The Challenge of Accelerating the 2030 Agenda in Latin America and the Caribbean: Transitions towards sustainability

Seventh report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development in Latin America and the Caribbean

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Executive Secretary

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Part I: Progress in the implementation of the Sustainable Development Goals

I. Towards productive, inclusive and sustainable Development in Latin America and the Caribbean
Global growth slowed in 2023 and 2024 (estimate), below the historical average of 3.8% for 2000–2019

Selected regions and countries: GDP growth rate, 2022 and projections for 2023 and 2024
(Percentages)


* In India, the fiscal year begins in April and ends in March the following year.
Slowdown in international trade also seen in 2022 and 2023

World trade volume: year-on-year variation, January 2018–August 2023 and projection for 2023
(Percentages, on the basis of a seasonally adjusted index)


a WTO projection for 2023.
Latin America and the Caribbean: projected GDP growth, 2024

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Preliminary Overview of the Economies of Latin America and the Caribbean, 2023 (LC/PUB.2023/22-P), Santiago, 2023.
Latin America and the Caribbean has lower growth capacity.

Figure I.4: Latin America and the Caribbean: growth in GDP and trend GDP, 1951–2024
(Percentages, on the basis of dollars at constant 2018 prices)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The Hodrick-Prescott filter was used to calculate GDP trend growth.
The widening productivity gap must be closed

Latin America (15 countries) and the world: total factor productivity, 1990–2023
(Index: 1990=100)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of The Conference Board, Total Economy Database [online]

a Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
Inflation trending down, but remains high

Latin America and the Caribbean: median annual rates of change in the consumer price index, January 2019–September 2023

(Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Effects of climate change in the region are severe

Latin America and the Caribbean (19 countries): number of additional days of exposure to heat waves over the period 2016–2020 compared with 1986–2005

(Number)

The trap of low, volatile, exclusionary and unsustainable economic growth

The trap of high inequality and low social mobility and cohesion

The trap of weak institutional capacities and ineffective governance
A new development model is needed

- Development that is more productive
  - Broaden the scope of next-generation productive development policies

- Development that is more inclusive
  - Dynamic labour market
  - Social policies
  - Education and vocational training
  - Gender equality
  - Social protection systems (welfare state)

- Development that is more sustainable
  - Achieve growth that can ensure planetary survival and quality of life
A new generation of productive development policies

Definition and scope of productive development policies

Productive development policies are focused on sophistication, diversification and virtuous structural change to drive productivity and achieve more productive, inclusive and sustainable development models.

Productive structure (sectors, chains, clusters, MSMEs, companies)

- Science, technology and innovation
- Technological extension services
- Digital transformation
- Entrepreneurship
- Closing human capital gaps
- Whole-of-lifecycle business financing
- Investment, including foreign direct investment
- Specific infrastructure and other public assets
- Specific legal and regulatory agenda
- Internationalization

Territory-focused productive development

Governance for productive development

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Major productive transformation: portfolio of driving sectors

Industry
- Pharmaceutical and life sciences industry
- Medical devices manufacturing industry
- Advanced manufacturing

Services
- Modern or ICT-enabled services exports
- Care Society
- Labor intensive services
- e-government

Big push for sustainability
- Energy transition: renewable energies, green hydrogen and lithium
- Electromobility
- Circular economy
- Bioeconomy: sustainable agriculture, genetic resources and bioindustrialization
- Agriculture for food security
- Sustainable water management
- Sustainable tourism

Geographical rearrangement of production and value chains worldwide

Part I: Progress in the implementation of the Sustainable Development Goals

II. Progress towards achieving the Sustainable Development Goals in Latin America and the Caribbean: outlook to 2030
Availability of statistical information for measuring progress on the 2030 Agenda continues to improve

• 794 statistical series analysed in 2024; 60% more than in 2023

• 179 estimated indicators; 69% of the indicators identified in the universe of analysis (66% in 2023)

• The information available made it possible to assess the probability of meeting the 2030 thresholds for 131 targets (78% of the total)

<table>
<thead>
<tr>
<th></th>
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<td>179</td>
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</table>

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Status of progress on the road to 2030

Latin America and the Caribbean: SDG targets, by likelihood of achievement by 2030 (2023 and 2024) (Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Varied progress and challenges, depending on the Goal

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target</th>
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<td>SDG 1</td>
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<td>SDG 6</td>
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<tr>
<td>SDG 7</td>
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<td>SDG 10</td>
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<td>SDG 17</td>
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</tr>
</tbody>
</table>

The trend is moving away from the target. The trend is in the right direction, but progress is slow for the target to be met. Target already reached or likely to be reached on the current trend. Insufficient data.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC).
Part I: Progress in the implementation of the Sustainable Development Goals

III. Progress in the achievement of Goals 1, 2, 13, 16 and 17
SDG 1. End poverty: insufficient reduction

**Actions to be taken**

- Combine measures to boost economic growth and productive employment with measures (social and educational) to reduce poverty and inequality and increase social mobility.
- Strengthen social protection systems to **increase coverage**, especially for pensions and transfers to groups with insufficient income.
- Guarantee the sustainability of social protection systems through mechanisms to ensure **sufficient social spending** in this area.
SDG 2. Zero hunger: insufficient progress

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

- Implement **resilient and sustainable agricultural practices** and the **protection of biodiversity**
- Innovate to enable **increased food production** and resilience to climate shocks, using **fewer resources** and with lower GHG emissions
- **Invest in agriculture and food systems**, to increase their productivity and sustainability ↔ improving **producer incomes** and the population's access to a **varied and healthy diet**
SDG 13. Climate action: high vulnerability and significant constraints

**Actions to be taken**

- **Increase in the speed of decarbonization by four or five times** in order to meet the emissions reduction targets set out in nationally determined contributions.

- Boost investment and productive development in **essential sectors for the carbon transition** (renewable energies, sustainable transport, the bioeconomy and the circular economy) and in sectors that enhance mitigation, adaptation and risk management efforts.

- Coordinate climate change, sustainable development and **disaster risk reduction** agendas at country, regional and international levels.
SDG 16. Peace, justice and strong institutions: uneven progress

**Actions to be taken**

- Implement **open justice** policies and use digital tools to strengthen control systems and promote greater transparency and accountability
- **Rebuild trust** in institutions and public officials
- Increase and improve **access to public information** => collaboration, decision-making and anticipation of disruptive events, such as acts of violence, and organization into participatory structures to co-create collective solutions
SDG 17. Partnerships for the goals: insufficient progress

**Actions to be taken**

- **Increase resource mobilization**, to foster technological advances, greater trade opportunities, and improved efficiency, economies of scale, knowledge acquisition and productivity, leading in turn to greater economic growth potential, generating more and better jobs and **increasing tax revenues** to expand fiscal space.

- **Build partnerships between governments, the private sector, civil society and international institutions**, based on a shared vision and common principles and values to encourage collaborative and collective work.
Part II: Acceleration towards the realization of the 2030 Agenda for Sustainable Development

IV. Transitions to accelerate progress towards the Sustainable Development Goals
Six sustainable transitions to accelerate progress

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Structure of analysis for each transition

- Description
- Contribution to the SDGs

Current scenario
- Strategies, plans, policies and programmes
- Institutional arrangements
- Investment needs

Desired scenario
Food systems transition

Description: move towards a food-secure scenario built on the central pillars of environmental sustainability and social inclusion by returning to ancestral practices in agricultural production, ensuring the nutritional quality of food, protecting the social rights of sector workers and securing nutritious food in sufficient quantities for all – both now and in the future.

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

Description: establish a **new regulatory ecosystem** to facilitate targeted investments in **modifying the energy mix**, progressively incorporating renewable energies and **electrifying sectors** that are currently hydrocarbon dependent, **revolutionizing models of consumption and production** with a view to increasing energy efficiency, and **creating new industries** and decent, sustainable jobs.

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

**Description:** pursue a process by which socioeconomic stakeholders **integrate digital technologies** into all aspects of their lives, **transforming models of consumption, production and social interaction**, **increasing productivity**, opening up new markets, creating new industries and new jobs, **improving the well-being of the population** with new and better services, and enabling **more environmentally sustainable models of consumption**.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC).
Description: transform education systems with a view to protecting the rights of individuals (in particular the right to education), improving their prospects for social and economic well-being, reducing inequality, strengthening social mobility and cohesion and preparing societies for the green and digital economies of the future.
Jobs and social protection transition

**Description:** move towards societies that are capable of creating decent jobs and establishing sustainable, universal social protection systems, which would close existing access gaps and help to ensure adequate living standards for all.

*Source:* Economic Commission for Latin America and the Caribbean (ECLAC).
Climate change, biodiversity loss and pollution transition

Sustainable Development Goals supported by the climate transition

Description: through urgent and unequivocal decision-making, limit the average global temperature rise to no more than 2°C above pre-industrial levels while continuing to pursue the 1.5°C target.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Key enablers of transitions

Strategies, plans, policies and programmes

• Real and decisive action

Institutional arrangements

• Coherent and coordinated implementation

Investment needs

• Timely access to sufficient resources
Key principles for reorienting transitions

Development policies, programmes and projects to respond to the questions what and how

New policy strategies

Collective design and execution

Strengthened capacities

Foresight planning

Experimentalist governance with policies designed and executed by social stakeholders in coordination with the State

Strengthening the technical, operational, political and foresight capacities of institutions

Development policy that envisages goals, targets and possible pathways with a long-term focus
Part II: Acceleration towards the realization of the 2030 Agenda for Sustainable Development

V. Financing to achieve the Sustainable Development Goals
Limited fiscal space for development

Latin America (16 countries)\textsuperscript{a} central government fiscal indicators, 1950–2023\textsuperscript{b} 
(Percentages of GDP)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
\textsuperscript{a} Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
\textsuperscript{b} Simple averages. The figures for 2023 are official estimates for the year. The figures for Argentina, Mexico and Peru refer to the national public administration, the federal public sector and the general government, respectively.
Ample room to raise tax burden

Latin America and the Caribbean and Organisation for Economic Co-operation and Development: general government tax revenues, 2021
(Percentages of GDP)

Debt remains an obstacle to resource mobilization

Latin America (16 countries)\(^a\) and the Caribbean (13 countries)\(^b\) central government gross public debt, 2000–2022
(Percentages of GDP)

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**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2023* (LC/PUB.2023/22-P), Santiago, 2023.

**Note:** Simple averages. For Brazil and Guyana, the figures are for general government and the public sector, respectively.

\(^a\) 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, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.
High interest rates hamper resource mobilization...

Latin America and the Caribbean and selected regions and country groupings: effective interest rates on general government gross debt, 2011–2022 averages
(Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), World Economic Outlook: A Rocky Recovery; Washington, D.C., April 2023.

Note: The effective interest rate is calculated as implicit interest payments divided by the level of public debt the previous year.
... and this is reflected in weak investment

Selected regions: general government gross fixed capital formation and capital stock, 2015 and 2019

**Gross fixed capital formation, 2019**  
(Percentages of GDP at constant prices)

- Emerging and developing Asia: 11.7
- Middle East and Central Asia: 5.7
- Advanced economies: 3.5
- Sub-Saharan Africa: 3.3
- Emerging and developing Europe: 2.9
- Latin America and the Caribbean: 2.8

*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 database) [https://data.imf.org/?sk=1CE8A55F-CFA7-4BC0-BCE2-256EE65AC0E4](https://data.imf.org/?sk=1CE8A55F-CFA7-4BC0-BCE2-256EE65AC0E4).*

*a The weighted averages are calculated on the basis of purchasing power parity (PPP) gross domestic product (GDP) in international dollars at current prices.*
Payment of interest relative to other spending is also high.
ODA maintained, but at insufficient levels to accelerate progress towards SDGs

Latin America and the Caribbean: net official development assistance received from Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee donor countries relative to gross national income and gross capital formation, 2017–2021

<table>
<thead>
<tr>
<th>Recipient country</th>
<th>Percentages of gross national income</th>
<th>Percentages of gross formation</th>
<th>Recipient country</th>
<th>Percentages of gross national income</th>
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<td><strong>Region (average)</strong></td>
<td><strong>1.8</strong></td>
<td><strong>5.9</strong></td>
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</table>


**Note:** Three dots indicate that the data are missing, not separately reported or unavailable.
International financial architecture unable to drive sustainable development

The international financial system is plagued by deep inequalities, gaps and inefficiencies:

- Higher financing costs for developing countries
- Heterogeneous access to sources of liquidity in times of crisis
- Limited investment in global public goods, such as the fight against climate change
- High volatility in capital markets, resulting in financial crises

Consequently, discussions on reforming the international financial and tax architecture are under way
Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture describes the way forward for reforming the international financial and tax architecture in six areas:

1. Global economic governance
2. Debt restructuring frameworks
3. International public finance and development banks
4. Recycling of special drawing rights
5. Policy and regulatory frameworks that address short-termism in capital markets, better link private sector profitability with sustainable development and the SDGs, and address financial integrity
6. Global tax architecture for equitable and inclusive sustainable development
Part II: Acceleration towards the realization of the 2030 Agenda for Sustainable Development

VI. Conclusions and recommendations
Summary (1/2)

Public policies based on data to accelerate progress in the run-up to 2030
The development crisis and the lag in progress towards the SDGs calls for a change of course in public policies, institutional capacity-building (including statistical development) and the use of new tools such as strategic planning and foresight.

Governance to drive and manage transitions and public policies in general
The region needs stronger governance and institutional capacities for development.

New generation of productive development policies:
• Portfolio of sectors that drive and stimulate growth
• Territorial approach, building from the local level
• Governance based on collaboration and coordinated work among development stakeholders and among different levels of government.
Leverage the institutional footprint of the 2030 Agenda

Work to implement the 2030 Agenda has fostered dialogue, learning and the sharing of experiences in the region. This institutional footprint may be leveraged and expanded to make progress in responding to the “how” of public action linked to the transition to more productive, inclusive and sustainable development.

A State capable of driving transitions

Socioeconomic development is not spontaneous; it must be governed, managed, guided and encouraged, and the most effective way to do so is by involving all stakeholders: from the public, private and academic sectors, and from civil society.

Summit of the Future and beyond

The Summit of the Future in 2024 is an opportunity to strengthen commitment to the 2030 Agenda and to underscore the importance of envisaging the future and working together to build it. The Social Summit in 2025 will provide an opportunity to focus on the challenges of accelerating progress in the social dimension of the 2030 Agenda and cooperation to that effect.
Thank you

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