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**Statement By
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to the Ministerial Meeting of the Group of 24
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***Asymmetries, the impact of the pandemic and the cost of not committing to the future
Priorities of Latin America and the Caribbean***

With the health crisis still ongoing, the world economy continues to face heightened uncertainty compounded by the current international situation and the deepening of global asymmetries. The uncertainty is not only related to public health and the pandemic itself, such as the risk of the emergence of new SARS-CoV-2 variants or even other pathogenic viruses. There are other pressing concerns, such as rising inflation driven by negative supply shocks and the effects of rising energy and food costs, in particular on developing economies. Also, the high indebtedness and risk of debt distress faced by some countries, especially smaller economies such as SIDS in the Caribbean, have reduced to a great extent the policy space to face negative shocks and spur growth.

Moreover, there are uncertainties related to the environment, as promises and commitments to stabilize carbon emissions and halt the planet's biodiversity loss have not translated into effective action, and may be further undermined by current geopolitical tensions and their impacts on international cooperation.

Significant efforts have been made to address some of these issues, such as the adoption of the 2030 Agenda for Sustainable Development by the General Assembly of the United Nations in 2015, and the Paris Agreement, which guided discussions at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 26) recently held in Glasgow. There has also been an increase in "green" initiatives in the recovery strategies of developed economies. However, these initiatives are insufficient given the reality faced by developing economies in terms of financing for development, climate change adaptation,

biodiversity loss and deterioration, and access to vaccines and public health. Technological and productive asymmetries between these two groups of countries have also tended to worsen, and socio-economic tensions are growing worldwide due to their impacts.

In March, the countries of Latin America and the Caribbean convened for the fifth time in the framework of the *Forum of the Countries of Latin America and the Caribbean on Sustainable Development*. On each occasion, ECLAC presented a report on regional progress and challenges in relation to the 2030 Agenda for Sustainable Development. Our region has been hit especially hard by the pandemic: it accounts for much higher percentages of COVID-19 infections and deaths than its corresponding share of world population, and the ensuing deterioration of economic conditions in 2020 was the worst seen in over a century, with severe consequences for social indicators as well. ECLAC has advocated the importance of sustainable recovery strategies through a systemic approach focused on high quality employment generation especially of women; increase in productive capacities, universal access to digital technology, digitization of the productive sectors, and the development of enabling infrastructure. ECLAC has also emphasized greater access to health and education systems and universal social protection, as well as redoubling efforts in favor of progressive, sustainable taxation. Moreover, it has highlighted the importance of ensuring environmental protection and promoting green sectors and the increase of renewable energy sources, in addition to moving towards a regional agenda in multilateral spaces.

Growth in the region rebounded to an estimated 6.2% in 2021, driven by the recovery of growth of trading partners, higher commodity prices, and favorable external financing conditions. On the domestic front, progress on vaccinations, continued fiscal support in some countries and accumulated savings from 2020 also supported growth. However, this increase only provided a temporary respite and failed to recoup the large job losses, particularly for women. Furthermore, new inflationary pressures have had regressive distributional effects as they have contributed to eroding the purchasing power of low-income groups. The region has not been able to overcome its traditional economic and social gaps, including persistent levels of poverty, limited capacity to create quality jobs, low productivity and low technological intensity of production, and production and consumption patterns that still fail to internalize environmental externalities. Due to the prolonged health and social crisis stemming from the pandemic, ECLAC estimates the region's extreme poverty rate has risen to 13.8% of the population in 2021 from 13.1% in 2020, a 27-year setback.

In addition to low domestic investment and productivity, a slow recovery in employment, the persistence of the social effects prompted by the crisis, reduced fiscal space, increased inflationary pressures, and financial imbalances, the region will face a harsher external context in 2022. This includes slower growth in China and the United States, continued supply disruptions, tighter monetary and financing conditions, and uncertainty regarding the pandemic's ongoing evolution. The internal and external context will translate into a sharp deceleration in economic growth in 2022 of 2.1% according to ECLAC's estimates.

In this difficult context, ECLAC has continued to support the region by stepping up its efforts to assess the progress towards the achievement of the Sustainable Development Goals (SDGs). Whereas in 2019 there were only 19 statistical series of SDG indicators for the region to analyze the progress towards 2030, the fifth report presented in March 2022 at the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, entitled *A decade of action for a change of era*, shows results for 359 statistical series, corresponding to 111 targets.

The results of the assessment reinforce the warnings ECLAC has been voicing since 2019. Despite the improvement in some indicators, progress towards 68% of the 111 evaluated targets is insufficient to achieve the SDGs by 2030; what is worse, progress has gone into reverse on almost a third of these targets (22%).

ECLAC's in-depth review of the four SDGs linked to *education, gender equality and marine and terrestrial biodiversity* shows that the effects of the pandemic have further impeded progress towards the targets set for 2030. Three, often invisible "silent crises" are still at play: the loss of more than a year of classroom schooling for an entire generation of students, the increase in gender-based violence and in the unequal gender distribution of care burdens, and the exacerbation of biodiversity destruction because of illegal activities. Despite these harsh realities, the countries of the region continue to support the implementation and follow-up of the 2030 Agenda through a growing number of voluntary national reviews and, increasingly, voluntary local reviews, reflecting the increased importance of the territorial dimension of sustainable development.

Given this contradiction between, on the one hand, the growing institutional efforts to bring to fruition the *Decade of Action of the Sustainable Development Goals* called for by the United Nations Secretary-General, and on the other, the insufficient progress towards the achievement of the SDGs, ECLAC proposes launching a decade of action to overturn the unsustainable pattern of social and economic development of the region. The SDGs will not be achieved by doing more of the same; we must move towards a new, inclusive, and sustainable economic and social system.

ECLAC presents specific proposals in four areas in which work must continue: strengthening multilateralism, particularly in financing for development through a better distribution of global liquidity, by addressing the debt problem and promoting greater financial cooperation; improving implementation of productive, social, and environmental policies of national and regional scope; building up the resilience of institutions; and overcoming conflicts through agreements and compacts. Our proposals highlight the need to look beyond per capita GDP as an indicator of development and, as set forth in the Secretary General's *Our Common Agenda* report, to complement GDP with aspects that are invisible in national accounts, such as unpaid work, labour informality, and the deterioration of natural capital. All this must be measured with indicators that adequately reflect the structural gaps, complexity, and heterogeneity of our societies.