comprehensive care systems, (ii) fiscal covenants with a gender focus, (iii) the labour market, (iv) inclusive digitalization and closing of the gender digital divide and (v) care for the planet.

The design, analysis, implementation, follow-up and evaluation of care policies require affirmative action in the areas of taxation, employment, and production, economic and social policies, in the short, medium and long term alike. There is a virtuous circle between investment in care infrastructure and economic revival. First, investment boosts domestic consumer demand and, with it, the level of activity. Second, it increases the opportunities for growth and development in the medium term by freeing up women's time and by professionalizing and regulating the quality of care. This implies:

- Guaranteeing the rights of persons who need care and of persons who provide care.
- Shedding light on the multiplier effects of the care economy.
- Implementing policies that recognize the value of time spent on care, professionalize care services and regulate their quality.
- Put an end to the casualization of jobs associated with the care sector.
- Generate information and progress with the georeferencing of data on time use, women's labour force participation and gender gaps.
- Regulate the social organization of care in the framework of international human rights standards.
- Organize the ecosystem of services designed and delivered by public and private institutions and implement the comprehensive care system.
- Recognize care work and guarantee the rights of those providing it.
- Establish quality standards and different modes of financing.
- Promote cultural and educational policies oriented towards gender and social co-responsibility.

The path to a care society requires new ways of making public policy: different structures, processes, measures and incentives, as well as gender mainstreaming. This implies profound changes, mainly in the links between national and subnational planning, in the allocation of national resources and public budgets for the achievement of substantive equality, in evaluation and follow-up, in citizen inclusion and in policy consistency across the different actions undertaken.

Governments' most powerful instruments for enhancing and guaranteeing gender equality and women's autonomy and empowerment are to be found in ministries of finance and planning, as well as in women's ministries themselves. These can assist with the production of data to break the statistical silence on gender issues and support medium- and long-term budgeting and financing processes so that they contribute to gender equality, as well as strengthening policymaking and capacity-building initiatives on gender issues. For these instruments, and initiatives in general, to fulfil their purpose, they must be supported at the highest level of each government and, crucially, the State must allocate adequate resources and there must be real capacity for coordination across ministries and with other branches of government to influence all public policymaking.

In conclusion, if the right to care, to be cared for and to self-care is to be guaranteed, it is necessary to move towards a care society, which in turn will have an impact on growth, employment and income, while helping to reduce poverty and informality.

6. Sustainable tourism

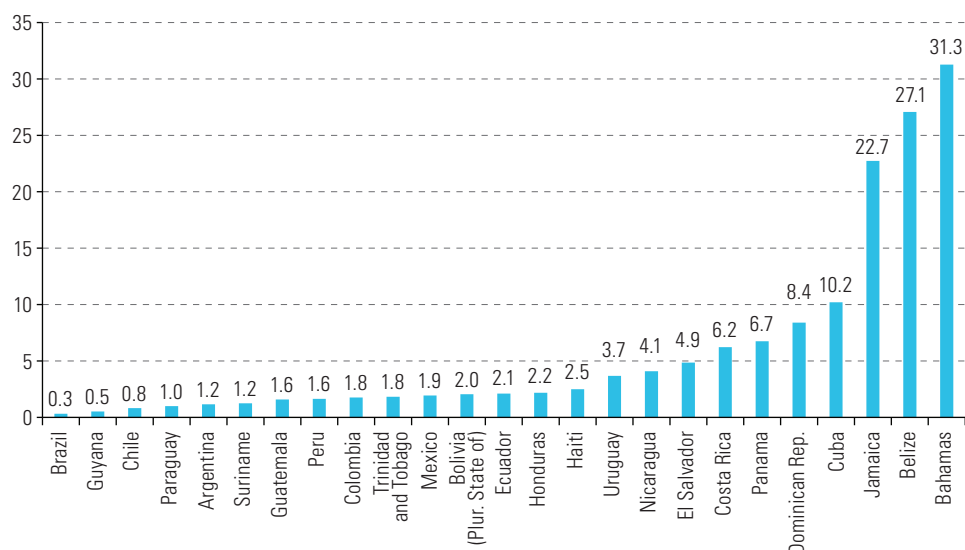
The adoption in virtually all countries of severe restrictions on international mobility during 2020 caused the worst slump in tourism activity since records began, with tourist arrivals falling by between 60% and 80% compared to 2019. Progress with vaccination and the gradual lifting of cross-border restrictions have allowed tourism to recover somewhat since 2021. However, the recovery has been slow and uneven across countries and regions, and 2019 levels of tourist arrivals have not yet been matched.

The lessons from the pandemic provide a framework for reflecting on the development of tourism in Latin America and the Caribbean, with a new approach and strategy built on firm and sustainable foundations and with a vision for the future, as a fundamental part of the changes in the development model. The transformation of tourism has global implications and great potential for synergy with a number of drivers of progress and several SDGs. Tourism is one of the world's leading foreign exchange earners; it accounts for 10% of global GDP and 30% of services exports, while creating one in 10 jobs worldwide.¹¹ Given its importance to economies, sustainable tourism has the potential to contribute, directly or indirectly, to the achievement of all SDGs (see figure V.2). Moreover, the 2030 Agenda contains specific targets for the creation and follow-up of policies to foster sustainable tourism that creates jobs and promotes local culture and products (Goals 8 and 12), as well as for the sustainable use of marine resources (Goal 14).

The creation of sustainable tourism enterprises and quality jobs would be particularly effective in promoting women's equality and empowerment (Goal 5), improving their participation in industry (Goal 9) and increasing their access to health services (Goal 3), since women own half the region's tourism businesses and represent around 60% of the labour force, but tend to occupy the lowest-paid and lowest-ranking positions and have less access to financing, while just 25.9% are affiliated or contribute to a social security system (ECLAC, 2020c and 2021d).

¹¹ See [online] <https://tourism4sdgs.org/tourism-for-sdgs/tourism-and-sdgs/>.

Figure V.2
Latin America and the Caribbean (25 countries): tourism services exports as a share of GDP, 2019
(Percentages)



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>, and United Nations Conference on Trade and Development (UNCTAD), UNCTADstat [online database] <https://unctadstat.unctad.org/EN/>.

Sustainable tourism also has the potential to contribute to rural poverty reduction (Goals 1 and 10), especially considering that 80% of people living in extreme poverty are in rural areas (WTO, 2020), where many of the region's tourist attractions are. Tourism can help close some of the most persistent gaps facing rural areas by providing resilient and inclusive infrastructure (Goals 6, 7, 9 and 11), professionalizing tourism jobs (Goal 4) and fostering business innovation (Goals 9 and 12).

The region's tourism relies mainly on its cultural and natural heritage, so there is a close link between the activity and its environmental sustainability. Tourism has a twofold relationship with climate change: it generates at least 5% of global greenhouse gas emissions, while also suffering the effects of climate change. For this reason, many efforts have focused on reducing emissions (Goal 13), promoting the energy transition (Goal 7) and reducing disaster risk (Goal 11). At the same time, a healthy local environment is necessary for communities and to maintain the beauty and integrity of the natural or cultural heritage that attracts tourists to a place. This requires sustainable consumption and production patterns (Goal 12) and heritage conservation efforts (Goals 14 and 15). Agriculture, livestock, fisheries and local food systems are linked to tourism in three ways (food production and waste, local traditions and diets, and niche tourism), so the sector can influence the gastronomy on offer in a way that gives priority to the country's domestic output, food and nutrition security in the area, local traditions and seasonal produce (Goals 2 and 12).

Lastly, it is important to envision the potential of the digital transformation of tourism; not only the digitalization of existing processes, but the transition to knowledge-based economies. The extensive experience built up by some countries in the region could be transformed into technological and digital solutions to address the main challenges in the sector by linking up with digital industries and ICTs.

Realising this potential requires close coordination between the public, private, social and academic spheres, which in turn requires pacts, common goals and clear governance mechanisms that recognize the importance of territory and host communities (Goals 16 and 17).

Considering changing demand dynamics and future opportunities and risks, the tourism sector needs to be rebuilt so that it becomes more inclusive, sustainable and resilient and can move towards the consolidation of a type of tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities (WTO, 2013). This implies the informed participation of all major stakeholders, as well as strong political leadership to ensure broad participation and consensus-building. On the basis of these considerations, ECLAC (2022a) has proposed 10 pillars of action:

- (i) Improvement of the quality of life of the destination's population.
- (ii) Protection of the destination's natural and cultural heritage.
- (iii) Experiences developed by sustainable and innovative enterprises, especially MSMEs and enterprises led by women, particularly Afrodescendent and Indigenous women.
- (iv) Protection of workers' rights and well-being.
- (v) Resilience to seasonality through the diversification of activities and markets.
- (vi) Creation of a unique experience that increases tourists' satisfaction and minimizes their ecological footprint.
- (vii) Sustainable use of natural resources based on territorial planning.
- (viii) Recognition of the impact of climate change and disasters.
- (ix) Strengthening of governance and institutional capabilities.
- (x) Creation, use and interoperability of databases.

Adapting actions to the local context is crucial for the successful adoption and implementation of sustainable tourism whose governance acknowledges the importance of territory. Strategies to promote sustainable tourism should not be free-standing but should be incorporated into annual national development plans and engage different stakeholders from all sectors, in particular the local communities of current or potential tourism locations. The changes will require continuous medium- and long-term investments to ensure the resilience of the tourism industry to future crises (ECLAC, 2022a).

Adopting sustainable tourism requires both national efforts and cooperation between countries to ensure resilient responses to future crises (ECLAC, 2022a). The weight of tourism in the region's national economies varies widely, so each country will have to weigh priorities in the light of its development strategies and, above all, of the type of tourism it wishes to promote and consolidate. Experiences and lessons learned in economies such as those of the Caribbean can be useful for other countries in the region. In the Caribbean, plans and programmes are being implemented to achieve a sustained, inclusive and resilient recovery from the pandemic, as illustrated in box V.1.

Box V.1**Some recommendations for a sustainable and resilient tourism recovery in the Caribbean**

- **Crisis management.** Crisis management strategies must be improved to ensure that the tourism sector is better prepared to respond to future shocks. A risk-based approach is the best strategy for dealing with unpredictable events, such as pandemics.
- **Training for the future.** Countries should provide regular skill assessments for workers in the sector. Both workers and managers in small and medium-sized enterprises (SMEs) should have regular training and retraining opportunities, to enhance workforce flexibility in the event of future pandemics or crises. The more flexible a sector is, the greater its capacity to adapt to crises.
- **Health and safety measures.** Even if most restrictions have been lifted, health and hygiene measures must be maintained to increase visitors' safety and confidence without restricting their freedom. Nowadays, visitors expect stricter health measures.
- **Development of the use of digital technologies.** The coronavirus (COVID-19) pandemic has hastened the transition to digital technologies and online working. Tourism service providers must take advantage of these trends to improve their products. The number of travellers who combine teleworking with holidays and leisure with business travel was increasing even before the pandemic (World Travel and Tourism Council, 2021). Caribbean hotels must invest in connectivity infrastructure and online meeting capabilities to attract this type of hybrid tourist.
- **Development of niche markets.** The Caribbean should invest in diversification initiatives both within and outside the tourism sector. Tourism service providers will need to adapt their range of provision as travel patterns adjust. New niche markets should be explored, such as adventure, health and educational tourism.
- **Sustainability.** Any initiative to build back and develop the tourism sector must have sustainability at its core.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability* (LC/SES.39/3-P), Santiago, 2022; World Travel and Tourism Council, *Lessons Learnt during COVID-19*, 2021.

The region could develop and implement practices for sharing information about measures to support tourism. Bilateral or subregional agreements could also be developed and strengthened, to facilitate the transit of travellers from signatory countries and jointly explore innovative solutions to facilitate cross-border transportation. Measures could also be designed to safeguard public health and enable businesses right along the tourism value chain, especially MSMEs, to operate and benefit from the dynamism of this industry.

These endeavours could benefit greatly from participation by private actors, both within countries and internationally, and by firms of varying sizes with different roles in the sector's value chains, which would be conducive to the creation of enduring partnerships with a future-oriented, environmentally sustainable outlook.

7. Regional integration

Despite efforts over more than six decades to establish economic integration agreements, the countries of Latin America and the Caribbean, with few exceptions, exhibit only limited production and trade integration among themselves. The situation has worsened since the 2010s: intraregional trade, after peaking at 22% of the region's total goods exports in 2008, accounted for just 15% of total shipments in 2021, one of the lowest rates in the world. Moreover, in 2017, the share of intraregional imported content in the region's total exports averaged just 3% in 11 countries of the region (ECLAC, 2021b).

The low dynamism of intraregional trade is hampering progress towards an inclusive and transformative recovery consistent with the 2030 Agenda. For the great majority of the region's countries, intraregional trade is most intensive in manufacturing, where it involves the widest range of products and the largest proportion of companies, especially SMEs (ECLAC, 2021b). This gives the sector a crucial role in meeting the SDGs concerned with economic diversification, decent employment and industrialization (mainly Goals 8 and 9). Furthermore, intraregional trade is characterized by a lower raw material content and shorter transport distances than extraregional shipments. Both elements contribute to the environmental sustainability aspirations embodied in Goals 12, 13 and 15, among others.

According to recent ECLAC estimates, the current level of intraregional manufacturing trade is 38% below potential, even without any changes in current production and export structures (ECLAC, 2023). Closing this gap means lowering transport costs (through improvements in transport and logistics infrastructure and progress with trade facilitation) and reducing the tariff barriers that still persist in trade between some of the region's largest economies (mainly between Mexico, on the one hand, and Argentina and Brazil, on the other). In a scenario in which this gap was closed, the share of total manufacturing exports going to the region itself would increase by 50%, from the current 14% to 21%.

Moving towards a large, stable market is essential not only to re-energize intraregional trade, but also to preserve existing production capabilities in the region (especially in manufacturing) and to ensure efficient scales of production that make new investments in strategic sectors viable. Coordinated reduction of the barriers to trade and investment between the countries of the region can be a powerful catalyst for the development of new production chains in areas such as electromobility, non-conventional renewable energies and the pharmaceutical industry, while also helping to reduce the region's vulnerability to external supply shocks. This last point has become particularly important in recent years, as the effects of the pandemic, the conflict in Ukraine and growing geopolitical tensions have highlighted the vulnerability of global value chains.

Global trade is facing profound transformations that may reshape the geography of production and employment in the coming years. Three such transformations are particularly important: the progressive introduction of technologies associated with Industry 4.0, growing global geopolitical tensions and the imperative of combating climate change (ECLAC, 2023). These transformations are subject to great uncertainty, but they tend to converge on a scenario of shortening or regionalizing international production networks, in which multinational companies seek to reduce their exposure to supply disruptions and move closer to their main consumer markets. This scenario offers the region attractive opportunities for investment by companies wishing to be close to their target markets, particularly the United States.

In sum, the transformations in world trade are also an opportunity to revitalize economic integration in Latin America and the Caribbean. A more integrated region is also a more resilient and attractive one when it comes to drawing in productive investment in the context of potential nearshoring. Consequently, it is necessary to deal with the fragmentation that continues to characterize the regional economic space by accelerating efforts to move towards convergence between the various subregional groupings. Apart from tariffs, the convergence agenda includes several issues that can have a major impact, such as the strategic use of national public procurement systems, regulatory harmonization¹² and the adoption of regional trade facilitation agreements. Governments in the region should seize these opportunities with a sense of urgency.

¹² One example is the proposal to strengthen regulatory convergence and recognition mechanisms among entities regulating medical products in the region, so that, ideally, when a medicine is registered in one country, that registration is recognized, through an expeditious procedure, in the other countries of the network (ECLAC, 2021c).

D. Conclusions

In the light of the cascading crises that have affected the world in recent years, there is broad consensus in the international community about the urgent need to quicken the pace towards the SDGs (the “what”). There is also recognition of how challenging the current situation is, particularly given the confluence of these crises (the “now”). Furthermore, there is a widely shared vision for the modes of action, policies and means of implementation required (the “how”), down to a certain level of detail. Concrete and effective action can only be taken from within the specific context of each country, because each needs to find its own path, although all must have the SDGs, their targets and indicators as their benchmark.

This report has examined the state of progress with the 2030 Agenda and the obstacles encountered on the road to fulfilling it in Latin America and the Caribbean. The available data show mixed progress and, in some cases, setbacks caused in large part by the effects of the COVID-19 pandemic and the aftermath of the various crises that have afflicted the world since then.

The present chapter has shown, first, the extent of progress to date and expectations regarding the likelihood of the SDG targets being met by 2030. Second, it has argued for the advantages of including the discipline of foresight among the tools of development policy. Third, it has proposed a number of transformative initiatives that can help accelerate progress towards the 2030 targets.

This final section summarizes those three key aspects, which sum up the central messages of ECLAC about the need to resume the path of sustainable development in Latin America and the Caribbean on the basis of transformative policies requiring a determined effort by the main development actors: the State, civil society and the private sector. These proposals are in line with the message of the Secretary-General of the United Nations about the need for a new global social covenant that reflects the aspirations of people in all territories so that no one is left behind.

This section concentrates on proposals for the “how”, which need to be adapted to the realities of each country but which all have significant potential multiplier and accelerator effects on several SDGs and their targets.

1. Continuous follow-up of progress with the indicators and targets for 2030 and sustained improvement of management, implementation and follow-up capabilities

The COVID-19 pandemic and the cascade of crises that ensued globally have altered the trajectories of progress towards the SDGs by 2030, which were already showing signs of faltering before the outbreak of the pandemic.

In Latin America and the Caribbean, data coverage has been successfully expanded to track progress on an increasing number of indicators and targets. ECLAC estimates that only 25% of the targets for which information is available are likely to be met by 2030 on current trends (including some that have already been met). In contrast, it is estimated that progress towards 48% of the targets is in the right direction but too slow for them to be met, while for the remaining 27%, the trend is backwards. This underlines the importance of implementing policies and actions that can counteract regressive trends, strengthen progress in the right direction that is insufficient for the targets to be met, and reinforce measures in cases where the target is expected to be met on current trends.

The situation with some indicators and targets of Goals 6, 7, 9, 11 and 17, examined in detail in this report, also shows a worrying deterioration as a result of external shocks and the authorities’ immediate need to deal with and allocate extraordinary resources to emerging problems.

The lessons learned from these first seven years of implementation of the 2030 Agenda have served to strengthen the capacities of governments, at the national and subnational levels, as well as those of civil society and the private sector. These capacities must continue to be strengthened and diversified to reflect the new realities and challenges arising from technological and social changes, which means that there is a need to accelerate the pace of progress towards the 2030 targets and improve management of the design, implementation and follow-up of policies, plans and programmes in the context of the SDGs and other regional, national, territorial and community priorities.

The current situation and the limited prospect, halfway to the deadline, of the SDGs being fully achieved by 2030 call for an extraordinary extra effort by all development actors of the kind urged by Secretary-General António Guterres.

One way to achieve this is by improving the quality and quantity of data and statistics and so achieving greater follow-up coverage of the SDGs and their targets and indicators, but there is also a need to develop and harness collective intelligence so that information and data can be used with a long-term strategic perspective for the design and implementation of effective policies emerging from discussions and consensus among development actors.

Innovative policies are therefore needed, with new approaches to address the challenges, alongside other tools that can bring about structural changes in public policy practices. One tool that could be of great help in advancing the 2030 Agenda is the discipline of foresight, as argued below.

2. Foresight can help accelerate progress towards accomplishment of the SDGs in 2030 and beyond

The challenging situation in Latin America and the Caribbean makes it essential to develop forward-looking governance through the increasing use of futures studies and foresight methods. These should be introduced and applied systematically in public affairs, which requires the involvement of the most important actors, including governments, civil society, the private sector and international organizations.

In its efforts to achieve the SDGs by 2030, Latin America and the Caribbean has learned lessons, developed capacities and thus enriched its experience for the arduous task of building a sustainable future. As this report shows, an estimated 75% of the goals are at risk of not being met unless innovative and transformative actions are implemented to get them back on track for 2030. The public policy apparatus needs to undergo a structural reconfiguration involving the key development actors.

Latin America and the Caribbean is a region that has been prolific in applying a wide range of methodological approaches in the discipline of foresight to explore futures and build scenarios. This experience, however, is concentrated in academic institutions and research centres, and has little impact on development policy work. The time has come to link it with decision-making in public affairs, drawing on the experience of the region itself and of countries that have managed to organize successful national foresight systems.

The incorporation of futures analysis and foresight into policy decision-making has been particularly consistent and fruitful in countries such as Finland, France, the United Kingdom and Singapore, which have achieved structural changes in the form and substance of public policymaking over a period of decades. In Finland, a national foresight system has been gradually developing over more than four decades as a dynamic and continuously evolving process (Nováky and Monda, 2015).

International experience with foresight can be useful in the region to turbocharge the SDG vehicle and move closer to achieving the SDGs by 2030, although each country would need to adopt and adapt it according to its circumstances and priorities and the areas in which it is furthest off track in its

effort to achieve the SDGs. Futures research in the region's academic institutions is an asset with great potential to be harnessed by the public policy apparatus, with a view to refocusing efforts on possible scenarios and aligning existing resources to achieve the SDGs.

It is up to the State to coordinate an ongoing dialogue on possible futures with society, the private sector, academia and the legislature, so that decisions are taken today in the light of the governance of the future. Among its fundamental characteristics, good governance (i.e., proactive, transparent, open, accountable and inclusive governance) is also anticipatory. Involvement by all actors is essential, including national government ministries and subnational governments, which must prepare their own analyses and scenarios for the future by virtue of the socioeconomic area or subject discipline in which they work, in the first case, and their jurisdiction, in the second.

Foresight is an essential part of knowledge-based strategic decision-making. Indicators on the achievement of the SDGs provide the information needed to initiate a realignment of efforts. Institutionalizing foresight analysis is necessary so that future scenarios can be used for decision-making and policymaking today. In addition, a key role should be given to “futures resilience”, i.e., the development of capacities to anticipate and cope with risks and crises, to learn from them, and to rethink and renew organizations. Futures resilience must also play an essential role in new ways of exercising the public responsibility to lead sustainable development processes, with the next stop along the way, the year 2030, fast approaching.

The transformative initiatives grouped in section V.D.3 would have a significantly greater impact if they formed part of a new approach to public policymaking, strongly featuring futures studies and foresight capacity-building in the countries of Latin America and the Caribbean and the respective dynamics of collective action associated with these.

3. Transformative initiatives with high impact and multiplier effects can accelerate and recalibrate progress towards the SDGs

Section V.C included a set of transformative initiatives that could spearhead the new push required to advance the 2030 Agenda with a view to getting back on track to the SDGs.

The lessons learned by all the actors involved in this process are an asset that can and should be used to implement these transformative initiatives, which, as presented in this report, are just a sample of a whole host of possible ways to accelerate progress with the 2030 Agenda, representing a new opportunity for Latin America and the Caribbean to move steadily towards sustainable development.

The seven initiatives selected, namely the energy transition and related industries, sustainable agriculture and bioindustrialization, digital transformation, exports of modern Internet-enabled services, gender equality and the care society, sustainable tourism, and regional integration, were chosen as examples of activities which fulfil the following desired characteristics or, if they do not, allow a particular emphasis to be placed on those aspects that are to be enhanced:

- They can be a vehicle to boost implementation resources and revitalize the efforts of development actors to progress towards the SDGs, generating synergies and leverage between them.
- They are initiatives which are estimated to potentially have a high impact and multiplier effects in other sectors and areas (such as production, investment, employment and exports) or whose implementation can be specifically geared towards generating forward and backward multiplier effects in the interests of progress on other targets belonging to the same SDG or others.

- Their effects can also extend to other areas of sustainable development, potentially laying the groundwork for the forthcoming discussion of the post-2030 development agenda.
- Initiatives can be designed and implemented in such a way as to foster a more balanced and harmonious territorial development.
- Pursuing these initiatives would also support workforce training, retraining and reskilling programmes, for example in sectors linked to technological development and innovation.

Involvement and agreement by the different stakeholders would have to be a prerequisite, and would lead to rapid and effective implementation, with short-term results and lasting and transformative effects in the medium and long term.

The experience of implementing these initiatives should be documented from the outset to create a kind of manual or white paper that could later be used to implement similar actions or policies in other areas, sectors, themes, regions and territories with a view to accelerating progress towards other SDGs and their respective targets.

These initiatives could illustrate how to implement policy effectively. Their novelty lies not so much in the headline initiatives themselves as in the area of governance, i.e., of the procedures, methods and processes necessary for their implementation and execution. For this reason, continuous monitoring would be necessary to assess the progress of the initiatives and to immediately correct any flaws or omissions that might be noted. Inclusive and active participation by government, civil society and the private sector as key development actors and agents is essential throughout this process. Also important is international support and collaboration from the United Nations and from all key actors in the multilateral system and the regional and international community.

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