



NACIONES UNIDAS
UNITED NATIONS



**UNITED NATIONS
ECONOMIC COMMISSION
FOR LATIN AMERICA
AND THE CARIBBEAN
(ECLAC)**

**Statement By
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Executive Secretary
to the Ministerial Meeting of the Group of 24
October 17, 2019
Washington, D.C.**

After a sustained slowdown over the past five years, economic growth in Latin America and the Caribbean is expected to continue its downward trajectory during 2019, with a projected rate of 0.5%. Unlike previous years, 2019 will see a general slowdown that will affect 21 of the 33 countries of the region. On the domestic front, low growth rates are the result of poor investment and export performances and of a fall in public spending. At the same time, private consumption has also slowed. The shrinking fiscal space available to the countries of the region and the difficulties that some of them face in maintaining expansive monetary policies have reduced the room for maneuver through macroeconomic policy. The poor economic performance is reflected in a deterioration of the labor market, with an increase in informal employment and an urban unemployment rate of around 9.3%.

Of concern, especially amid low economic growth, demographic changes, and the transformation of the world of work, are the core challenges of ending poverty and reducing inequality. Although the region made major strides in this regard between the early 2000s and the mid-2010s, setbacks have occurred since 2015, including increased incidence of extreme poverty. In 2017, there were 184 million people in situations of poverty in Latin America, equivalent to 30.2% of the population, of whom 62 million (10.2% of the population) found themselves in situations of extreme poverty.

The economic performance of the region is also affected, in part, by a concurrent weakening of the world economy and by strong international headwinds, characterized by trade tensions between large world economies and by increased policy uncertainty. All this is aggravated by formidable challenges to the multilateral system, an increase in geopolitical tensions, an alarming landscape in terms of the degradation of ecosystems and climate change, and numerous other challenges linked to international migration, demographic changes, and the effects of the Fourth Industrial Revolution on the world of work and other spheres of life.

In this scenario, the implementation of the 2030 Agenda, which offers a roadmap for greater cooperation to correct asymmetries and set the foundations for an open, sustainable, and stable multilateral system, becomes increasingly urgent. This will require a new multilateralism that strengthens confidence in international cooperation and collective action for the provision of global and regional public goods, and for increasing resilience in face of financial, trade and technological shocks. A new multilateralism is also needed to universalize welfare states, protect the rights of minorities, and to shore up the capacities for deliberation, transparency and informed debate of all citizens.

The countries of Latin America and the Caribbean are strongly committed to the 2030 Agenda and its 17 Sustainable Development Goals (SDGs). Nearly four years after its approval, 29 of the 33 countries of the region now have institutional mechanisms for the coordination and monitoring of the 2030 Agenda at the national level, grounded in legal instruments that define the scope and objectives of this work. While important advances in the implementation of the SDGs have taken place, progress is mixed. While some targets have already been reached, such as reducing the under-five mortality rate to at least as low as 25 per 1,000 live births, recent estimates suggest other targets will be difficult to attain, including ending extreme poverty.

The persistence of poverty, structural inequalities, the deficit of decent work and social protection, and insufficient social investment are some of the obstacles that are keeping the region from achieving inclusive social development and advancing the implementation of the 2030 Agenda. Emerging challenges include increasing exposure to disasters and the effects of climate change, as well as migration.

More than 385 climate-related disasters have been recorded in the Caribbean since 1990. Since 2000, at least eight disasters have had an annual cost of between 33% and 200% of GDP in the affected countries. Annual losses due to ever more catastrophic climate events are estimated at US\$ 3 billion. In addition, several countries rank among the most highly indebted in the world. In 2018, the average Caribbean debt was 70.5% of GDP.

To address Caribbean countries' vulnerability to climate change and natural disasters in a context of heavy debt burden, ECLAC has proposed the Debt for Climate Adaptation Swap Initiative, which links debt relief to investment in sustainable development and goes beyond a traditional debt restructuring. The Initiative offers a strategy to provide fiscal space and relief to economies overburdened by public debt and debt servicing costs, while at the same time directing increased resources towards investment in climate adaptation projects and green industries to build resilience.

A reduction in the debt-to-GDP ratio of at least 12.2 percentage points in three pilot countries – Antigua and Barbuda, Saint Lucia, and Saint Vincent and the Grenadines – would generate at least one percentage point of GDP growth in each country, according to our estimates. A 1% increase in GDP growth would take the weighed average growth rate of these three countries to levels seen prior to the global financial crisis.

Of note, as well, is the Comprehensive Development Plan, adhered by El Salvador, Guatemala, Honduras and Mexico. The Plan's objective is to create a space for sustainable development and local opportunities to improve the population's quality of life, with a comprehensive vision that addresses the migratory cycle and enables migration to be an option rather than an obligation. To that end, the Plan contemplates diverse proposals organized around four strategic pillars: economic development; social well-being; environmental sustainability and adaptation to climate change; and comprehensive management of the migratory cycle.

In the framework of the 74th session of the United Nations General Assembly, representatives of the four governments reiterated their commitment to continue working to establish their development priorities and to produce a portfolio of initiatives and projects with the support of ECLAC and the United Nations System. The complementarity between the objectives of the Comprehensive Development Plan and fulfilling the 2030 Agenda and its 17 SDGs was stressed.

The countries of Latin America and the Caribbean face the great challenge of seeking a new model of development based on equality, dual social and labor inclusion, eradication of poverty, environmental sustainability and economic growth. Against this background, I look forward to deepening the collaboration between ECLAC and the G-24 in the effort to find solutions to our collective challenges and to advance the implementation of the 2030 Agenda for Sustainable Development.