



# Sustainable Development and CAPDR countries

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# Regional scenario affected by global threats

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New generation of global threats impacting Human Development and Human Security.

New complex of uncertainties that generate more insecurity, distrust, and polarization.

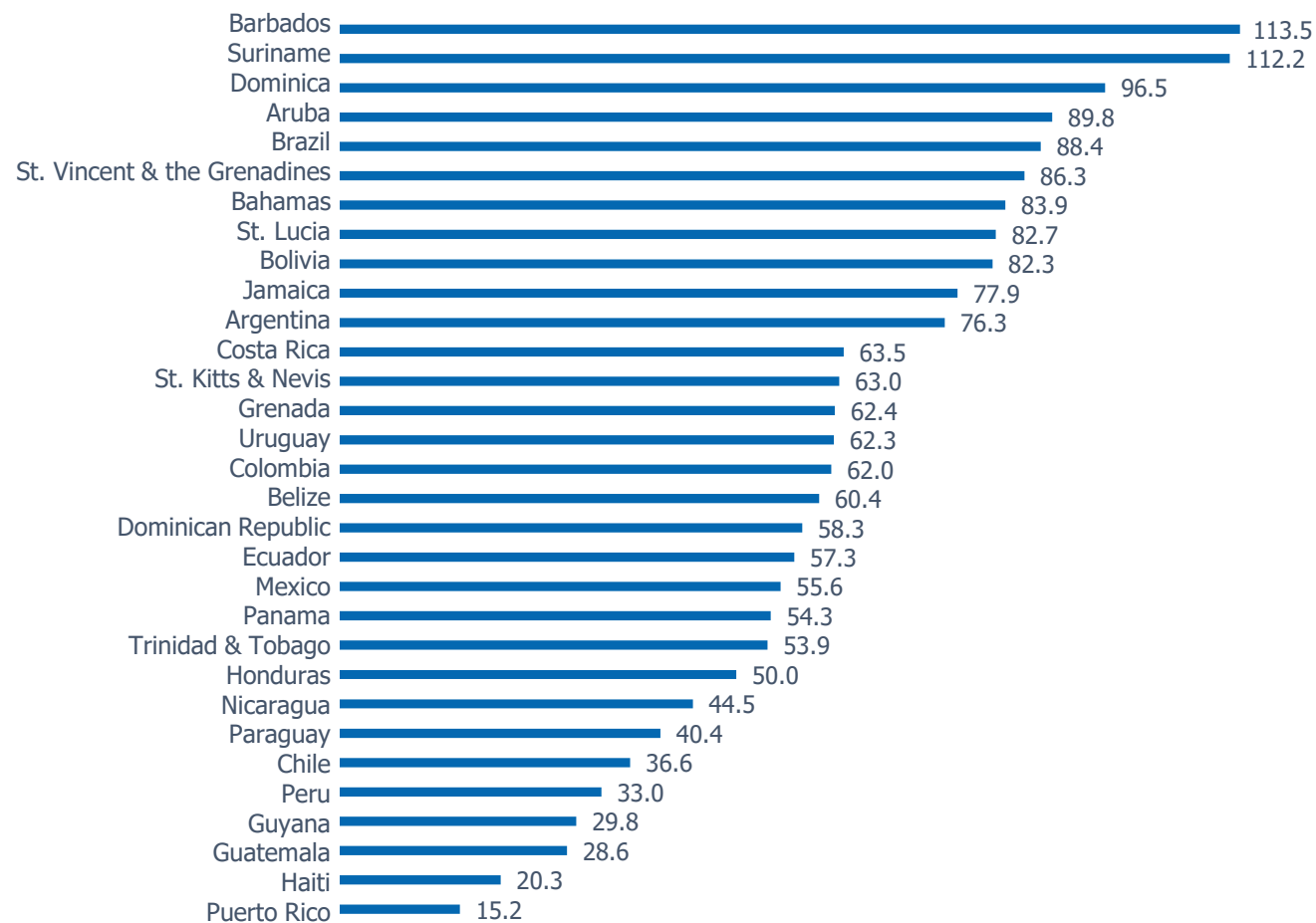


# Complex financial scenario

## High levels of public debt

19 LAC countries show a public debt above 60% of GDP, resulting into higher levels of vulnerability in the face of external shocks.

Public Debt LAC (% GDP), 2008 – 2022










Source: based on World Economic Outlook, IMF april 2023.

# Complex financial scenario

On average, regional countries accessed to rates that were 2,5 times higher than those accessed by the United States, and 5 times higher than Germany.

**Bond yields in Latin America and the Caribbean 2022 - 2023.**

Top 3	 Argentina	25.3
	 El Salvador	22.6
	 Ecuador	16.1
<b>Regional aggregate</b>	<b>Latin America and the Caribbean</b>	<b>7.7</b>
Bottom 3	 Peru	5.3
	 Chile	5.0
	 Uruguay	4.6
Reference point	 United States of America	3.1

Source: "A World of Debt", UN Global Crisis Response Group 2023.

# Complex financial scenario

In the region, developing countries destined more money to pay interests than to investing, transforming LAC into the region with the lower levels of public investment in the world.

## Countries in LAC spending more public resources on net interest than on education, investment or health (2019-2021)

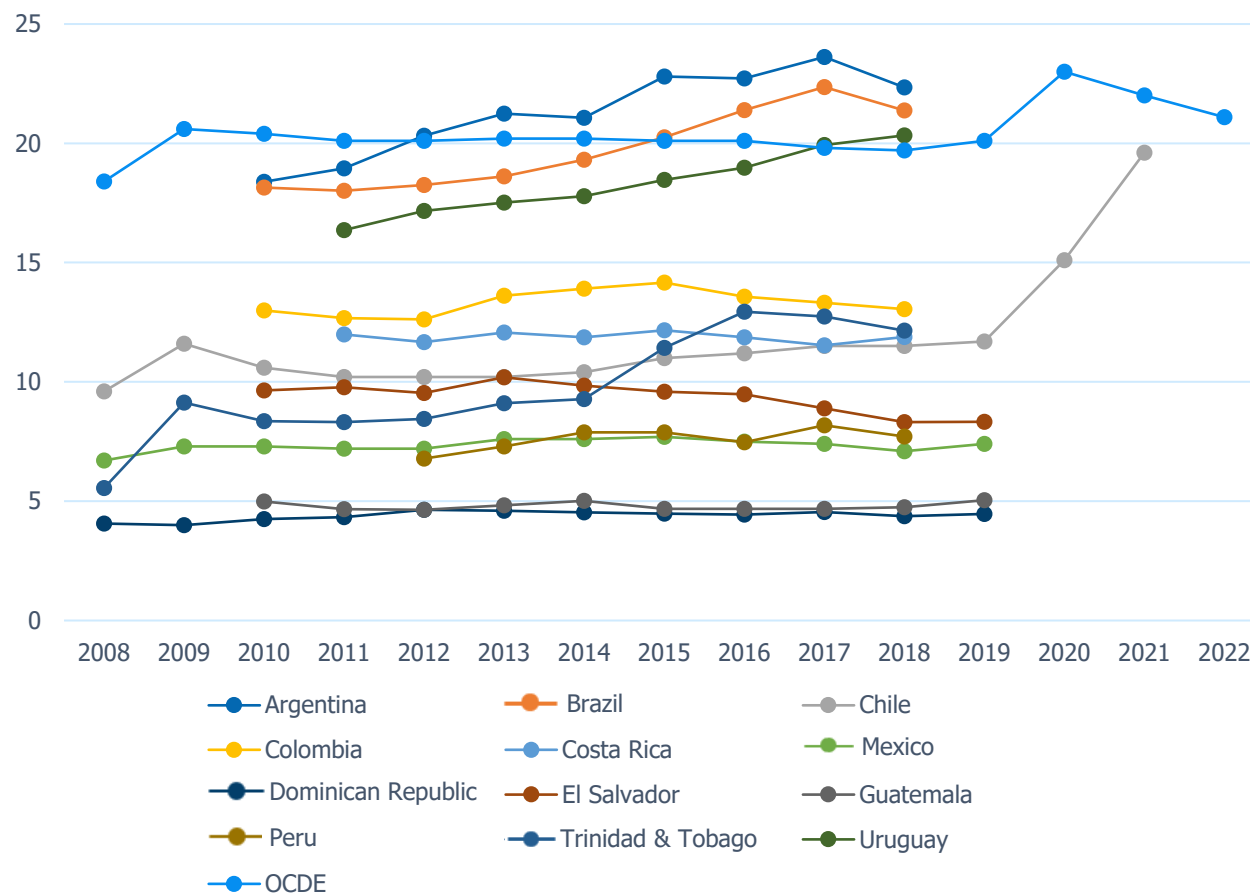
Public expenditure	Countries
Education	4
Health	7
Investment	10

"A World of Debt", UN Global Crisis Response Group 2023.

# Complex financial scenario

In most countries with available data, social expenditure was lower than the OECD average during 2008-2019.

Social Public Expenditure LAC (% GDP), 2008 – 2022



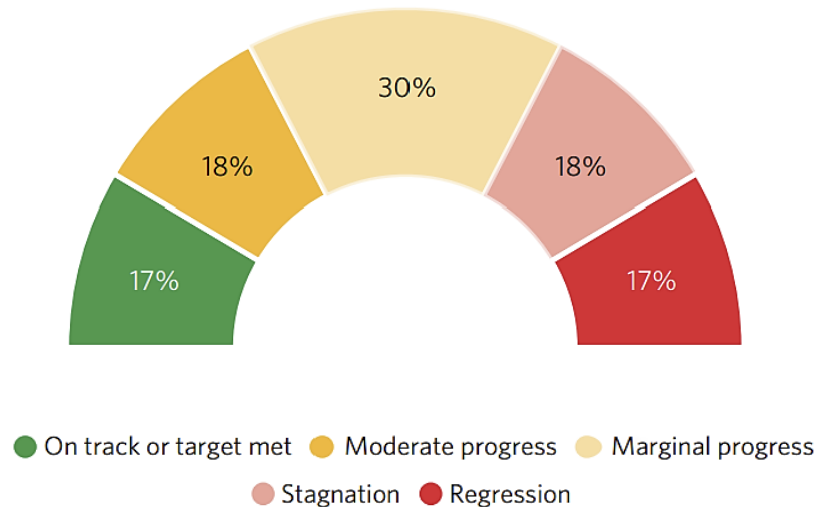
Note: estimated values for 2020-2022.

Source: CEPALSTAT, SOCX methodology, and OECD social expenditure data (SOCX) for Chile and Mexico.

# SDG Progress: severely off-track

Globally, only 17% of the targets are on track to be met.

Overall progress across targets based on 2015-2024 global aggregate data

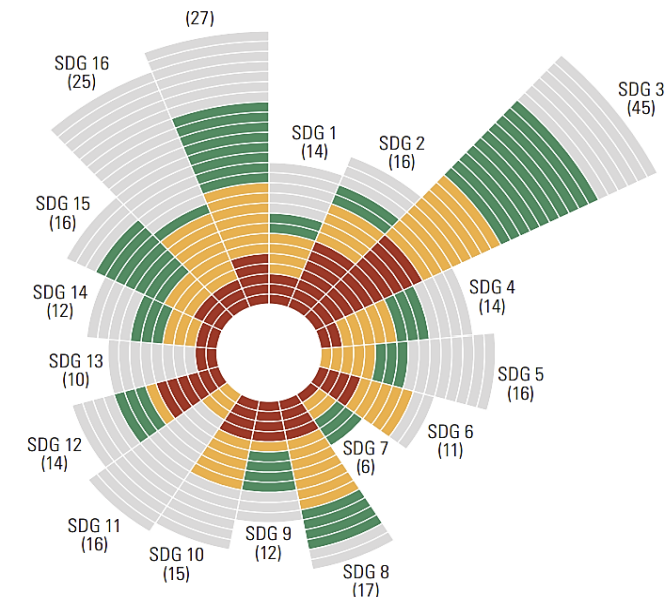


Source: The Sustainable Development Goals Report 2024.

While in the LAC region, this figure goes up to 22%.

LAC: SDG indicators, by likelihood of achieving the defined threshold by 2030

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



Source: ECLAC, 2024.

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

# Integrated SDG Insights Reports



## INTEGRATED SDG INSIGHTS REPORTS PUTTING FORWARD A TRANSFORMATIVE AMBITION AT THE SDG SUMMIT 2023

See:

- <https://sdgpush.undp.org/>
- <https://sdgpush-insights.undp.org/>



## 3 global emerging patterns:

1. Countries are focused on growth, sometimes at any cost.
2. Fiscal and financial limitations are shaping policy choices.
3. Choosing policy packages instead of one-size-fits-all solutions.

# Integrated SDG Insights Reports: Regional Messages

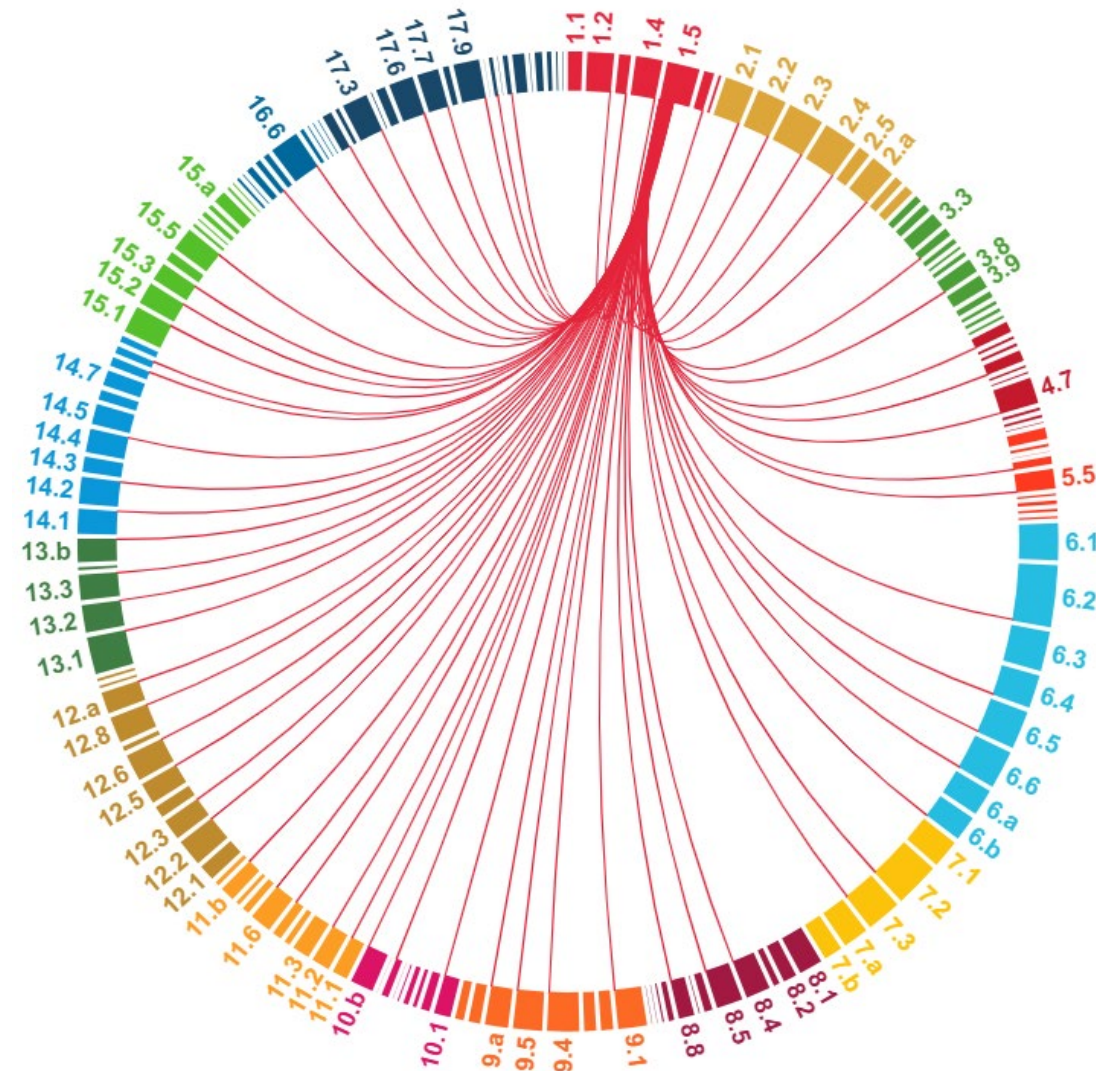


## Building resilience for the poor and vulnerable drives poverty reduction, sustainable growth and climate protection

Diversified economies spur economic growth, sustainability and well-being

Achieving economic growth and moving beyond the traditional trade-off between growth, poverty reduction, and environmental sustainability is paramount to sustainable development

Inclusive decision-making enhances sustainable development by aligning policies with people's needs and aspirations



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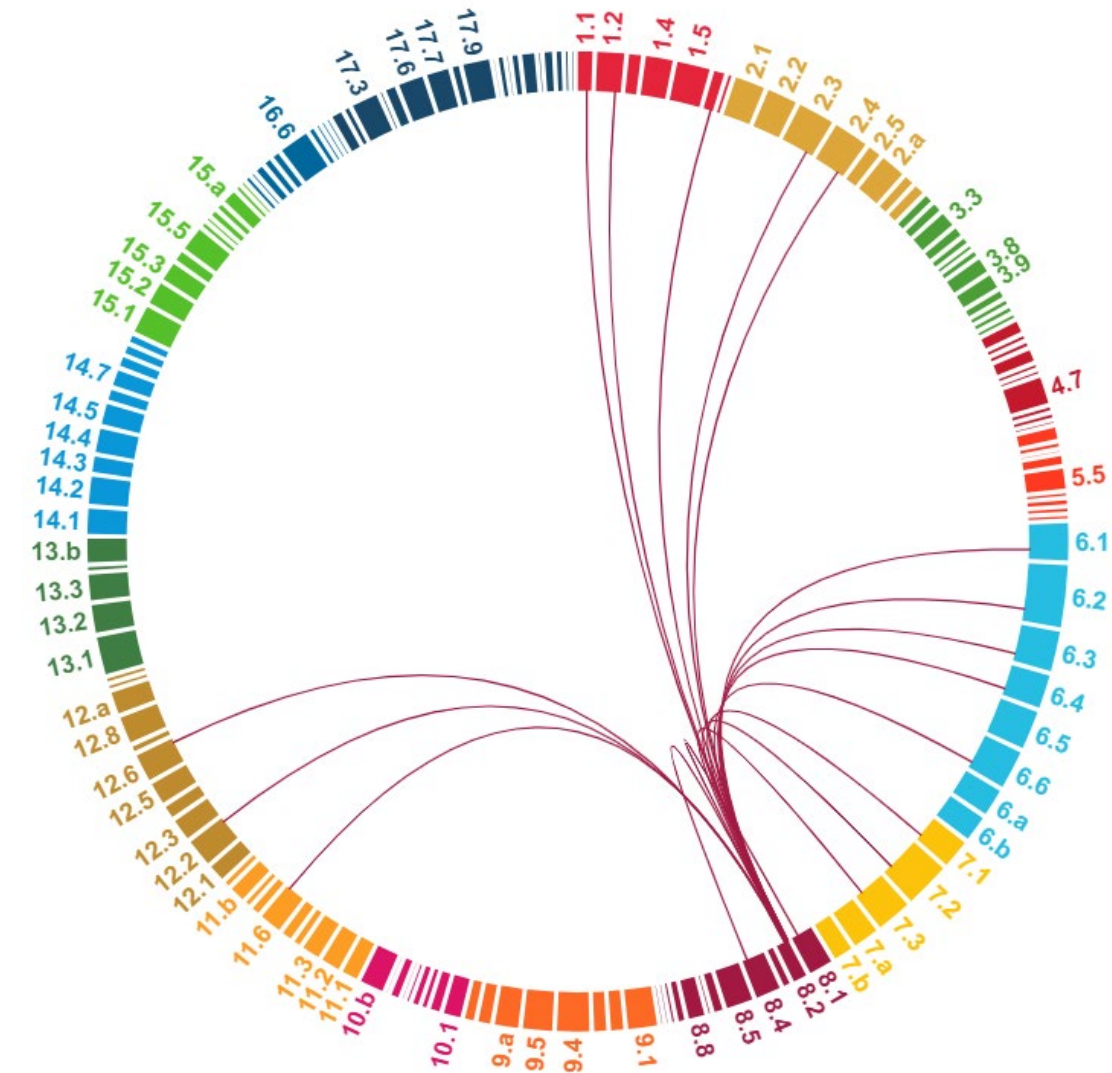


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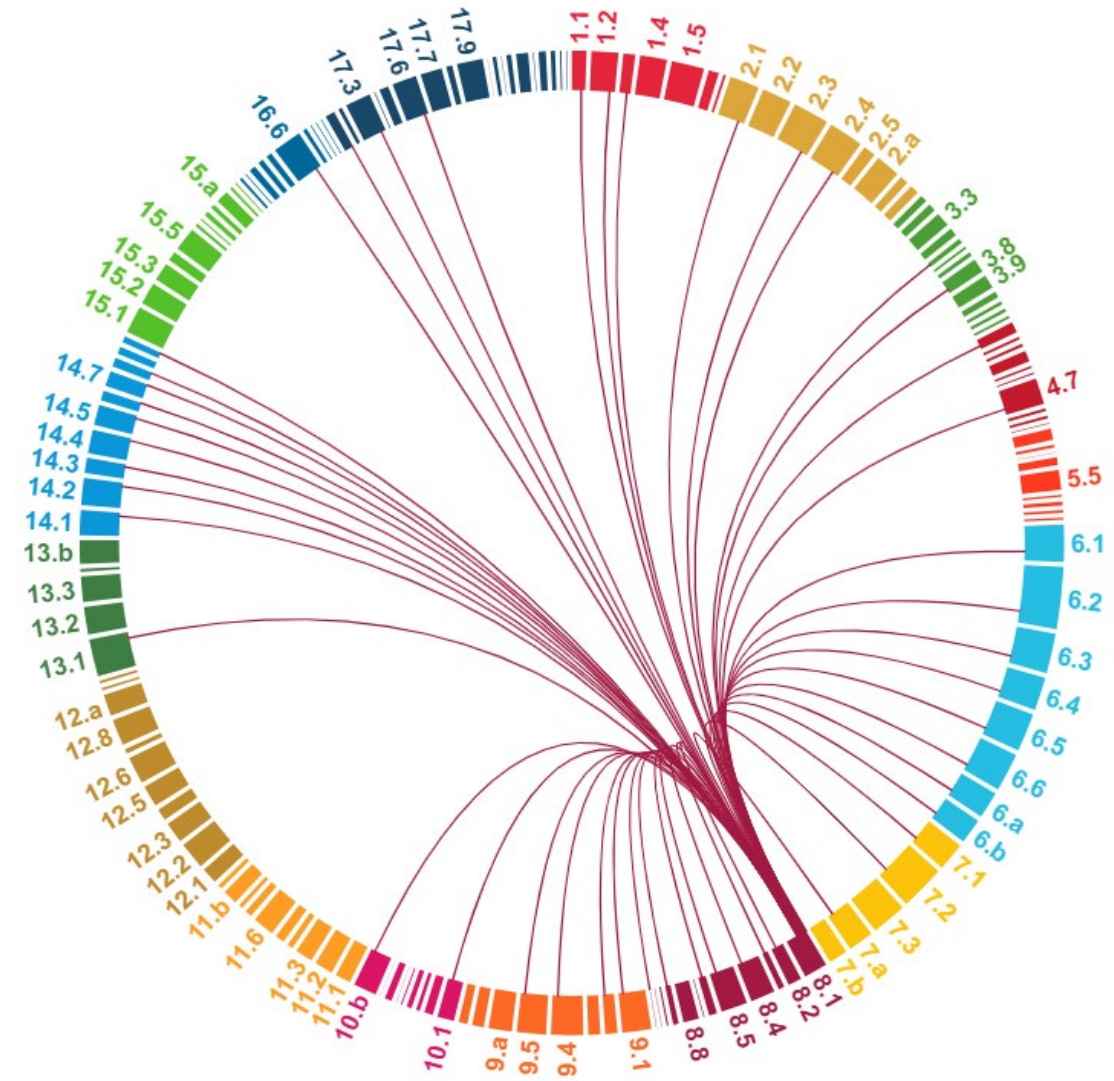


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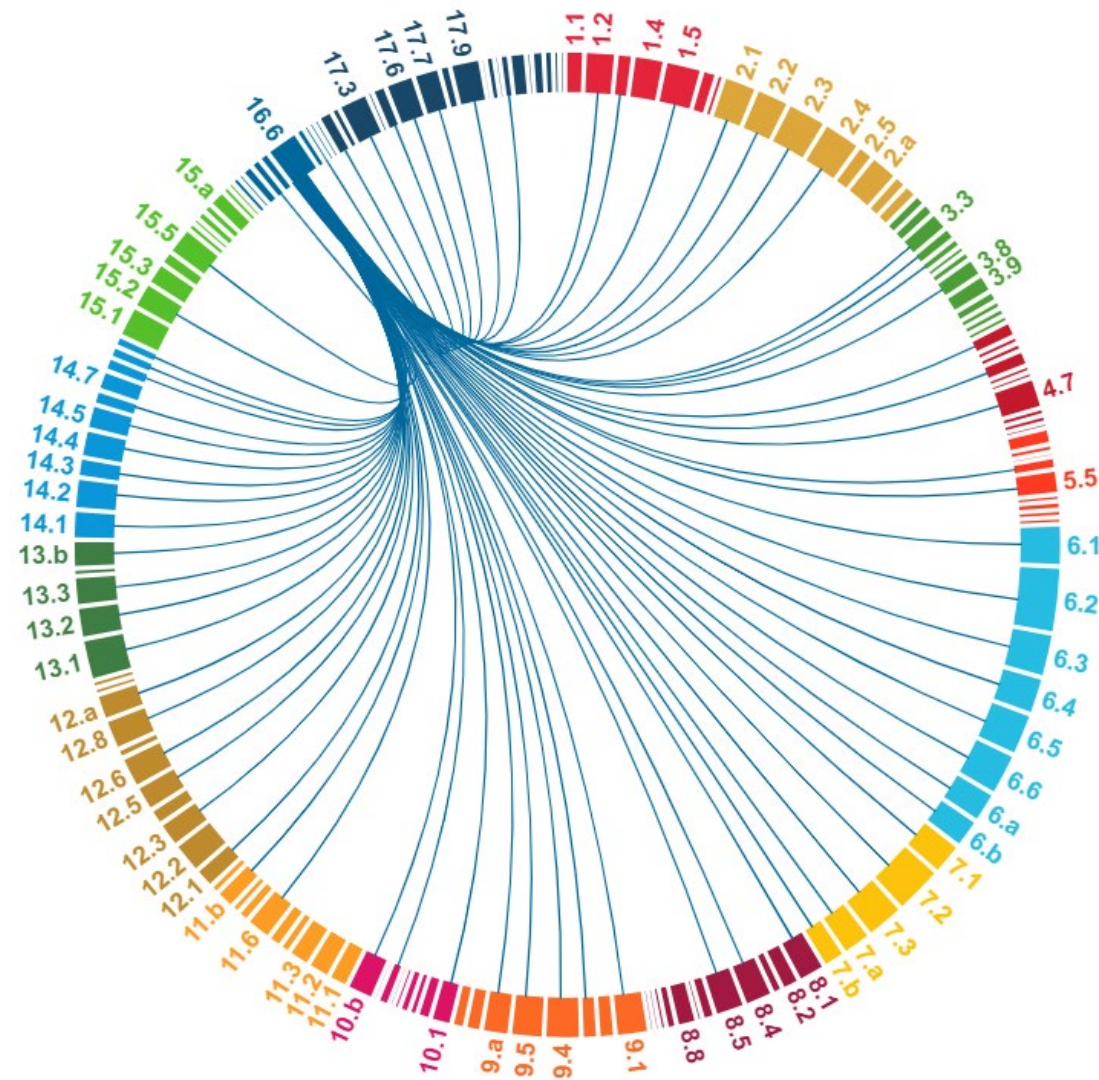


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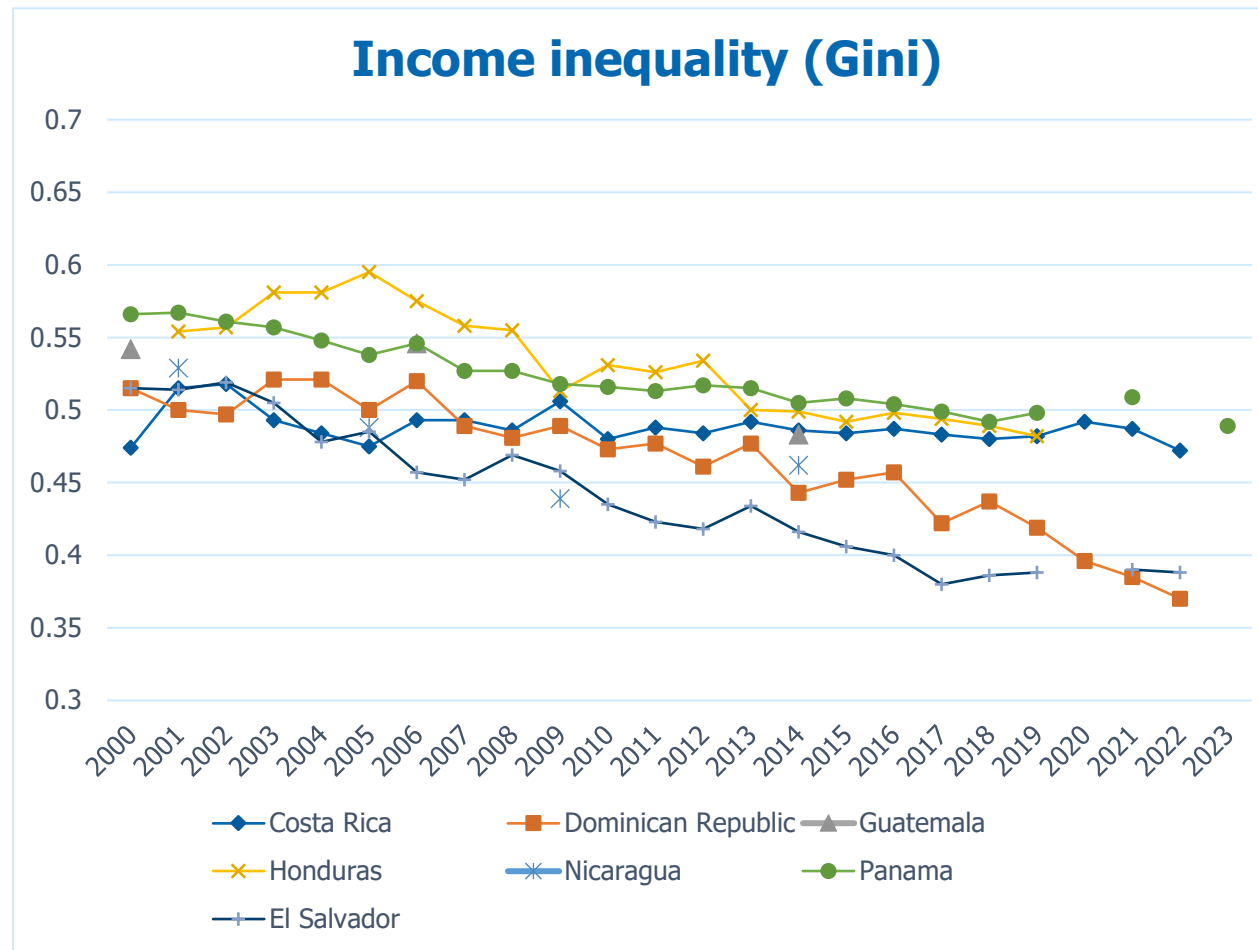
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**Developing effective, accountable and transparent institutions while promoting inclusive decision-making enhances sustainable development**



# Inequality in CAPDR countries

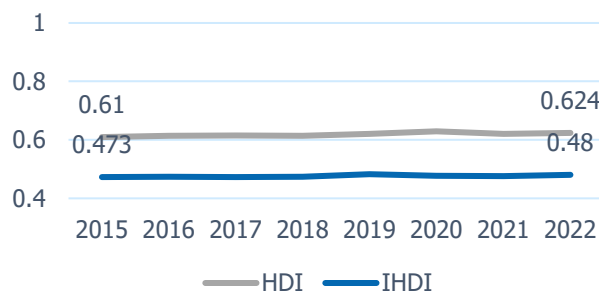


Source: World Bank, Poverty and Inequality Platform.

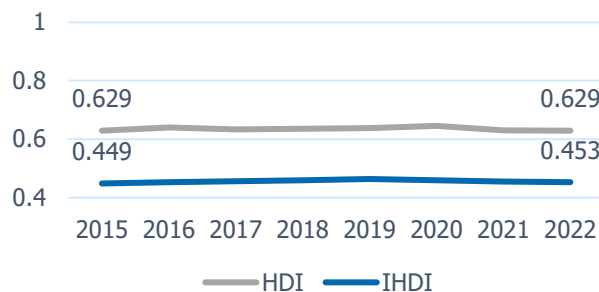
Notes: There are only three data points for Guatemala (2000, 2006 and 2014), and four for Nicaragua (2001, 2005, 2009, 2014).

# Inequality in CAPDR countries

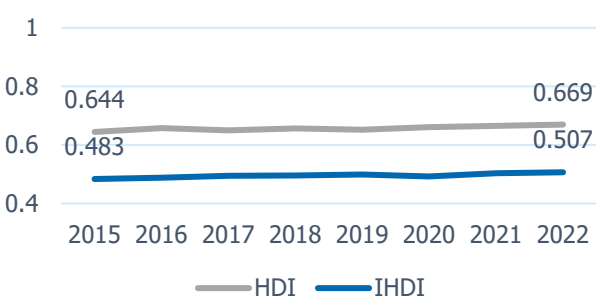
## Honduras



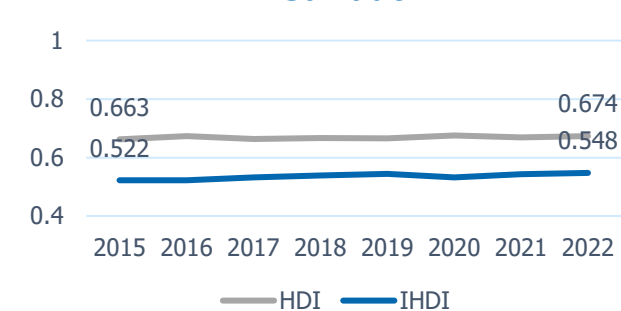
## Guatemala



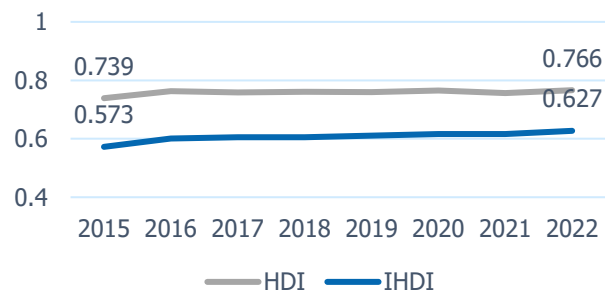
## Nicaragua



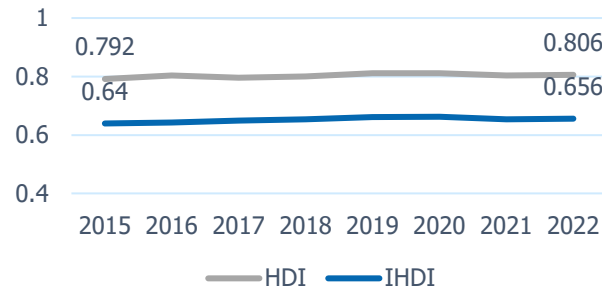
## El Salvador



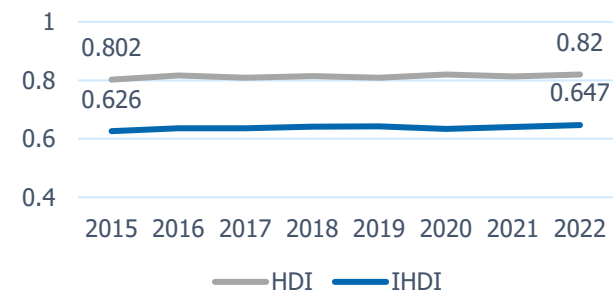
## Dominican Republic



## Costa Rica



## Panama



Source: Human Development Report 2023/2024, Composite Indices and Components Time Series (1990-2022).

# Main development challenges for CAPDR countries



## **I. Economic Stability**

Many CAPDR countries face economic instability due to high levels of debt and limited access to affordable financing, hindering their ability to invest in critical infrastructure and social programs.

## **II. Social Inequality**

Social inequalities, including disparities in income, education and health, remain to be significant challenges.



# Main development challenges for CAPDR countries



## **III. The Triple Planetary Crisis**

The region is highly vulnerable to climate change, pollution and biodiversity loss. Extreme weather events are becoming more frequent and severe, leading to significant economic and social disruptions. Pollution poses a major threat to both human health and the environment. Deforestation and overexploitation of natural resources are affecting ecosystem services.

# Main development challenges for CAPDR countries



## **IV. Governance and Institutional Capacity**

Weak governance structures and limited institutional capacities impede effective policy implementation and public service delivery.

## **V. Security and Violence**

High levels of crime and violence, particularly related to organized crime, pose significant challenges to development and social stability.

# Integrated Solutions for Complex Development Challenges



Addressing these challenges requires coordinated efforts and innovative solutions to foster sustainable development and to leave no one behind.

