

# Request for inputs on the thematic review of the HLPF 2023

## United Nations Economic Commission for Latin America and the Caribbean (ECLAC)

**(a) Progress, experience, lessons learned, challenges and impacts of the COVID-19 pandemic on the implementation of SDGs 6, 7, 9, 11 and 17 from the vantage point of your intergovernmental body, bearing in mind the three dimensions of sustainable development and the interlinkages across the SDGs and targets, including policy implications of their synergies and trade-offs.**

### SDG 6

Water is a vector of sustainable development and is a vital element for the achievement of the 2030 Agenda. Even though the region of Latin America and the Caribbean overall has a large endowment of water, it is unevenly distributed throughout its cycle and through the territories, populations and users. Water management uses insufficient or obsolete infrastructure, with little investment in the extraction, management, and distribution of water, observing inefficiency and inequity in its distribution. In its management and use, multiple territorial actors, users, and institutions with inadequate organization and with authorities that do not reach ministerial rank converge. These elements weaken robust governance and reproduce inequities in access to water and sanitation services. In recent years, in LAC countries there has been significant progress towards compliance with access to basic drinking water services; however, the goals of SDG 6 are more ambitious if their safe management is incorporated. Latin America and the Caribbean will hardly reach SDG 6 in 2030, unless immediate action is taken and investments are deployed, institutional and governance are improved. Although it has been possible to progress regionally on goals 6.1, 6.2 and 6.4 in the right direction, it has been very slowly. The cascading crises, pandemic, inflation, increase in poverty, low economic growth and fiscal restriction make it difficult for SDG 6 to be achieved by 2030, while targets 6.6 and 6.b are far from being achieved. It is necessary to change course with respect to goal 6.6 for the protection and restoration of aquatic ecosystems in which the region is moving away from meeting the goal, which requires political commitment and substantial advances in regulation, citizen participation, creative solutions based on in nature and incentives accordingly. While the situation of each subregion and country is different, with some being more advanced and others lagging behind the regional average, overall shared efforts and commitments are required to improve implementation. The commitment and participation of the public and private sectors and civil society is required in the form of a social pact for water in the countries of the region, and the modernization of the regulatory and tariff frameworks for water management in the context of the impacts of climate change. To overcome the water challenges in the region, ECLAC recommends promoting a sustainable and inclusive water transition, based on four pillars of action, which together improve economic, social and environmental well-being:

- I. Universalize access to safely managed drinking water and sanitation in order to guarantee this human right without leaving anyone behind.
- II. Eliminate water poverty by promoting equitable and affordable access through efficient, inclusive and progressive rates.
- III. Reverse the negative externalities related to pollution, overexploitation and the growing conflicts over the use of water.
- IV. Transform the current linear water management into a more circular one, promoting innovative practices and technologies in all sectors that strategically depend on water.

The third edition of the Regional Water Dialogues organized by ECLAC and held in Santiago de Chile between 1-3 February 2023 resulted in the adaptation of the Regional Water Action Agenda, which identified the priority areas and efforts needed to accelerate the achievement of SDG 6 (to ensure availability and sustainable management of water and sanitation for all) and which will enable the region to arrive at the United Nations 2023 Water Conference to take place in March in New York, with one voice. The Agenda emphasizes that the region needs to move towards a sustainable and inclusive water transition based on four action pillars: i) guaranteeing the human right to safely managed drinking water and sanitation through a big investment push in the sector, leaving no one behind; ii) promoting regulatory changes to facilitate equitable and affordable access, and thereby eradicate water poverty, using innovative instruments including social rates; iii) reverse the growing negative externalities associated with pollution, overexploitation and socio-environmental conflicts by promoting oversight and regulation; and iv) moving from linear to circular management to reduce pressure on water resources, establishing a trend to decouple extraction from Gross Domestic Product (GDP). It reinforces several treaties, agreements and strategies around water management and constitutes a call to action for mobilizing all the policy, technical and financial resources available in and for the region of Latin America and the Caribbean. In addition, the Water Sustainability Network and Observatory of Latin America and the Caribbean (ROSA) was launched to strengthen regional and territorial water cooperation so it can be inclusive, intersectoral and geared towards action.

## SDG 7

Energy is becoming a new transformative industry based on innovation, efficiency, renewable and cleaner sources, which contributes to generating quality jobs and developing new value chains for the recovery of the economy in the region of Latin America and the Caribbean. There is considerable progress in target 7.1 of universal access to energy services in the region, although multidimensional energy poverty persists. Although the coverage of access to electricity is relatively high, it is necessary to consider the quality of access differentiated by socioeconomic characteristics (quintiles, belonging to ethnic groups or precariousness of housing) to have a realistic diagnosis of the achievement of target 7.1. Considerable progress has also been made on goal 7.2 to increase renewables, but the regional energy matrix remains highly fossil and vulnerable to external geopolitical shocks, particularly hydrocarbon-importing countries, persisting instrumental and regulatory challenges (subsidies), and energy security and integration that allow progress at the speed required to achieve this goal. Target 7.3 to increase energy efficiency is the one that requires the most attention, as in the rest of the world, but at the same time it constitutes a great transformative opportunity. The war in Ukraine has led to a high increase in oil, gas and coal prices, which highlighted the fragility of energy production, especially in countries that are net importers of hydrocarbons, but also in those with low diversification and renewability of its matrix. These shocks have been amplified in inflation through the costs of energy and the transportation of goods and services, affecting more acutely the households of the most vulnerable quintiles. Since LAC is the most unequal region in the world, it is necessary to consider various factors that characterize energy deficiencies multidimensionally, taking inequalities and territorial specificities into account. Vulnerable households are those with the greatest lack of access to quality energy services, due to accessibility problems (insufficient infrastructure, or limited or precarious access) or affordability (families cannot pay for the service or have other priority needs, such as food or health). In this challenging context, ECLAC urges LAC countries to accelerate the transition towards renewable and clean energy sources, electrify the energy matrix, unleash the potential of energy efficiency and universalize coverage with quality and without intermittence. To achieve these goals, ECLAC proposes to accelerate the energy transition in LAC based on five pillars:

1. Increase the proportion of renewable sources in the energy matrix;
2. Universalize access to electricity based on renewables and reduce energy poverty without leaving anyone behind;
3. Increase regional energy security and resilience to external shocks, through renewable, distributed and cleaner local sources;
4. Strengthen the complementarity, integration and interconnection between the energy systems of the region;
5. Increase the efficiency of energy systems in all economic sectors.

## **SDG 9**

Recent crises, such as the COVID-19 pandemic and the war in Ukraine, have shown that the productive structure matters not only for long-term growth, but also to face crisis situations, even in the short term. Countries and regions that managed to diversify their productive structures towards more technology-intensive sectors, with more opportunities for innovation and learning, have greater potential for socioeconomic resilience. The manufacturing sector contributes to resilience by providing essential products for life and national security, providing essential products to manage emergencies, and contribute to the recovery and growth of national economies. Latin America and the Caribbean is one of the regions of the world most affected by external shocks, while its response capacity is conditioned by its old structural problems in terms of inequality, productivity, productive heterogeneity and labor informality, among others. Understanding the productive challenges that the region faces in a changing world, and rethinking policies considering new opportunities, is essential to strengthen response capacity and lay the foundations for a more dynamic, inclusive and inclusive development model. In most countries, the service sector has been gaining relative importance in the composition of GDP and in its contribution to employment, innovation and productivity. On the other hand, the relative importance of manufacturing activities has evolved differently in the subregions. In the countries of South America, there has been a progressive decrease in the relative importance of the manufacturing sector and a specialization in primary activities and in their links with manufacturing that has been accompanied by the incorporation of technologies and innovation. In the Central American subregion, a progressive specialization in maquila activities and export of modern services has been observed. The deployment of digital technologies has contributed to the development of modern services and the emergence of unicorn companies in many countries in the region, which has also contributed, to some extent, a potential for increased productivity and growth. For this reason, the analysis of the evolution of industry, innovation and infrastructure in the region, the subject of this report, must be interpreted within the framework of that evolution. This highlights the importance of maintaining a broad vision of the productive sector, beyond the manufacturing sector, and that this vision is reflected in productive development policies. Latin America and the Caribbean presents a significant infrastructure gap, and its investment levels are below those required to meet projected needs and comply with the 2030 Agenda and the 17 Sustainable Development Goals. It is estimated that the annual investment needs in infrastructure are equivalent to 6% of the region's GDP between 2016 and 2030, so it is necessary to innovate and promote new forms of public and private investments in infrastructure. Likewise, it is necessary to improve the levels of resilience of the regional infrastructure.

## **SDG 11**

Cities are engines of economic growth and innovation, but also the largest emitters of greenhouse gases and other diseconomies. In them the great inequities of our societies are reproduced and persistent problems such as security and exclusion and productivity losses are expressed. It is estimated that by 2030, 86.5% of the population of South America will live in cities, making it the most urbanized region on the planet. Advancing towards the fulfillment of the 2030 Agenda inevitably involves addressing the urban gaps in three dimensions: social, economic and environmental, in line with what is established in the New Urban Agenda approved in Quito at the Third United Nations Conference on housing and sustainable urban development (Habitat III) in 2016. In Latin America and the Caribbean, this challenge implies working together with local authorities, especially in cities with a population of more than 1 million inhabitants, since they comprise 46.1% of the total urban population. However, since the last decade of the last century, several large cities have experienced a sharp decline in their migratory attractiveness, particularly megacities, that is, those with 10 million or more inhabitants, which, for the most part, now lose population in their exchange. with the rest of the country. The pandemic could have generated a temporary moderation of the urbanization process in 2020 and 2021, due to the population leaving the most affected areas, which could have far-reaching implications for the growth of categories of cities according to demographic size, reducing the push of large cities and strengthening medium-sized cities and some smaller ones. It is very important to work on the quality of life and the proper development of cities, which not only concentrate 4 out of 5 of the inhabitants of Latin America and the Caribbean, but also the advantages of agglomeration make them dynamic centers of innovation, job creation and productive clusters. The importance of housing location and the quality and efficiency of mobility are essential for proper urban functioning and have a direct impact on productivity. One of the biggest challenges facing LAC is its low levels of productivity and therefore, public policy must decisively address the reduction of cargo transfer costs and the reduction of people's travel time,

which also affects about their quality of life. There is also an indirect effect when it is considered that better mobility services promote greater agglomeration, which precisely boosts the productivity of individuals and companies, partly due to the expansion of the labor market and the greater density of employment.

A vigorous public policy is required that, in addition to addressing the issue of resource allocation, recognizes the multidimensional impact of improving habitability conditions (evident, for example, during the pandemic). Public policy requires inter-institutional coordination that promotes turning the construction and improvement of housing, as well as the improvement of neighborhoods and renovation of central areas into engines of a transformative recovery. Housing strategies can impact economic traction and job creation from the construction, expansion, or improvement of housing. In addition, if the construction is sustainable, it can promote a low-carbon economic recovery, through a transversal relationship between actors from the public and private sectors and integrated throughout the production chain. For these reasons, investments in housing construction, neighborhood improvement, and mobility, for example, constitute opportunities for economic growth, job creation, reduction of social gaps, and sustainability.

## **SDG 17**

The commitment and sustained effort of Latin American and Caribbean countries to ensure the follow-up of the 2030 Agenda is uninterrupted. All countries of the region have made significant progress in integrating the SDGs into their national development plans. All countries in the region have institutions to support the implementation of the 2030 Agenda: 18 countries, mainly in the Caribbean, have designated an existing public institution responsible for monitoring (either attached to the presidency, ministry or public agency), while 15 countries have ad hoc mechanisms. Between 2016 and 2022, 31 of the 33 LAC countries reported their progress in ownership, monitoring, and implementation of the 2030 Agenda by submitting at least one Voluntary National Review (VNR) to the High-Level Political Forum on Sustainable Development. The 53 voluntary national reports submitted by the countries in the region constitute a wealth of information, analysis, processes, good practices, and lessons learned on the road to 2030. Nevertheless, the COVID-19 pandemic has exposed the fragilities and vulnerabilities of the world. The low growth of the economies of the LAC region and the main world economies, and the inflationary pressures derived from the crisis caused by the coronavirus disease (COVID-19) pandemic, have been accentuated by the war in Ukraine, which has worsened geopolitical tensions, and has caused greater volatility in the global financial system. The LAC region will close this year a decade of very low growth, which is correlated with low investment rates and insufficient employment and productivity growth. In addition, in recent years it has seen a growth in interest rates that hinder the expansive policies that had been required to boost its economy. The globalization process faces changes derived from geopolitical tensions, but also from various converging technological revolutions that modify the productive paradigm prevailing at the end of the 20th century and the beginning of the 21st century, the business models, the supply chains and the flows of trade in goods and services. Despite the pandemic's strong impact on the region, international cooperation has been limited and has been focused on low- and lower-middle-income countries. In 2020 and 2021, around 15% of the World Bank's loan commitments went to the Latin American and Caribbean region, as opposed to an average of 40% for Africa. Given the middle-income countries' systemic importance in the world economy, the risks that they face could hold back global growth and jeopardize the world's financial stability. Middle-income countries account for 75% of the world's population, about 30% of global aggregate demand and, most importantly, 96% of developing-country public debt (not including China or India). The LAC region's ability to mobilize external resources to meet SDG 17 faces a significant restriction because most of the countries of Latin America and the Caribbean are classified as high-income or upper-middle-income countries. Twenty countries in Latin America and the Caribbean are classified as upper-middle-income countries and eight countries in the region fall into the category of high-income countries (Antigua and Barbuda, Barbados, Bahamas, Chile, Panama, Saint Kitts and Nevis, Trinidad and Tobago and Uruguay). Only five countries are lower middle income (Bolivia, El Salvador, Haiti, Honduras and Nicaragua). The region does not have any low-income countries. At the same time, Latin American and the Caribbean is the most heavily indebted region in the world. In this challenging context, ECLAC makes a strong call to expand and redistribute liquidity from developed countries to developing countries; strengthen development banks; reform the international debt architecture; provide countries with a set of innovative instruments aimed at increasing debt repayment capacity and avoiding excessive indebtedness; and integrate liquidity and debt reduction measures into a resilience strategy aimed at building a better future. In addition, the region requires public policies with a very clear focus and direction—that have the necessary space to promote a reconstruction process with transformation—, as well as the strengthening of public institutions and while maintaining the direction towards compliance with the SDGs. The measures that the economies of the region need must not only

reactivate the economic and productive systems but must simultaneously transform them to move towards low-carbon economies with a high technological content that make it possible to face climate change and reduce its negative environmental effects, reduce the gaps and historical dualisms that characterize the countries of the region.

**(b) Three key areas where transformative actions for accelerated progress have been successful, and three key areas where support is most urgently needed, with regard to the cluster of SDGs under review (SDGs 6, 7, 9, 11 and 17) in July 2023.**

**Areas where transformative actions for accelerated progress have been successful:**

**South-South cooperation on water infrastructure:**

ECLAC supports cooperation initiatives among the countries of the region to improve investments in water infrastructure. In Central America, since 2020, ECLAC, together with seven Ministries of Finance or Treasury and three Ministries or Secretariats of Planning of the SICA member countries, implement the multisectoral project "Disaster risk reduction and sustainable and inclusive adaptation to climate change in the public investment" (RIDASICC), which seeks to strengthen capacities for the design of public investment projects (including the drinking water and sanitation sector), focused on training processes, preparation of practical guides and development of information systems such as basis for the development of the required public infrastructure. Exchanges have been carried out with national and regional institutions such as the Central American Forum and the Dominican Republic for Drinking Water and Sanitation (FOCARD-APS), the Global Water Partnership Central America and the Inter-American Association of Sanitary and Environmental Engineering (AIISA), to identify relevant experiences that can be strengthened, such as the aqueduct system in the coastal zone of Guanacaste in Costa Rica (with citizen participation), or the Post Eta & Iota Reconstruction Program in Honduras (with the participation of non-governmental actors), from which It seeks to identify better ways to promote public investment in the provision of drinking water services with less risk of interruption and considering greater environmental sustainability.

**Energy transition**

In the last 50 years, renewable sources have increased significantly in the region, contributing from 25% of the primary supply in 1971 to 34% in 2020, which has made it possible to reduce the energy intensity of GDP, although further progress remains to be made in terms of sectoral energy efficiency. It is necessary to invest the equivalent of 1.3% of GDP per year for a decade to universalize access to fully renewable electricity and create seven million green jobs, modernize infrastructure and update regulations to attract investment and eliminate fossil fuel subsidies. To advance in these objectives, it is important to promote renewable sources and channel public and private investments in the same direction.

Latin America and the Caribbean has great energy potential, both in traditional energies such as hydrocarbons, and in clean and modern renewable sources of energy, such as solar, wind and green hydrogen. FDI (foreign direct investment) inflows and opportunities in the energy sector continue to be very significant.

In the region there is considerable progress in goal 7.1 of universal access to energy services, although multidimensional energy poverty persists. To face these challenges, the Central American subregion, through its regional integration mechanism, was the first in the world to commit, through its Declaration of Belize in 2018, to the achievement of goal 7.1 on universal access to services energetic. This has involved the design of policies and actions in favor of reducing energy poverty, such as the Green and Inclusive Energy Project in SICA Member Countries, which has incorporated principles of equity and inclusion, and which seeks the universalization of access to electricity service (currently close to 95%) either through connection to the electricity grid of the distribution companies, or through isolated systems with mostly renewable sources, among which the promotion of electricity generated with photovoltaic panels stands out. The joint actions of small and integrated countries can bear fruit in terms of investment and reduction of energy poverty. In addition, the regional energy agenda can boost a new

transformative industry based on innovation, efficiency, renewable and cleaner sources, which contributes to generating quality jobs and developing new value chains for the recovery of the regional economy.

### **Building a care society**

Between 2000 and 2010, the income generated by female employment helped reduce inequality in the region by approximately 28% and reduce extreme poverty by 30%. For this reason, the reduction of inequality and poverty requires a gender agenda and the economic empowerment of women in Latin America and, a large part of the solution to the cascade of crises that the world is experiencing, and the achievement of the SDGs lies in the autonomy and economic empowerment of women.

Latin America and the Caribbean may have a great year ahead building on the significant progress that has been made in terms of gender equality, for instance, and the emphasis put in this area by regional leaders during the recent XV Regional Conference on Women in Latin America and the Caribbean, among other commitments subscribed in different regional fora. The region has an ambitious agenda to foster comprehensive care systems, move towards a care society and to increase the rate of participation of women in the labor force, today a whopping 24% lower than male participation. This agenda creates a collective regional action to foster universal social protection systems and strengthen the education and health sectors, that single countries may have difficulties to move forward.

### **Areas where support is needed:**

#### **Funding the SDGs for middle income countries**

Advancing in the implementation of the SDGs will require a great mobilization of internal and external resources and a logic of allocation of resources based on financing for environmentally, socially and economically sustainable development. The LAC region should support and promote initiatives that lead to the development of a financial system and capital markets that comprises middle income countries, and which facilitates the efforts of the countries to realign their investments and the objectives of sustainable development. ECLAC further advocates for the LAC region to link the financing for development debate to the three priority issues that the United Nations Secretary General has identified to be addressed in the SDG Summit, namely (i) Beyond GDP, (ii) the reform of the Global Financial Architecture (GFA) and (iii) the SDG stimulus package.

The region's ability to mobilize external resources to meet this objective faces a significant constraint since most of the countries of Latin America and the Caribbean are classified as high-income or upper-middle-income countries. The international cooperation system uses per capita income as the main and common variable for the different international financial organizations to allocate resources to emerging and developing economies. Per capita income is an indicator that determines whether an emerging and developing country has reached a certain level of institutional development and capacity to access the private capital market that allows it to sustain its own development process over time without resorting to preferential financing. It is generally assumed that the 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 said country may cease to be eligible to receive official development assistance (ODA) (which includes technical cooperation, donations that carry neither interest nor repayment, and concessional loans, which must be repaid with interest lower than that of commercial banks) either bilaterally or through a multilateral development agency/institution and any other flow granted under preferential or concessional conditions.

However, the external financing needs of middle-income countries have increased due to the impact of the Pandemic, with negative effects on production structures and supply chains, employment, poverty, equality, and livelihoods. Added to this are the effects of the War in Ukraine that have generated the biggest cost-of-living crisis of the 21st century. Food and energy prices have reached record highs, exacerbating global food insecurity, while the cost of shipping has more than tripled the pre-pandemic average.

However, the response of international financial institutions to this situation has been insufficient and is well below the financing needs to meet the SDGs estimated at 4 trillion dollars.

Strengthening development banks can play a central role in closing the financial gap faced by the countries of Latin America and the Caribbean, and spearheading the work of recovering investment, prioritizing medium- and long-term development objectives. National, subregional and regional development banks can provide financing for sectors that generate considerable social benefits and do not attract sufficient private flows. They can also help create a favorable environment and generate the right incentives to maintain a risk-return profile capable of attracting private capital and directing it towards development objectives. In addition, development banks can combine public and private funds to multiply resources and maximize the impact of development financing.

### **Caribbean Resilience Fund (CRF)**

The Caribbean islands have joined with other Small Island Developing States (SIDS) to draw global attention to their unique vulnerabilities and exposure to the worst consequences of climate change. In particular, the region draws attention to the indirect effects of climate shocks on the local fiscal capacity to recover and invest in sustainable development. There is currently global momentum for the juxtaposed strategies of building climate resilience and strengthening sovereign financial sustainability for SIDS and the Caribbean sub-region has built on this momentum and has tapped into international associations to advocate for (1) determinants of access to concessional financing based on vulnerability and (2) a reform of the global financial system.

To face the double challenge of high debt and extreme climate vulnerability, ECLAC proposes the development of a Caribbean Resilience Fund (CRF). The CRF is intended to be a special-purpose financing vehicle built to leverage low-cost, long-term development finance and to secure resources to invest in climate adaptation and mitigation initiatives to develop green industries.

### **(c) Examples of specific actions taken to recover from the COVID-19 pandemic that also accelerate progress towards multiple SDG targets, including actions identified by your intergovernmental body, building on interlinkages and transformative pathways for achieving SDGs.**

- The paradigm of development in transition as promoted by ECLAC calls for a renewed, inclusive form of international cooperation that will help to close structural gaps and eliminate the global asymmetries between developed and developing countries that have been amplified by the current crisis. The shortage of financing for development and the limited amount of multilateral support being made available to MIC during the current crisis accentuate the challenges faced by this group of countries, including inequality, marginalization, and poverty. The concept rethinks international cooperation modalities with MICs to enable the policy space and technological capacities for inclusive and sustainable recovery policies. The recent establishment of the Regional Conference on South-South Cooperation in Latin America and the Caribbean provides an intergovernmental forum for the discussion and implementation of proposals for new forms of cooperation with and between countries of the region. ECLAC's call to create a multidimensional vulnerability index, to reformulate the criteria under which countries can access concessional funds and international cooperation, is part of the call for greater international solidarity and a more comprehensive approach to development gaps, as advocated by the 2030 Agenda.
- In order to keep addressing the specific vulnerabilities faced by Caribbean small island developing States to achieve the SDGs in alignment with ECLAC Caribbean First Strategy, [the Twenty-ninth session of the Caribbean Development and Cooperation Committee](#), subsidiary body of ECLAC, held in Paramaribo, Suriname on 14 October 2022, discussed the ECLAC Debt for Climate Adaptation Swap Initiative and the establishment of a Caribbean Resilience Fund, which seek to substantively address the high and unsustainable level of debt of many Caribbean economies, which has compromised the growth trajectory of the subregion. The Fund is aimed at resilience-building, liquidity enhancement and debt reduction windows, which will focus on leveraging investment for climate adaptation and mitigation projects. At the event, Member States adopted resolutions, in particular resolution 109(XXIX), entitled "Towards the establishment of a Caribbean Resilience Fund", in which they authorize the Regional Commission to initiate consultations with the representatives of finance ministries and all relevant regional and international institutions towards finalizing the articles of agreement that will lead to the establishment of the Caribbean Resilience Fund. In addition, in resolution 108(XXIX), entitled "Safeguarding the gains made in the implementation of the 2030 Agenda and the Sustainable Development Goals in the Caribbean subregion",

Member States called on international development partners to provide adequate and sustained technical and financial support to Caribbean countries to address the vulnerabilities of the subregion resulting from high exposure to shocks, scarcity of data and limited institutional capacity, all of which being obstacles to implementing, monitoring and reporting on progress on the SDGs.

- The Forum of the Countries of Latin America and the Caribbean on Sustainable Development, convened under the auspices of ECLAC, became a regional space by excellence for peer-to-peer learning through interactive sessions in which, Member States and other stakeholders share common experiences, goals and challenges, while fostering regional consensus on the way forward to achieve the 2030 Agenda and the SDGs. In that sense, the intergovernmentally agreed conclusions and recommendations of the Forum offer a regional narrative, guidance and recommendations for the United Nations and other stakeholders on how to better support Member States on the ground to achieve the goals, which feed into the HLPF. [In the Fifth meeting of the Forum](#) held in Costa Rica, from 7 to 9 March 2022, Member States called for a global coordinated multilateral response to address the current impacts on sustainable development of the COVID-19 pandemic and the policies necessary to address the current economic downturn and future depression, begin economic recovery and minimize the negative effects on livelihoods, while striving to get back on track to achieve the SDGs. They also call upon all Member States of the United Nations and international financial institutions to provide more liquidity in the financial system, especially in all developing countries, including by the implementation of instruments such as a Liquidity and Sustainability Facility and the broader use of Special Drawing Rights, and emphasized the need to increase access to concessional finance for the countries of the region, especially in the context of the global pandemic, including by the creation of new financial mechanisms or funds to support countries facing fiscal pressures and by considering offering low-interest loans to open up the fiscal space and, in this regard, welcome regional and global proposals and continue to call for the operationalization of the Fund to Alleviate COVID-19 Economics (FACE). For more information, please refer to the [intergovernmentally agreed conclusions and recommendations of the Fifth meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development](#). ECLAC proposes a new social and fiscal compact to build universal, inclusive, resilient, and sustainable social protection systems. The social compacts should be geared towards promoting the culture of equality and giving legitimacy to structural reforms and transformative policies with a rights-based approach, so as to achieve a care society. The fiscal contracts must finance social investment with financial sustainability, with progressive tax policies that allow for increasing the revenue coming from those who have the most concentrated wealth. Recovery plans need to include actions that foster comprehensive care systems, decent work and the full and effective participation of women in strategic sectors of the economy for a transformative recovery and the transition to a care society. ECLAC also encourages countries to sustain emergency transfers to protect the most vulnerable groups and promotes digital inclusion. For more information, please refer to: [Towards a care society: The contributions of the Regional Gender Agenda to sustainable development](#). At the [Fifteenth session of the Regional Conference on Women in Latin America and the Caribbean](#), held in Buenos Aires, Argentina, from 7 to 11 November 2022, Member States welcomed the position document prepared by ECLAC entitled ‘The care society: A horizon for sustainable recovery with gender equality’ and adopted the Buenos Aires Commitment in which they recognized 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. They also reiterated the call to advance recovery plans with proactive measures to achieve substantive equality that foster comprehensive care systems, decent work and the full, significant and equal participation of women in positions of leadership in strategic sectors of the economy for a transformative recovery with gender equality aimed at the sustainability of life and for the transition to a care society.
- To move forward with the principle of ‘leaving no one behind’ across all SDGs, other intergovernmental bodies of ECLAC also focused their attention on other vulnerable groups 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](#), held from 13 to 15 December 2022, at ECLAC headquarters in Santiago de Chile, took place within the framework of the fourth review and evaluation cycle of the Madrid International Plan of Action on Ageing (MIPAA) with the main objective to examine the challenges and achievements in fulfilling the commitments assumed by the member countries of ECLAC in the Charter of San José on the Rights of Older Persons in Latin America and the Caribbean together with the 2030 Agenda.



In this Conference, the countries of the region presented their advances in public policies focus on older persons and, identified key actions to expand the protection of the rights of older persons in the next five years. ECLAC, as technical secretariat of the Conference, prepared the document [Ageing in Latin America and the Caribbean: Inclusion and rights of older persons](#). Member States adopted the [Santiago Declaration](#), in which they reaffirmed their commitment to promote, protect and respect the human rights, dignity and fundamental freedoms of all older persons, without discrimination or violence of any kind, and ratified the responsibility of States to pursue the measures and actions needed to ensure healthy ageing, with dignity and rights. They also called upon all States and the international community to intensify cooperation for full implementation of the 2030 Agenda for Sustainable Development and the achievement of the SDGs, and to mobilize the necessary resources to that end, in accordance with national plans and strategies to improve the well-being of older persons.

- In addition, during the Fourth session of the Regional Conference on Population and Development in Latin America and the Caribbean, held from 28 to 30 June 2022, at ECLAC headquarters in Santiago de Chile, the sociodemographic impacts of the COVID-19 pandemic in the region and the challenges posed by the health crisis for the implementation of the [Montevideo Consensus on Population and Development in synergy with the 2030 Agenda for Sustainable Development](#) were analyzed. ECLAC, as technical secretariat of the Conference, presented [a report on the sociodemographic impacts of the pandemic in the region](#), with recommendations for recovery and reconstruction. Member States also adopted a [resolution](#) in which they encourage the governments of the region to put special emphasis on strengthening their systems for sociodemographic and vital statistics, and to develop and strengthen the capacities of national statistical systems and national statistics offices to produce population data, disaggregated by sex, age, area of residence (urban or rural areas), income, ethno-racial identity, migratory status, disability and other characteristics that are relevant to the population's diversity for an accurate assessment of the implementation of the regional and global frameworks. Furthermore, during the [Fifth meeting of the Presiding Officers of the Regional Conference on Social Development in Latin America and the Caribbean](#), held in Cuenca, Ecuador, in 29 September 2022, Member States highlighted the importance of moving forward with the implementation of the [Regional Agenda for Inclusive Social Development](#), in particular by strengthening social policy institutions for the development of universal, comprehensive, sustainable and resilient social protection systems, to leave no one behind in the achievement of the SDGs.
- With the purpose of protecting environmental human rights defenders and promoting peaceful societies, the [first meeting of the Conference of the Parties \(COP 1\) to the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean](#) (Escazú Agreement) was held from 20 to 22 April 2022, at ECLAC headquarters in Santiago de Chile. The Escazú Agreement is the first regional environmental treaty in Latin America and the Caribbean and the first in the world to include specific provisions for the protection of human rights defenders in environmental matters in alignment with SDG 16. At the end of the Conference, the States Parties to the Escazú Agreement approved [a Political Declaration](#) in which they reaffirmed the treaty as a driving force for sustainable development and a crucial governance tool for the development of better public policies in the region, with a view to ensuring a healthy environment for present and future generations. In addition, in order to support the implementation of Article 9 of the Agreement, States Parties adopted Decision I/6 on Human Rights Defenders in Environmental Matters. This decision established an open-ended ad hoc working group on human rights defenders in environmental matters (coordinated by Chile, Ecuador and Saint Kitts and Nevis). At the first virtual meeting of the Working Group held on 28 October 2022, the coordinating countries presented a work schedule for the elaboration of a Regional Action Plan on human rights defenders in environmental matters to be adopted in 2024, which will establish a set of strategic actions and identify guidelines for the region in line with the Agreement and the 2030 Agenda for Sustainable Development.

- ECLAC has worked with regional institutions towards strengthening tourist sector. Tourism is a key generator of foreign exchange, income and employment in Mexico and Central America, as well as in the Caribbean. The tourism sector must be rebuilt in a more inclusive, sustainable and resilient way. More must be invested in health, safety and risk management, work to offer favorable and inclusive working, business and socio-economic conditions, understand the increasingly relevant role of environmental sustainability, take advantage of digitalization and foster cooperation between stakeholders. countries to ensure resilient responses to future crises.
- The Plan for self-sufficiency in health matters in Latin America and the Caribbean prepared by ECLAC proposes concrete recommendations to strengthen capacities to produce and distribute vaccines and medicines in the region. This document proposes seven lines of action that include short-, medium- and long-term initiatives to strengthen mechanisms for pooled international procurement of vaccines and essential medicines; use public procurement mechanisms for medicines to develop regional markets; create consortiums for the development and production of vaccines; implement a regional clinical trials platform; take advantage of regulatory flexibilities to gain access to intellectual property; strengthen regulatory convergence and recognition mechanisms; and strengthen primary health systems for equitable distribution of vaccines and universal access to them. For more information, please refer to [The Plan for self-sufficiency in health matters in Latin America and the Caribbean: Lines of action and proposals](#)

**(d) Assessment of the situation in the mid-point of the implementation of the 2030 Agenda and the SDGs, against the background of the COVID-19 pandemic and within the respective areas addressed by your intergovernmental body, and policy recommendations, commitments and cooperation measures for promoting a sustainable, resilient and inclusive recovery from the pandemic while advancing the full implementation of the 2030 Agenda.**

With only seven years left until 2030, cascading and interlinked crises are putting the achievement of the SDGs in danger worldwide. Despite signs of progress in some areas, the confluence of crises, dominated by COVID-19, climate change and conflicts, are creating spin-off impacts on food and nutrition, health, education, the environment, as well as peace and security. The LAC region is no exception. Taking the latest results of ECLAC's regional trend projections for 2030 into account, the region shows a mixed performance: only a third of SDG targets are on track to be achieved by 2030, while for two-thirds, policy actions are needed to achieve the targets, either to accelerate a positive development trend (46% of targets) or to reverse the observed stagnation or setback (22% of targets). The results differ between goals, with SDGs 1 (end poverty), 10 (reduction of inequalities), 11 (sustainable cities and communities), 13 (climate action) and 16 (peace, justice and strong institutions) being in high risk, and SDGs 3 (health and well-being), 7 (affordable and clean energy), 9 (industry, innovation and infrastructure), 12 (responsible production and consumption), 15 (life of terrestrial ecosystems) and 17 (partnerships for the Goals) being in better conditions to be achieved by 2030. Although the COVID-19 pandemic is expected to come to an end, the region has not been able to make headway in recovering from its social impacts and regain the levels of social indicators registered in 2019, before the pandemic. The region's countries are facing the effects of a series of cascading crises related to the climate, health, employment, social matters, education, food security, energy and the cost of living – all of which have effects of varying intensity and diverse characteristics on numerous countries, including all of those in Latin America and the Caribbean. The combination of external and domestic factors has reduced the capacity for economic growth and quality job creation and has hampered its fight against poverty and extreme poverty. Furthermore, the fiscal situation of the region's countries has deteriorated as a result of the significant fiscal efforts they made to combat the worst moments of the COVID-19 crisis and its social consequences. This scenario has led to a slowdown in economic growth with slow generation of employment, especially in quality jobs, together with strong inflationary pressures that have pushed up food and energy prices, together with heavy falls in investment. Thus, after the 6.5% expansion of GDP in the region in 2021, for 2022 ECLAC estimates growth of 3.2%, and for 2023 projects expansion of just 1.4%. In line with all this, the social situation in the region has also deteriorated, with considerable increases in poverty levels reflecting the effects of the pandemic and of the accompanying economic recession. In 2020, ECLAC calculated that poverty and extreme poverty affected 33.0% and 13.1%, respectively, of the population. In 2021, the incipient economic recovery translated into a very modest decline in poverty, to 32.1%, and a small, but continuous, increase in extreme poverty, to 13.8%. Of particular concern is the increase in food and nutritional insecurity amid rising food prices. ECLAC estimates indicate that 45.4% of people under 18 years of age are living in poverty in

Latin America in 2022: 13.3 percentage points above the average for the total population. In particular, 18.5% of this age group are estimated to be living in extreme poverty. These young people are facing a higher risk of food insecurity because they live in households that cannot afford the basic food basket. Latin America and the Caribbean needs ambitious public policies to overcome the deep crisis it has been living through in the last ten years. ECLAC advocates for Latin America and the Caribbean to redouble its efforts to both reactivate its economies as well as to transform countries' development models, centering 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. In that strategy, the sectoral dimension is crucial, because that is where company strategies, business models, and processes of capital formation and job creation are defined. Although the specific sectors should be defined in each national context, ECLAC proposes ten sectors or areas that are particularly promising: the energy transition, electromobility, the circular economy, the bioeconomy, the healthcare-manufacturing industry, and the digital transformation – which are at the center of innovation processes – while the care economy, tourism, Micro, Small and Medium-sized Enterprises, and the social economy are great generators of employment, with the ensuing effects on income and the inclusion of disadvantaged social sectors. Harnessing the potential in these areas entails transforming the region's development model to create favorable conditions for investment, growth, inclusion and sustainability. Transformation of this model requires decisive action in multiple areas: development planning in order to coordinate policies; improvement in governance and the institutional quality of the institutions in charge of the different areas; macroeconomic policies to accelerate growth and tackle inflation; the construction of welfare states; strengthening care systems as a pillar of a rights-based social state; guaranteeing the rights of especially vulnerable populations; mitigation and adaptation vis-à-vis the environmental emergency; new governance of natural resources; implementation of industrial and technological policies; and regional integration in the face of the new geopolitics of globalization. In order to articulate the proposed strategies and policies, and to ensure their effective implementation and adjustments to new realities over time, new forms of experimentalist governance are needed, based on iterative and participatory processes for policy formulation and implementation. In some cases, new fiscal, productive, social and environmental compacts will be necessary to surmount the problems of this current juncture and move in the long term towards societies that are sustainable, cohesive and resilient – characteristics that entail advancing towards the realization of welfare states in the framework of more efficient and productive economies. For more information, please refer to: [Towards transformation of the development model in Latin America and the Caribbean: production, inclusion and sustainability](#); [Social Panorama of Latin America 2022](#); [ECLAC's regional trend projections for 2030](#)

**(e) Key messages for inclusion into the Political Declaration of the September 2023 SDG Summit.**

- In the context of rising asymmetries between developed and developing countries regarding the capacity to mobilize resources and to open policy space for inclusive and sustainable recovery policies, the implementation of the SDGs requires enhanced international cooperation.
- The 2030 Agenda requires the consolidation of a network of alliances that include governments, the private sector, civil society and international institutions so that they collaborate and work together because it is understood that the SDGs will only be satisfactorily achieved if partnerships are established inclusive on a shared vision, principles and values, which focus on ending poverty, protecting the planet and improving people's lives and prospects. It must be recognized that the countries have made progress in building such alliances, and have made efforts to align their institutions and budgets to achieve the objectives of the Agenda. At the regional level, the Community of Practice on the voluntary national reports of the countries of Latin America and the Caribbean has been highlighted, an informal space for the exchange of good practices and lessons learned that includes government officials, professionals, researchers and technical experts, as well as as representatives of the UN system and which sometimes invites representatives of youth, civil society, the private sector, academia, local authorities and other counterparts.
- Governments are under tremendous pressure for recent crisis cascade and many of them are undergoing relevant institutional adjustments to accomplish the 2030 Agenda. Governance styles and procedures matter: political spaces for social dialogue and for listening to and engaging with different groups will be an essential part of democratic governance under these hard crisis conditions. Institutional quality and effectiveness also matter since it is impossible to deliver results unless the relevant institutions have a

minimum threshold of technical, operational and political capacities, and are transparent and accountable.  
The 2030 Agenda

- The progress undergone by all countries in terms of capacity development in public affairs for the advancement of the SDGs has reached an institutional maturity that must be valued and serve as a basis for strengthening new capacities for the design of public policies that permeates the private sector and in society as a whole. The institutional learning and the strengthening of capacities in the framework of the path towards 2030 are valuable precedents that can lead public affairs towards long and ambitious, but realistic horizons, including the achievement of goals of sustainable development. The future must be imagined and put in the sights of politics to anticipate global megatrends that may affect the countries. The construction of possible, probable, and desirable scenarios must clarify decisions and policy actions in the present, with long-term thinking and perspective. Future starts now.
- Effective international cooperation includes innovative solutions for financing for development and rethinking development cooperation in MIC and SIDS based on multidimensional vulnerability criteria. Efforts to measure prosperity “Beyond GDP”, as outlined in the United Nations Secretary- General’s “Our Common Agenda”, gain special relevance in this area.