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Statement at the Dialogue of the Executive Secretaries of the Regional Commissions with the Second Committee of the UN General Assembly

"Catalyzing transformative actions and integrated approaches to sustainable development: regional experiences to accelerate progress on the SDGs"

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8 minutes

- Distinguished Chair,
- Distinguished Delegates,
- Dear Executive Secretaries,
- Excellencies,

It is an honor to participate in today's dialogue to present some of the transformative actions the ***Economic Commission for Latin America and the Caribbean*** is delivering for the acceleration of integrated SDG implementation. Policy and investment strategies with multiplier effects across the SDGs are especially urgent for a region where only 25% of the SDGs are set to be achieved by 2030, 48% require considerable acceleration and 27% are backsliding. This happens against a backdrop of deepening structural challenges of low growth, stagnant productivity, and high inequalities. ECLAC's deep dive on the state of SDG implementation and the six transitions in 10 countries of the region highlighted the lack of progress across the board on Goal 8 on decent work and economic growth, and Goal 2 on Zero Hunger, in particular.

Over the last decade, the region grew at only 0.8% per year, a worse performance than the 2% growth rate of the so-called "lost decade" of the 1980s. We are estimating only 1.7% of regional growth for this year and 1.5% for 2024. Job creation is experiencing a slowdown after the post-pandemic rebound, with employment growth rates at a historic low. Gender gaps in unemployment levels persist and informal labor rates remain high at 48%.

This is of special concern in a region where employment is the main source of household income. The regional poverty rate, standing at 32%, is still higher than the pre-pandemic level, and a high share of households are vulnerable to falling into poverty in the event of economic or environmental shocks.

Moreover, the impacts of climate change are increasingly threatening growth prospects. ECLAC recently conducted an analysis of six countries highly vulnerable to climate change impacts, revealing that growth levels by 2050 may be 9-12% lower due to climate shocks, requiring between 5 and 11 percentage points of GDP of additional investment, only to counter climate change losses.

To address these huge challenges, ECLAC is proposing a set of priority sectors for productive development policies that promote technological and productive transformation, including the energy transition and related industries, digital transformation, sustainable agriculture and the bioeconomy, trade in modern services, the Care Society, the circular economy, and the pharmaceutical and medical devices industries.

Allow me to share some examples of regional initiatives ECLAC is working on, to accelerate action in these transformative sectors:

Firstly, the countries of the region have made considerable progress in the implementation of SDG7 on clean and affordable energy and are also well-endowed to benefit from the global green energy transition. One example is the development of value chains and productive linkages of lithium. 52% of the reserves of this critical mineral are held in the region, which accounts for just over 30% of global production.

However, the region's participation in lithium battery value chains remains at the stages of extraction and processing, even though the region has manufacturing capacities in the automobile sector, thus the electrification of mobility and especially public transportation systems, presents opportunities for productive development, inclusion, and pollution reduction in cities.

In this vein, ECLAC established the Permanent Technical Dialogue Forum on Lithium Innovation, Technological Development, and Value Addition with Argentina, Bolivia and Chile, the so-called Lithium Triangle, to work with public and private entities on challenges and opportunities linked with lithium extraction, technological development, and value addition, and to enable regional cooperation on knowledge sharing, capacity building and discussions on new technologies and productive innovation.

Secondly, sustainable transitions cannot be complete without gender equality and the development of comprehensive care systems is essential. ECLAC's policy analysis and intergovernmental convening action, including through the Regional Conference on Women in Latin America and the Caribbean, is supporting the operationalization of the concept of the care society in policy making. ECLAC estimates that the economic value of unpaid household work reaches between 16 and 28% of GDP in the countries of the region, and on average 74% of the unpaid work is performed by women. The unequal distribution of the burden of care also hinders women's labor force participation, which in itself limits inclusion and opportunities for growth. To face this challenge, we are providing technical assistance to national and local governments on mapping and designing care services, and on related financing issues, in addition to leveraging the regional intergovernmental architecture to improve capacities on the measurement of time use and other gender equality indicators in national statistical systems, as well as in the formulation and monitoring of Care Society policies.

Thirdly, and concerning digital transformation, member States count on ECLAC's technical support to develop the ***Digital Agenda*** for the region (the current one is eLAC-2024) within the ***Ministerial Conference on the Information Society in Latin America and the Caribbean***, as well as in the ***Conference on Science, Innovation and Information and Communications Technologies***, two subsidiary bodies of ECLAC devoted to these issues.

Moreover, we are also supporting the region's digital transformation by enhancing countries' capacities to deal with the data revolution, in the framework of the ***Statistical Conference of the Americas***, another specialized subsidiary body of ECLAC. And this includes convening discussions on the use of private sector data for official statistics, as well as the recently launched CEPALGEO platform which seeks to strengthen geospatial information systems and skills in the region, providing access to methodological guidance as well as a broad catalogue of geographic layers and earth observation products.

Distinguished delegates,

Access to financing for development is vital to enable the investments required to boost the transformative sectors aligned with the key transitions. However, investment levels in Latin America and the Caribbean are persistently low, even when compared to other developing regions, reaching only 20% of GDP in 2022. Moreover, with already high levels of debt in many countries, the increasing cost of borrowing in financial markets places further pressures on fiscal space. Over the past ten years, the share of tax revenue devoted to debt servicing has increased in the region, in some cases reaching 25 to 30% of revenues and thus further limiting fiscal space for investments in sustainable development.

Despite this evidence, the predominantly middle-income countries of Latin America and the Caribbean have not benefited from multilateral efforts to address debt servicing. The graduation of most countries excludes them from the concessional eligibility criteria, and limits opportunities for international cooperation to accelerate the region's green and digital transformation and to invest in climate change resilience.

However, ECLAC redoubles its efforts and continues to convene regional intergovernmental platforms to promote solutions to the debt and financing challenges of the region, including the Regional Seminar on Fiscal Policy, which this year also featured a meeting of ministers and high-level authorities of finance.

Further, ECLAC serves as *Technical Secretariat* to the recently established *Regional Tax Cooperation Platform for Latin America and the Caribbean* under the pro tempore presidency of Colombia which fosters dialogue and knowledge sharing on international tax issues and is an example of regional cooperation to tackle the common challenges of fair and inclusive tax systems and revenue mobilization for sustainable development.

Distinguished Delegates,

ECLAC stands ready to support member States with its thought leadership, technical assistance and convening power in the preparations for the ***Summit of the Future***, particularly with regards to the reform of the international financial architecture. As highlighted in the Preparatory Ministerial Meeting, this Summit will open an opportunity to revitalize multilateralism and make it fit for purpose to accelerate SDG implementation. ECLAC remains at your disposal to promote integrated policy approaches for SDG acceleration and also to help link national, regional and global agendas to strengthen multilateralism and international cooperation.

Thank you.