



SDG 12: Ensure sustainable consumption and production patterns in Latin America and the Caribbean¹

Key regional statistics on SDG 12

- If the world's population were to reach 9.6 billion by 2050, it would take the equivalent of almost three planets to provide the natural resources required to maintain current lifestyles.
- In 2010, the annual material footprint per capita in Europe and North America amounted to 20 and 25 tons, respectively, while in China and Brazil it amounted to 14 and 13 tons, respectively. For Asia and the Pacific, Latin America and the Caribbean, and East Asia, the material footprint per capita ranges between 9 and 10 tons per year. The material footprint per capita for Africa is less than 3 tons per year.
- In the region, the share of fossil fuels in the energy matrix is close to 75%; that figure stands at 44% in electricity generation and over 90% in transport. Oil is being replaced by natural gas, which accounts for 23% of the total primary energy demand. Decarbonizing the economy requires electricity to be produced from renewable sources and a shift towards fossil-fuel-free electric mobility.
- Renewable energy generation has increased in absolute terms in the region, but its share of total primary energy has dropped in a trend that is the opposite of what needs to happen to reduce the environmental footprint. Between 1990 and 2016, the share of the energy supply from renewable sources fell from 28.9% to 26.5%, and just over half of these energy sources require combustion.

¹ The analysis of the Sustainable Development Goals (SDGs) presented here is the outcome of the discussions held within the framework of the third meeting of the Forum of the Countries of Latin America and Caribbean on Sustainable Development, convened under the auspices of the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago, from 24 to 26 April 2019.

ODS 12

Key messages from the region on the issues addressed by SDG 12 and its targets

- This Goal is of great importance since Latin America and the Caribbean has not yet succeeded in decoupling economic growth from resource use. The material intensity of the region's economy is relatively stable and its energy intensity (energy consumed per unit of output) also appears to be holding steady.
- Decoupling economic growth from the use of natural resources requires structural changes in production and consumption patterns. The development challenge for the region is to reconcile economic growth with the changes in energy patterns needed to decouple growth from greenhouse gas emissions by giving more space to renewable sources, especially in transport, thereby making the production structure and the functioning of cities more efficient. Greater access and affordability of energy for the poorest people is also needed to ensure that no one is left behind.
- It is essential to promote resource efficiency through sustainable consumption and production patterns, the construction of environmentally friendly infrastructure, improved access to basic services and the creation of green jobs, described as decent jobs that help to reduce the negative environmental impact of enterprises and economies, leading to sustainable development.
- A circular economy scenario is particularly relevant to the region, given the economic weight of the extractive sectors and low recycling rates. There is a strong expectation that production and consumption patterns will change. It is projected that by 2030 and in net terms, more than 1 million jobs will have been created in Latin America and the Caribbean against the backdrop of an energy transition and efforts to keep the average global temperature rise well below 2°C above pre-industrial levels. In a scenario of the adoption of circular economy principles, job creation in sectors such as the reprocessing of metals and wood would more than offset the losses associated with the extraction of minerals and other raw materials. This is because the value chain in reprocessing is longer and more employment-intensive than in mining and increased recycling rates would boost demand for waste management services.
- The consumption of materials made from natural resources is currently on the rise. At the same time, the countries of the region continue to address challenges related to air, water and soil pollution. Sustainable consumption and production aims to produce more and better goods with less resources. The idea is to generate net welfare gains from economic activities by reducing resource use, degradation and pollution along the whole lifecycle, while increasing quality of life.

Challenges and opportunities for the implementation, follow-up and review of SDG 12 and its targets

Challenges

- The unsustainable extraction of resources leads to negative environmental impacts, the loss of natural heritage and greater risks for the poorest and most vulnerable communities.
- The region's growing material intensity and consistently high levels of carbon and energy intensity, which increase greenhouse emissions and waste, are rooted in its very low-technological production base.
- Achieving environmental sustainability also means increasing the efficiency with which an economy's resources are extracted and used and reducing the production of waste.



Opportunities

- Nevertheless, the increase in the renewable energy supply within the region's energy matrix proves that it is possible to effect positive changes that enable technological innovation and investment, provided that the region can resolve the coordination problems that hinder the absorption of environmentally-friendly and, above all, low-carbon technologies.
- In emerging economies, investments in energy efficiency are concentrated in industry and transport.
- A circular economy improves efficiency and the useful life of materials by promoting durability and the capacity to repair, remanufacture, reuse and recycle goods. Clean production agreements, public-private partnerships to promote new sectors, encouraging corporate social responsibility, ecolabelling, environmental education and access to information are also powerful tools that can be used to achieve SDG 12.

Lessons learned and good practices with respect to SDG 12 and its targets

- The Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, or the Escazú Agreement states in article 6, paragraph 10 that each "Party shall ensure that consumers and users have official, relevant and clear information on the environmental qualities of goods and services and their effects on health, favouring sustainable production and consumption patterns".

Recommendations from Latin America and the Caribbean to achieve SDG 12 and its targets

- There is a need for a systemic approach and cooperation among actors operating in the supply chain, from producer to final consumer; it is also necessary to raise awareness among consumers through education on sustainable lifestyles, providing them with appropriate information through labels and standards.
- It is important to reduce or eliminate fossil fuel subsidies and other distortions that lead to the inefficient use of resources and prevent the penetration of cleaner technologies and inputs. Such a policy in the region can create more fiscal space and redirect resources to other public policies. Government procurement can also be used to incentivize environmentally sustainable sectors.
- To ensure sustainable development in terms of ecosystems, cities, energy and response to climate change, it is essential to modify production and consumption patterns —particularly in relation to energy and land use— and to implement adaptation measures. These, in turn, depend on coherent policies across all areas to enable the transformations necessary to withstand the negative effects of climate change on economic activities, ecosystems and social well-being.
- Reorienting the financing priorities of banks and multilateral organizations, as well as the priorities of inter- and intraregional institutional and political agreements will be essential to encourage a paradigm shift towards sustainable development.
- To promote economic growth and employment in Latin America and the Caribbean, while mitigating the related environmental impacts, policies must be designed to foster investment in technologies, goods and services linked to a low-carbon development path and a smaller material footprint. Such a path forms the productive and technological basis of sustainable development. In order to channel investments in the desired direction and make them viable, incentives and institutional frameworks must be redefined, to strengthen the guiding role of public investment and foster public-private cooperation.



