



Remarks by Mr. Herald Muñoz

*Assistant Secretary General of the United Nations
Regional Director for Latin America and the Caribbean, United Nations Development Programme*

**Launch of the MDG Interagency Report for Latin America and the Caribbean
OAS, Washington, DC, September 8, 2010**

[Check against delivery]

Introduction: The timing of the MDG Interagency Report for LAC

I am pleased to be at the OAS today to launch the **5th Millennium Development Goals Interagency Report for Latin America and the Caribbean**. I thank the Secretary General Insulza and the Executive Secretary Bárcena for their leadership in organizing this event. The timing of this launch could not be better, because in two weeks approximately 150 Heads of State, high-level government representatives, and leaders from citizen groups, foundations and the private sector, will meet in a summit to debate the progress towards the achievement of the Millennium Development Goals. We trust that during such event concrete agreements will be reached. This Summit will strengthen both the global strategy and the political will, as well as local agendas for the achievement of the Goals, on the basis of the review of specific experiences, of what has worked and what has shown to be less effective.

The Report we are launching today is not only timely, but it can also help Latin America and the Caribbean to lead the debate over the MDGs. This is the case since the MDGs are not only relevant in poor countries, but also in Middle Income Countries, like many in our region, with high levels of inequality and where social protection systems are segmented and incomplete. For that reason, inequality and vulnerability become concrete obstacles for the achievement of the MDGs. The vulnerability of newly established social protection systems has surfaced over the past two years with the impact of the economic crisis and the disproportionately high increase in food prices. These phenomena have generated reversals in the favourable poverty and inequality reduction trends that many countries of our region have experienced in recent years. The Report helps us to highlight those areas where there has been progress, but, perhaps more importantly, to identify the areas where trends need to be accelerated and efforts doubled.

The political commitment behind the MDGs has also opened a window of opportunity in terms of cohesion and coordination. Within the UN system the eight Goals inspired by the Millennium Declaration encompass all the UN's development actors, including the UN Secretariat, the agencies, the funds

and the programmes. In other words: not a single entity can do the job alone. For that reason this MDG *Interagency Report* is an important example of how different actors of the UN system in the region *can indeed* work together, pooling forces, resources and expertise, coming up with a strategic document. I commend Alicia Bárcena and her team at ECLAC for successfully coordinating this effort.

The MDGs in Latin America and the Caribbean: Progress and Challenges

As we have just heard from the presentation of the MDG Interagency Report, progress in Latin America and the Caribbean has been uneven. This has been the case *within* countries, but it also shows a heterogeneous pattern *across* countries.

Between 2002 and 2008, the LAC region showed good progress on many fronts, thanks largely to high growth rates -- 5% on average -- a favorable international economy, and increasing population coverage by basic social services through more progressive social spending and policies.

To complement the findings from the interagency Report, national MDG Reports produced by governments and UN Country Teams in the region show that some countries have been able to make substantial progress, particularly in reducing poverty and infant mortality rates, and improving nutrition and access to water. Countries that show most promising overall MDG trends include Chile, Peru and Mexico, followed by Costa Rica, Brazil and Ecuador.

Those who were able to make more progress in terms of advancing towards the *poverty reduction target* in particular are: Argentina, Barbados, Brazil, Chile, Costa Rica, Jamaica, Mexico, Peru and Venezuela. Conditional cash transfer programmes have contributed to the reduction in poverty rates in many countries, currently covering one of every six people in Latin America and the Caribbean; among them it is worth mentioning Brazil's *Bolsa Familia*, Mexico's *Oportunidades*, Dominican Republic's *Solidaridad*, Panama's *Red de Oportunidades*, Nicaragua's *Campaña de Marti a Fidel*, Peru's *A Trabajar Urbano*, and Chile's *Chile Solidario*.

A number of countries in the Caribbean have made progress in educating their young people on HIV and AIDS. The proportion of 15 to 24-year-old women in Haiti who received HIV education more than doubled from 15% in 2000 to 34% in 2007. In the Dominican Republic the number shot up from 18% in 1999 to 41% in 2007, and in Trinidad and Tobago education in this topic increased from 33% in 2000 to 54% in 2007. This should be commended.

The other side of the coin shows how some of the countries in the region have performed considerably less satisfactorily - particularly those with the lowest per-capita income. This is evident with respect to the targets under Goal 1 (poverty, employment, malnutrition), which are a necessary condition for achieving the full set of Goals.

There are some targets that have not advanced at the desired pace, and in some cases are unlikely to be met, mostly those related to quality and coverage of education, some dimensions of gender equity (particularly in the political sphere), maternal health and mortality, and the persistent threat of

HIV/AIDS. Countries showing slower rates of progress towards the Goals are: Haiti, Paraguay, and Panama, followed by Nicaragua, El Salvador and Honduras. Of course the majority of these countries have been severely hit by natural disasters and have been affected much more by the global crisis, due to their exceptional vulnerability from remittances, trade and migration.

In the Caribbean region strengthening quality and precision of MDG data is still necessary. Jointly with ECLAC and other partners we are working to support this region to improve its MDG national tracking.

Where there is progress, and more so where there is none, we also find persistent structural constraints, such as the difficulty to generate decent work for all, or shortcomings in achieving universal access to high quality education (particularly secondary education), discrimination along gender and ethnic lines, the loss of biodiversity and great vulnerability to natural disasters, like the ones we have witnessed over the past year in Haiti or El Salvador.

Inequality as a key piece of the MDG puzzle

As mentioned in the Report, "Even though the region has gone through periods of some economic dynamism and has made gradual progress in improving people's living conditions, as happened in the six years prior to the global crisis, there are still large gaps as regards the exercise of rights, levels of well-being and recognition of the need for a balance between equality of opportunity and respect for differences."

When discussing MDGs in Middle Income Countries, such as many of those in our region, we must pay particular attention to what happens within our countries, because national averages can hide important disparities, leaving out large sections of our population. We have to factor in the different faces of inequality. These "inequalities" manifest themselves geographically, through ethnic and gender gaps, in terms of service delivery, and through asymmetries in sectoral coverage.

Notably, between 2002 and 2008 income inequality was reduced significantly in our region. UNDP's recent regional Human Development Report "Acting On The Future: Breaking The Intergenerational Cycle Of Inequality", shows that the Gini income inequality coefficient declined in 12 out of 17 countries examined, at an annual average of 1.2% between 2000 and 2007. These are good news, particularly as the LAC region gathers 10 out of the 15 most unequal countries in the world. Moreover, this inequality declined in countries with different productive structure, with diverse ethnic composition, and with governments of different political origins. Nevertheless, as also mentioned by the UNDP report, limits exist to reduce inequality that is transmitted across generations.

To advance, we need fundamental changes. Both the recently published ECLAC report "La Hora de la Igualdad", and the already mentioned UNDP Report "Acting on the Future", argue that inequality reduction should be the region's political priority, through redistributive policies, the improvement of quality and effectiveness of political representation, the search for consensus, reforms to modify re-

gressive fiscal structures, and policies do break the despair of those who belong to the most excluded groups in society.

to change towards a more integral and effective State social policy, that includes the departure from the regressive fiscal structure, so typical of the Latin-American region, and the strengthening of the State's regulatory capacity.

In short, inequality is an obstacle for the achievement of the MDG. The joint UNDP, ECLAC, World Bank and IPEA studies have shown that more unequal countries need considerably higher growth rates to achieve poverty reduction, and such growth rates are unviable in the global scenario of the upcoming years.

Inequality also affects the marginal cost of the achievement of the Goals. The more advance towards concrete Goals, the higher the cost of additional improvements. This is particularly true where inequality and exclusion exist, either geographic, ethnic or of any other kind. Thus, combating inequality is a policy that contributes in a fundamental way to the achievability of the MDGs.

We need to achieve the MDG targets in a way that respects the principles of equity and of sustainability. Sustainability matters, because the improvement in the standards of living of the poor should be durable and permanent in time, through 2015 and beyond. This means, on one hand, that policies should be institutionalized to survive the political cycle, and on the other, that governments have to be fiscally responsible to ensure the financing of those policies across time. Such sustainability requires the establishment of universal social protection systems that can protect households from the potential effects of transitory shocks from either extreme natural events or economic crises.

UNDP's role on MDGs in the LAC region

Let me briefly mention how UNDP is supporting the countries of the region to help them make progress towards the MDGs.

- We are supporting diagnosis and analysis of MDG progress, identifying vulnerable groups and bottlenecks through consultative reports, including Human Development and MDG Reports. In the past two years, UNDP supported the design, production and dissemination of 11 national MDG Reports or official updates and 6 more are to be published in the upcoming year.¹
- We are mainstreaming the MDGs into governments' policies and national development plans through technical advisory services, and promoting dialogues and citizen participation. One example is the "Millennium Municipalities" initiative in Colombia, that will be presented at a side event to be held at the MDG Summit on September 22nd, attended by the President of Colombia, the UN Secretary General and UNDP's Administrator, among others.

¹ Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, El Salvador, Jamaica, Panama, Peru, Uruguay. Soon to be published in Belize, Costa Rica, Dominican Republic, Guyana, Honduras and Mexico.

- We are helping identify and transfer best practices and successful experiences across the region in a context of South-South cooperation of ideas, using a methodology developed to systematize and share experiences ("Sharing Knowledge", *Compartir Conocimiento*).
- We are supporting governments, State institutions and markets in a more efficient delivery of social services through capacity development initiatives, including a project with the government of Suriname to improve efficiency and institutional capacity for the delivery of social services and the achievement of national targets, as well as another project for the provision of technical capacity on food security to judicial advisors and municipal councils' staff in 141 municipalities of Nicaragua.

In order to accelerate progress towards the Goals, we are developing and piloting a "MDG Acceleration Framework" (MAF), a tool that provides national stakeholders with an approach to identify and prioritize policy bottlenecks that are causing MDGs to veer off-track or advance too slowly. The MAF is being tested in 10 pilot countries around the world, two of them in our region: Belize and Colombia.

Conclusions

We have to make further efforts to achieve the Millennium Development Goals towards 2015. Evidence from experiences in multiple countries shows that indeed that is possible, including in the poorest nations. Essentially, what is needed is political leadership, effective policies and institutional capacity supported by adequate funding. This month's Summit can be a key moment to galvanize a new political commitment to achieve the MDGs on time.

The Report coordinated by ECLAC that we are launching today will promote the debates of the MDG Summit, as well as, of course, the definition of regional and local strategies for the years to come. The Summit is a real, unique and possibly **final** opportunity to make progress towards the realization of this commitment. In order for this Summit to be successful it will have to produce a truly collective action, a political will enshrined in realistic commitments, and a **plan of action** endorsed by all.

Our final goal, as UNDP has been stating since 1990 through its human development approach, is the broadening of effective freedoms of all people, in an environment of equity and autonomy, so that each and every citizen of Latin America and the Caribbean can become agents of change of their own development. The achievement of the MDGs is the indispensable base to make this come true. Without a doubt, this aspiration has been too often postponed, but we have to pursue it with eager determination and a renewed compromise.

Thank you.

