Contributions from ECLAC

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2018 ECOSOC Integration Segment: "Innovative communities: leveraging technology and innovation to build sustainable and resilient societies"

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Template for contributions from UN agencies to the 2018 Integration Segment

a) What is your assessment regarding the **main risks** faced by your membership, currently and in the next 10 years?

In the countries of Latin America and the Caribbean the main risks related to sustainability and resilience are the following:

Risks related to persistent inequality

The last decade and a half in Latin America has been the exception to the global trend of rising inequality. However, the trend towards the reduction of inequality has significantly slowed down in recent years. Between 2002 and 2008, the simple average of the region's Gini indices was reduced at a rate of 1.5% per year; between 2008 and 2014, the reduction was 0.7% per year. Between 2014 and 2016, on average inequality was reduced by only 0.4% per year.

Moreover, income gaps are still very wide. The income captured by the richest quintile (quintile V) represents around 45% of household income, while the average income of the lowest income quintile (quintile I) is just 6% of total income. In turn, the income of the richest 10% of the population is approximately equal to the income of the first three quintiles, which cover 60% of the population. Comparing the income capture of the richest also confirms the high levels of inequality prevailing in region. In Brazil, Chile, Colombia, Ecuador and Mexico, more than 20% of total income went to the richest 1%, while in most developed countries (except the United States) this figure was not more than 15%.

With regards to poverty, in 2016 the number of poor people in Latin America reached 186 million, that is, 30.7% of the population, while extreme poverty affected 10% of the population, an equivalent figure to 61 million people. Between 2002 and 2014, poverty and extreme poverty fell sharply, albeit at a diminishing pace. In 2015 and 2016 the figures reveal an increase in regional levels, although they continued to decline in most countries.

Inequality is also affected by gender, racial and ethnic factors, which cross-cut and cross-fertilize each other both in terms of income, wealth and social inequality.

ECLAC proposes a virtuous relationship between universal social protection and economic growth. Social protection should play a central role alongside economic and environmental policies in spurring economic growth and structural change in the productive sector. Moreover, poorly designed tax systems, tax evasion and tax avoidance are costing Latin America billions of

dollars in unpaid tax revenues —revenues which could and should be invested in tackling poverty and inequality.

The region's tax systems and public social spending are less effective than those in the developed world at improving the distribution of disposable income. In Latin America, the Gini coefficient falls only 3 percentage points as a result of direct fiscal action, whereas the public provision of education and health services would reduce it by an additional 6 percentage points. In comparison, in the OECD economies, the joint redistributive effect of monetary transfers and personal income tax reaches average rates of around 17 percentage points in the Gini coefficient, while redistribution through public spending accounts for 7 percentage points.

Risks related to the impacts of climate change

Resilience to the effects of climate change is a key challenge for the region with specific vulnerabilities in the highly indebted Small Island Developing States (SIDS) of the Caribbean. Latin America and the Caribbean is highly vulnerable to natural disasters and owing to the effects of climate change, the intensity of climate related disasters is projected to increase, making climate change adaptation and disaster risk resilience key areas of concern across the region. Historical data from the economic evaluation of 88 natural disasters conducted by ECLAC between 1972 and 2010 could be taken as evidence of magnitude of future impacts (Bello et al., 2014). A total of 88 events (climatic, geological, biological and mixed) were evaluated and 70 of them were weather -related (ENSO phenomenon, hurricanes and storms, episodes of extreme precipitation and droughts), 44% in Central America, 33% in the Caribbean and 22% in South America. The total cost of those events was estimated at 106.4 billion dollars and 74% of that amount were costs related to the agriculture and forestry sector (80% of damages and 63% of losses).

Central America and the Caribbean are especially vulnerable and in the case of the latter, the economic and institutional conditions of SIDS pose specific challenges. Between 1990 and 2017 there were 345 climate related disasters in the Caribbean. The impact of these disasters constitutes a considerable burden for these economies, including the need to reallocate budgets towards post-disaster reconstruction instead of much needed investment into other sectors of sustainable development.

Policies for sustainable agriculture also play a key role in the region's efforts for climate change mitigation and resilience. On the one hand, agriculture and rural areas are already highly affected by climate change and this is expected to intensify. One the other, agriculture is an important source of GHG emissions: globally it represents around 13% of GHGs and in the case of Latin America and the Caribbean it reaches, on average, 21%, with important differences among countries, depending on the relative importance of different economic activities (IPCC, 2014). Agriculture, land use change (often related to the expansion of agriculture) and forestry account for a large share of GHG emissions in most LAC countries. Therefore, in the region policies focused on sustainable agriculture are essential for climate action.

Reductions in productivity could compromise food security in very poor rural areas that currently depend heavily on agriculture, such as the Northeast of Brazil, the Andean zones and Central America. In Central America a very important reduction in the productivity of corn, beans and rice is expected; these staple crops are central for food security in the subregion's countries. There

is growing concern that climate change will increasingly drive national and international migration flows, owing to the effects of climate shocks on agriculture, productivity and rural livelihoods.

Risks related to high inequalities in urban areas

Latin America and the Caribbean is the most urbanized developing region with 79.5% of its population living in cities in 2014 (United Nations 2014). This overall figure masks a level of heterogeneity between countries and subregions with 83% of South America's population living in cities as compared with 73% in Central America and 70% in the Caribbean. Unlike in other developing regions, rapid rural-urban migration is no longer the main driving force of urbanization. Population growth and the changing demographic structure of populations already settled in cities and increasingly migration between cities are the emerging urban demographic dynamics for the region. Four of the world's 20 largest metropolitan areas are in Latin America, including Mexico City, São Paulo, Rio de Janeiro and Buenos Aires. However, the share of the region's population living in megacities and large cities is set to plateau towards 2030, with mid-sized cities registering higher growth. Many of these are interlinked with existing metropolitan systems, calling for territorial approaches and stronger metropolitan coordination and governance systems as a cornerstone of urban resilience strategies.

The region's cities are characterized by high levels of inequality, expressed in terms of income inequality and high levels of socioeconomic residential segregation producing gaps in the quality of public services and urban mobility access, in addition to the quality of housing, public spaces, and security. In accordance with national trends, urban poverty and inequality improved in recent decades. However, this trend has reversed in the most recent period. According to ECLAC's figures (2017) since 2014 urban poverty and extreme poverty is on the rise again, affecting, respectively 24,3% and 7,2%, of Latin America's urban population in 2016. According to UN Habitat (2014) 21% of region's urban population continue to live in slums, despite improvements in recent decades, including advances in slum-upgrading. As extreme weather events intensify with the effects of climate change, the exposure of informal settlements to disaster risk are also likely to become more severe. Addressing inequalities both through social policy tools and urban planning, in addition to policies for affordable urban land and housing access is essential for building urban resilience.

Risks related to changing demographic structures

The region is undergoing demographic transition characterized by declining fertility rates and increasing life expectancy. In the last 50 years the total fertility rate in Latin America and the Caribbean has decreased from about 5.56 children per woman to about 2.14 children per woman (just above the replacement level). At the same time, life expectancy in the region has increased steadily, from about 59 years to nearly 75 years, owing primarily to the decline in infant and child mortality. Although the region's population is expected to continue growing well into the present century, peaking at nearly 800 million around 2060, the combination of a sharp decline in fertility and a steady increase in life expectancy is not only reducing the rates of population growth but also, and more importantly, changing its age structure.

Responding to the effects of demographic change involves a wide range of policies, which include those aimed at broadening opportunities in relation to the education and employment of young persons, social security, pensions and health, as well as creating a public care system and adapting fiscal policies to achieve balanced intergenerational transfers. These policies call for a comprehensive and long-term approach that takes demographic trends into account, incorporates a life-cycle, gender and rights perspective, and gives due consideration to interculturalism and intergenerational processes in line with national contexts.

In addition to population ageing, international migration also plays a key role in the demographic dynamics of the region. The number of Latin Americans living in the United States, Europe and countries within the region other than their country of birth remains very large. In many countries the proportion of emigrants to resident nationals is very high: nearly 50% in Guyana and between 20% and 30% in Jamaica, Trinidad and Tobago and El Salvador. The migration of such large volumes of the population has a significant demographic impact: it changes population size in origin and destination countries and, given its selectivity, it affects the gender and age structure, generally reducing the economically active population and the duration of the demographic dividend in countries of origin. It also has economic and social effects on labour supply, demand for goods and services, poverty levels, education levels and the social and cultural environment in countries of origin and destination.

Risks related to economic stagnation and low levels of regional trade integration

Latin America and the Caribbean has reacted to a complex global trade scenario by intensifying its ties with partners outside the region, especially with China and other Asian economies, as highlighted by the recent signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). However, reinvigorating integration and trade with partners within the region has additional advantages, owing to its potential to integrate small and medium-sized enterprises in value and export chains. Further, the great potential of a regional market with more than 630 million people remains underexploited. Although there are examples of progress, such as recent agreements within MERCOSUR to define common systems for foreign investment (April 2017), and for public procurement (December 2017), the region has a long way to go to deepen its economic integration.

Intraregional trade continues to be very low in international comparison, representing only 17% of Latin America's total exports. This can be explained by the region's vast size, covering more than 20 million square kilometers with considerable geographical barriers; by deficient transportation infrastructure; overlapping natural resource endowments in many South American countries; and the gravitational pull of the United States economy on Mexico and Central America. The considerable fragmentation of regional markets and integration processes further aggravate these difficulties. Several integration agreements coexist, each with its own rules on issues ranging from production standards to public procurement and foreign direct investment. The integration schemes still lack measures to favor the intraregional mobility of people and their skills, in addition to their insertion in labor markets from one country to another. These regulatory discrepancies impose high costs on companies, especially the small and medium-sized enterprises that export or invest in regional markets. They also hinder the development of regional value chains.

Latin America would strongly benefit from diversifying its trade partners within the region and from strengthening initiatives for trade facilitation and for the development of regional digital

markets. In this sense, the convergence between MERCOSUR and the Pacific Alliance is a positive development. 80% of Latin America's exports originate in South America, with a high share of basic products with limited value added in regional exports. Therefore, it is also important to address complementarities between countries, and strengthen capacities to add value to economic activities by incorporating greater levels of knowledge and technology.

b) What are the **highlights** of your Office's current work in terms of leveraging technology and innovation to build more sustainable and resilient societies?

The Conference on Science, Innovation and Information and Communications Technologies and the Regional Conference on Information Society in Latin America and the Caribbean

In the context of the meetings of its Subsidiary Bodies[1] at the thematic level, ECLAC provides regional inter-governmental platforms for policy dialogue, as well as analytical and normative frameworks to the countries of the region on a wide array of topics related to sustainable development in the framework of the 2030 Agenda and the SDGs. Through these intergovernmental processes, ECLAC also provides technical secretariat services for the adoption of outcomes by member States facilitating country appropriation. Similarly, ECLAC provides technical cooperation to Countries in implementing and following-up on these outcomes.

The development of science, technology and innovation is essential for the achievement of the 2030 Agenda for Sustainable Development and its 17 goals, specifically through access to knowledge, the promotion of health, food security, the use of renewable energies, the mitigation of climate change and the generation of high-quality employment capable of ensuring real gains in workers' incomes. In this respect, the Conference on Science, Innovation and Information and Communications Technologies, for which ECLAC acts as technical secretariat, responds to the need for a permanent forum for policy dialogue and technical discussions at the highest level on science, innovation and information and communications technologies (ICTs). The Conference's goal is to coordinate actions and share knowledge to boost the quality and the effectiveness of these policies, and to strengthen the role of science and technology as crucial instruments of structural reform, production diversification and the to fuel the modernization and competitiveness of the economies of Latin American and Caribbean countries.

Additionally, ECLAC also acts as the technical secretariat of the Regional Conference on Information Society in Latin America and the Caribbean which facilitates the follow-up to the Regional Digital Agenda for Latin America and the Caribbean (eLAC2018). The mission of the Digital Agenda is to develop a digital ecosystem that builds on a regional process for integration and cooperation that favors policies underpinning a society based on knowledge, inclusion, equity, innovation and environmental sustainability.

The priorities presented below, consolidate a set of regionally-focused actions designed to act on critical factors that condition digital development, such as institutional and regulatory frameworks,

[1] ECLAC's Subsidiary Bodies are: Regional Conference on Women in Latin America and the Caribbean; Caribbean Development and Cooperation Committee; Regional Council for Planning; Statistical Conference of the Americas; Regional Conference on Population and Development in Latin America and the Caribbean; Conference on Science, Innovation and Information and Communications Technologies; Committee on South-South Cooperation; and Regional Conference on Social Development in Latin America and the Caribbean.

broadband deployment, capacity-building and content and application development. This agenda sets out 23 interdependent and complementary objectives that will produce mutually reinforcing results, mapped into five areas of action: (i) access and infrastructure; (ii) digital economy, innovation and competitiveness; (iii) e-government and citizenship; (iv) sustainable development and inclusion; and (v) governance.

ECLAC is also devoting increased focus on the digital economy as a means of transitioning towards more knowledge-intensive and high productivity areas of economic activity. Digitalization in different sectors, from production to urban infrastructure is an essential part of ECLAC's proposal for a Big Green Push, defined as set of coherent investments that promote high productivity economic activities which address challenges related to sustainability and inequality.

c) Please provide an assessment of **resilience gaps**, or vulnerabilities, and areas requiring urgent attention within the context of the work of your Office and pertaining to building more sustainable and resilient societies for the advancement of the 2030 Agenda.

Capacity for climate resilience in highly indebted SIDS

Caribbean countries are among the most highly indebted in the world. In 2015, four of the twenty-five most indebted countries in the world (by gross public debt to GDP ratio) were Caribbean – Antigua and Barbuda, Barbados, Grenada and Jamaica. As at the end of 2015, the Caribbean's total debt burden stood at US$52 billion, or just over 70 percent of subregional GDP. Moreover, nearly all Caribbean SIDS are classified as upper middle and high-income countries, and this has effectively disqualified them from consideration for concessionary financing.

A major underlying factor of Caribbean debt accumulation is the subregion's high degree of openness. Caribbean economies have high economic openness ratios, leaving them very exposed to negative shocks from the international economy. Moreover, Caribbean exports are highly concentrated in either the tourism sector or few primary products, both of which are exported to a few main markets, making their economies extremely vulnerable to changes in commodity prices and fluctuating demand in major export markets. Not surprisingly therefore, debt decomposition results suggest that unanticipated shocks were significant reason for debt accumulation. This supports ECLAC's view that the Caribbean's high debt dilemma has its roots in negative external shocks, arising from structural weaknesses and limited capacity to employ countervailing measures, as well as from environmental shocks and the impact of natural disasters.

It is important to address the Caribbean's debt dilemma in a sustainable manner while fostering structural change and economic diversification. To do so ECLAC proposes a shift to a modality that not only addresses the issue of high debt but also focuses on the development of areas that will enhance growth rather than achieve mere stabilization. The subregion's debt burden and its scope for growth are closely linked with the occurrence of climate related natural disasters. This is why the notion of a debt-for-climate adaptation swap as suggested by ECLAC serves as a useful building block in the construct of a viable solution to the Caribbean's debt problem

d) Please share the most important **challenges and opportunities**, as well as valuable **lessons learned**, your Office has encountered in supporting the advancement of the 2030 Agenda through the use of technology and innovation to strengthen resilience and inclusion in an integrated manner.

Technology, diversification, reduction of inequalities and economic integration are key challenges but also opportunities for implementing the 2030 Agenda and strengthening resilience and inclusion

Without building endogenous capacities in new technologies, it will be impossible to reduce vulnerabilities. Changes in international rules will not reduce the region's vulnerability unless accompanied by a major local effort to reduce the gap in technological capabilities. The environmental and social inclusion pillars should be based on the incorporation, adaptation and development of incremental innovations in new technologies. The region's indices for education, R&D and patents are incompatible with the goal of generating more productive and better-quality jobs and rising economic dynamism.

There is scope for Latin America and the Caribbean to make rapid progress in these areas. The region has the capacity to develop its own renewable energy technology, geothermal energy being an example, and to design and produce cargo and passenger vehicles powered by renewable energies. Some countries have already demonstrated the viability of a change in the energy mix, as is happening in the electricity sector in Brazil, Chile, Costa Rica, Ecuador, Mexico and Uruguay. There are also numerous examples to follow outside the region, such as the development of high-speed electric trains and electrified urban public transport. In addition to having a smaller environmental footprint, these have a smaller social footprint because of their positive effect on social inclusion. Similarly, there is ample scope for the development of technologies related to natural resource use, where environmental and inclusion issues converge. The depletion of the natural resources of the seas, ground, minerals and forests is partly due to an informal extractive economy created by vulnerable populations as a way of making up for the uncertainty associated with their socioeconomic context.

A radical reduction in inequality is needed to create a political economy of learning and technical change. Inequality creates large economic costs such as a loss of effective demand and damage to health and the environment. There are other, less visible costs such as: (i) a lack of opportunities for talented and able individuals, which could potentially have a major impact on productivity, and (ii) permanent strains in political systems, as the sectors that are best placed in society, largely consisting of rentiers, use income concentration and economic power to maintain their privileges.

It has been argued that the "middle-income trap" is rooted in the political conditions associated with economies that have based their growth on low wages or natural resources (Doner and Schneider, 2016). This type of growth generates deep social divides that make it more difficult to build the kind of complex institutions needed for innovation and technological learning, which are the ones that support long-term growth. Inequality is a great part of this trap; it is the Gordian knot of development, and cutting it is a task for the political system.

Sustainable development cannot be achieved if the prevailing model's social footprint stays the same or worse, increases. It is essential to gauge the scale of this footprint and identify its critical links. The sort of progressive structural change proposed by ECLAC and the changes involved in the environmental big push require new processes of destruction and creation of jobs and occupations, and relinkaging of the production sectors. In order to meet this challenge, countries

will need stronger social protection systems, decent work policies and institutions such as minimum wages and collective bargaining, and processes of social dialogue aimed at achieving a better distribution of both the costs and the positive outcomes of structural change. Implementing minimum income policies and universalist education and health policies is a major step in this direction.

The move towards a much more egalitarian society must be closely linked to the pillar of capacity building and creation of productive, good-quality jobs, with access to rights and social protection. Without this component, universalist policies would become unfeasible, not just economically but politically. Trust and the feeling of belonging to the system are necessary conditions for the effective implementation of policies that require complex institutions and a variety of actors, as well as a barrier to predatory behaviour in welfare systems.

Promoting regional integration and strengthening international governance. Regional cooperation was fragmented and weak in the 2000s, particularly in South America. The commodities boom encouraged this centrifugal movement, as the relationship with China became the driving force behind trade in resource-rich economies. MERCOSUR and the Pacific Alliance, in turn, tended to move away from each other.

The United States' abandonment of the Trans-Pacific Partnership (TPP) and the current uncertainty about the rules that will govern international trade in the future have led Latin America and the Caribbean to reconsider the role that regional integration could play in a development strategy. The idea of joint action at the international level has gained more political traction. This movement is welcome and may provide the region with the opportunity to expand its own trade and reconcile integration efforts that have been moving along parallel paths. This approach is also linked to another pillar, the transformation of structures and capacities. The region's competitive supply capacity is very limited, and this will continue to be a barrier to deeper integration.

The region's problems may get worse if fears of greater protectionism in developed economies are borne out, although there were already global problems and imbalances before this trend emerged. The region's goal cannot be to return to the previous status quo in the international system. Instead, the ground rules of hyperglobalization need to be reformed by strengthening macroeconomic coordination, multilateral trade rules (with a particular focus on development issues) and progress in climate change negotiations. At the same time, and no less urgently, education, social inclusion and production development policies need to be radically reformulated to address the scale of the technological and institutional challenge that a new development pattern involves.

i. If your Office has work related to the **Sendai Framework for Disaster Risk Reduction** 2015-2030, please share any specific measures that have been put in place to reduce disaster risk through the Framework.

ECLAC has undertaken substantive research and focused economic assessments of the challenges climate change related disasters present for the economies of the Caribbean.

Disaster assessment and Damage and Loss Assessments (DALA) methodology
Hazards, such as cyclones, floods and droughts have increased in frequency and intensity over the past few decades, further hampering the ability of Caribbean countries to recover between extreme

events. Resources continue to flow primarily to post-disaster activities rather than towards disaster risk reduction and the improvement of coping capacity.ECLAC is a pioneer in the field of disaster assessment and in the development and dissemination of the Damage and Loss Assessment (DaLA) methodology and Post Disaster Assessment (PDNA) methodology. ECLAC Caribbean provides strengthened leadership to the whole region in the areas of disaster assessment and post disaster needs analysis, by providing technical expertise to disaster-affected and disaster-prone countries.

Mainstreaming disaster risk management strategies in development instruments: Policy briefs for selected member countries of the Caribbean Development and Cooperation Committee (September 2017). This policy brief has the objective of profiling disaster risk management policies in five countries, and analyze interactions with broader development issues and instruments, such as national development plans and climate change adaptation strategies.

Project "Evaluation of impacts and vulnerability in the north western coastal area of Cuba". ECLAC, in conjunction with the Institute of Hydraulics of the University of Cantabria, provides technical assistance to the Government of Cuba in the development of the Project "Impact and vulnerability assessment in the north western coastal zone of Cuba". The databases, methodologies and tools generated and transferred through this project have a large number of diverse applications for any action on the Cuban coast. The idea is for the project to strengthen Cuban capacities to support other countries in the area (Central America and the Caribbean) in disaster risk management (south-south cooperation).

Technical cooperation to promote disaster risk management in urban areas in Latin America

In the context of the “The Global Initiative on Disaster Risk Management” of Germany’s Federal Ministry for Economic Cooperation and Development (BMZ), The German Federal Enterprise for International Cooperation (GIZ) and ECLAC partnered to implement a project to support select cities in the region in better responding to the disaster risks they face. The project took place in the cities of Angra Dos Reis (Brazil) and Barranquilla (Colombia) and three municipalities within the province of Chacabuco (Chile) and worked directly with local government to target their specific needs. Teams of experts conducted an initial assessment in each of the locations to identify the principal risk factors and subsequently provide the relevant support to local authorities.

e) Please share strategies, plans, policies or initiatives in which your Office has been involved where different stakeholders – such as government, civil society organizations, private sector and academia – engage in **coordinated actions** to enhance resilience at the local, national or international levels. What approaches have proven effective in this respect?

Forum of the Countries of Latin America and the Caribbean on Sustainable Development

At the thirty-sixth session of the Economic Commission for Latin America and the Caribbean (ECLAC), held in Mexico City from 23 to 27 May 2016, the member States adopted resolution 700 (XXXVI), Mexico Resolution, which established the Forum of the Countries of Latin America and the Caribbean on Sustainable Development as a regional mechanism to follow up and review the implementation of the 2030 Agenda for Sustainable Development, including the Sustainable

Development Goals and targets, its means of implementation, and the Addis Ababa Action Agenda. The Economic and Social Council subsequently endorsed the establishment of the Forum in its resolution 2016/12.

The Forum is led by member states and is open to the participation of Latin American and Caribbean countries. It is convened under the auspices of ECLAC and is guided by the principles established for all follow-up and review processes by the 2030 Agenda for Sustainable Development, adopted in September 2015 by the United Nations General Assembly. It involves States, the private sector and civil society, as well as subsidiary bodies of ECLAC, development banks, other United Nations agencies and regional integration blocs. The Forum provides useful opportunities peer learning, including through of voluntary reviews, the sharing of best practices and discussion of shared targets. The Second Forum of the Countries of Latin America and the Caribbean on Sustainable Development will take place at ECLAC's headquarters in Santiago between 18-20 April, 2017.

Integrating the 2030 Agenda and resilience related goals into national development planning

Since the adoption of the 2030 Agenda for Sustainable Development, ECLAC has placed emphasis on the fact that one of its means of implementation is planning as a key tool of policy-making and public administration. The role of planning, at national and sub-national level, is clearly set forth in resolution 70/1 of the United Nations General Assembly, entitled "Transforming Our World: the 2030 Agenda for Sustainable Development."

The integration of the three dimensions of sustainable development and the cross-cutting themes of the 2030 Agenda in development planning, public management, budgeting and public investment at the national and local levels are therefore central aspects to the implementation and follow-up of the Agenda. In Latin America and the Caribbean, countries of the region have conferred a mandate upon ECLAC, through its subsidiary body, the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES), to prioritize those actions in its programme of work that will help align the 2030 Agenda and the SDGs with planning processes, public administration tools such as budgeting and public investment frameworks, and territorial and local development instruments.

Many countries of Latin America and the Caribbean have taken significant commitments and steps for integrating the SDGs into their national or sub-national planning schemes, such as Colombia, Costa Rica, El Salvador, Guatemala, Jamaica, Peru, Uruguay, among others. One example, for which ECLAC has provided support, is the recent collaboration with the government of Guatemala. The country strengthened its national planning for development formulating its National Development Plan named K'atun: Our Guatemala 2032. The plan was approved in 2014 portraying a long-term vision for the country, its national priorities and a plan for promoting structural changes with the objective of closing persistent inequality gaps.

The National Development Plan was followed by a General Government Policy, which will guide public actions for the period 2016-2020 with a poverty reduction focus, overcoming deteriorating living conditions, general insecurity and the vulnerability to natural disasters. The priorities set under this Policy are the main framework for the appropriation and follow-up of global commitments and international development agendas.

The strategy to align the National Development Plan with the SDGs was five-fold:

1. dissemination of the SDGs and the content of the 2030 Agenda using social media, workshops and seminars;
2. the prioritization of objectives and goals as a national commitment and the preparation of a proposal, which involved the exercise of aligning SDGs to the National Development Plan and a citizen consultation process through more than 40 workshops at the national and local levels;
3. the validation of this proposal through workshops both at the national and local levels,
4. the launch of the proposal and its approval; and
5. dissemination of the national commitment.

Guatemala prioritized SDGs 1,4,5, 8,9,10,13 and 17 based on three criteria: the results of the national consultation process, the availability of data and their alignment with the country's development priorities.

During the second stage of this strategy, based on a methodology developed by DESA (Towards integration at last: The SDGs as a network of targets), ECLAC assisted Guatemala with the identification of the interlinkages between the different prioritized SDGs and visualized these interlinkages through schematic images. A good example is the visualization of Objective 5 (Ensure availability and sustainable management of water and sanitation for all) and its linkages with specific targets under the goals 3 (regarding transmitted diseases) , 11 (regarding reduction of human lives and economic losses affected by natural disasters), 12 (regarding waste management and its release to water sources) and 15 (regarding the conservation and sustainable use of terrestrial ecosystems and prevention of introducing exotic species to aquatic ecosystems).

The visual expression of these linkages aims to strengthen coordination among sectorial ministries to foster policy coherence and coordination, as well as with the Ministry of Finance to ensure the allocation of adequate financial resources to achieve these national development goals.

The Regional Action Plan for the Implementation of the New Urban Agenda in Latin America and the Caribbean

Cities and countries across LAC face the challenge of the local implementation the New Urban Agenda (NUA) and the 2030 Agenda and transforming global objectives into concrete actions at the local level, to build the inclusive, safe, resilient and sustainable cities to which the global community has committed itself. The Regional Action Plan for the Implementation of the New Urban Agenda (PAR) in Latin America and the Caribbean was launched in February 2018 in the context of the 9th World Urban Forum. This document is the result of a joint effort by ECLAC, UN Habitat and MINURVI (Ministers and High-level Authorities of the Housing and Urban Development in Latin America and the Caribbean) to provide a strategic framework and reference for the region's cities and human settlements and a tool for promoting the national and subnational implementation of the NUA and the SDGs in LAC.

The document is intended as a regional guide, to orient and adapt the NUA to the reality and conditions of Latin America and the Caribbean, and to build synergies with existing global agreements and agendas beyond it, such as the 2030 Agenda for Sustainable Development, the Sendai Framework for Disaster Reduction, the Paris Agreement, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, and the Accelerated Modalities of Action (SAMOA) Pathway for Small Island Developing States. It promotes

evidence-based policy making, setting out potential actions and interventions as well as relevant and priority policy guidance for all Latin American and Caribbean countries towards the achievement of sustainable urban development.

The document promotes the development of national framework action plans as a means of fostering policy coherence across different levels of government and to respond to local conditions and needs. The objectives proposed encourage full participation of all levels of government to secure ownership in the implementation process and ensure that the results permeate to all levels of urban life, and highlights the importance of public participation in both the decision-making processes and follow-up and monitoring of outcomes. It is expected that if implemented in a holistic fashion, the PAR will support countries in generating the broad reaching structural changes demanded by the new development agendas setting on a path towards more sustainable, resilient and inclusive cities.

f) Please share the most relevant **examples and recommendations** related to your Office's work in building more sustainable and resilient societies using technology and innovation, as well as emerging issues in this area likely to affect the achievement of the SDGs.

Financial innovation for climate change resilience in the Caribbean SIDS: ECLAC's debt-swap proposal

The idea of a debt-for-climate adaptation swap is based loosely on the concept of a debt-for-nature swap. Debt-for-nature swaps are intended to reduce the debt of a country while at the same time ensuring an increased commitment towards environmental conservation. Generally, there are two types of debt-for-nature swaps: the bilateral and trilateral genres. In bilateral debt-for-nature swaps, the creditor forgives a percentage of the debt owed. In exchange for the offered debt forgiveness or debt write-off, the indebted country agrees to allocate funding for environmental conservation projects. Typically, the monies allocated for such environmental projects are held in a trust, and managed by a mutually agreed body.

A trilateral debt-for-nature swap involves at least three parties: the government of the indebted country; the creditor; and an International Non-Governmental Organization (INGO). The INGO considered is typically one that has an interest in the environmental conservation effort. It may purchase the debt in a secondary market, to facilitate the debt swap process. Usually, the INGO would have an arrangement with a domestic Non-Governmental Organization (NGO) to facilitate the administration and implementation of the environmental projects.

Implementing the trilateral debt-for-nature swap requires a number of steps. The first involves sponsoring the INGO. Typically funds are transferred from the donor agency to the INGO for implementation of designated environmental projects. The INGO may engage in discussion with the indebted country at this stage to signal its intentions, and to clarify the specific interests of the indebted country in the arrangement. At the second stage, the INGO purchases the external public debt of the indebted country on the secondary market. This debt is typically bought at a discount or haircut. At the third stage, the INGO engages a domestic NGO. The government of the indebted country allocates resources to a fund for environmental projects. The domestic NGO works alongside the INGO and the government of the indebted country to ensure that the environmental projects are implemented.

The ECLAC debt-for-climate adaptation swap idea builds on the concept of the trilateral debt-for-nature swap. However it completely avoids entry into the secondary market. Even more importantly, it incorporates a resilience building component, never before seen in similar mechanisms. The debt swap initiative proposed by ECLAC has two important features: (i) for countries with high debt from official creditors, it proposes to use the Green Climate Fund to write-off 100 percent of multilateral and bilateral debt at a negotiated discount; and (ii) for countries with high debt from private creditors, a debt buyback scheme as well as debt for equity swaps will be utilized.

The ECLAC approach therefore recognizes that Caribbean debt is heterogeneous; member states carry varying combinations of multilateral, bilateral and private debt. It also identifies a mechanism that at once addresses the debt overhang while sourcing climate change funds for adaptation projects and investment in green industries, to be administered through a Caribbean Resilience Fund (CRF).

The establishment of a CRF is a key aspect of the ECLAC initiative. Modalities for the establishment and management of this fund will be determined in consultation with key regional partners, notably the Caribbean Development Bank (CDB), the Inter-American Development Bank (IDB) and the Caribbean Community Climate Change Centre, and through engagement with the Green Climate Fund (GCF). The CRF would be expected to provide financing for a balanced mix of private and public private green industry projects that meet the exacting standards of the GCF and promote the development of a green industrial value chain.

Another defining feature of the ECLAC proposal is the requirement that member states electing to participate in the debt swap initiative continue to pursue structural reforms. In this context, approval of debt swaps would be contingent on member States' agreement to pursue sustainable fiscal consolidation programmes, and to conduct public expenditure reviews (PERs), based on mutual arrangements made between creditors and debtors. ECLAC is also clear that countries would be required to demonstrate their readiness to pursue sound fiscal management to minimize the occurrence of future debt challenges.

ECLAC proposes to establish a Task Force that will provide expert advice on the structuring of the debt swap arrangements and the creation of the Resilience Fund, including the modalities of disbursement, desirable projects and priority sectors for investment, accountability, and reporting requirements. The task force will also provide substantive support for the political advocacy to be leveraged by the Member States themselves seeking debt accommodation through the initiative. The task force, once established, will focus on developing the debt profiles of one or two Caribbean countries which agree to serve as test cases to pilot the initiative.

Success of the proposal will be heavily dependent on the receptivity of the GCF to the fully developed proposal. The task force with therefore work in ongoing consultation with the GCF with a view to determining the optimum structure and modalities of the debt swap arrangement that ensures success with the GCF. Given the heterogeneity of the debt experience in the subregion, the initiative will be implemented on a case by case basis, based on the success of the pilot phase.

Projects focused on technology and disaster risk resilience

Strengthening cooperation between telecommunications operators and national disaster offices in Caribbean countries (May 2017). As a matter of public safety, ensuring the resilience of telecommunications infrastructure in the face of natural hazards is of national importance. One way this resilience can be enhanced is by strengthening the relationship between operators of telecommunications services and national disaster offices.

ECLAC provides energy specialists with new energy efficiency tools On 11-12 December, 2017, ECLAC Caribbean organized a workshop to train national focal points in the energy efficiency and environment sectors on the use of the Database of Energy Efficiency Indicators (BIEE) methodology. The use of energy efficiency indicators would enable countries to craft better disaster and emergency strategies to assure a more resilient recovery of their energy sectors.

g) What can **ECOSOC** do to better leverage the work of the UN system in supporting countries to pursue integrated policies and apply technology and innovative solutions at the national, regional and global levels, to effectively enhance resilience and manage risks in the implementation of the 2030 Agenda?

Integrate the analysis of innovation, technology and fiscal policies and strategies in the debates of ECOSOC, and specifically in the ECOSOC Operational Activities for Development Segment and the debates of the High Level Political Forum on Sustainable Development, including taking into the account the results of the regional Forums on Sustainable Development.