



INTEGRATED SDG INSIGHTS

URUGUAY

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: URUGUAY

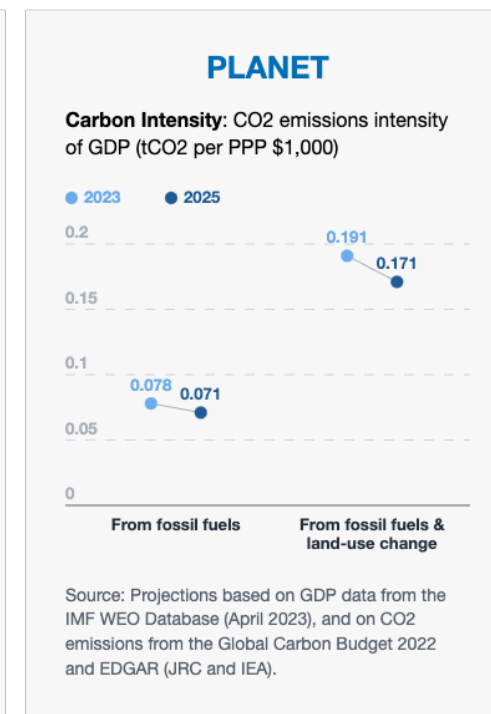
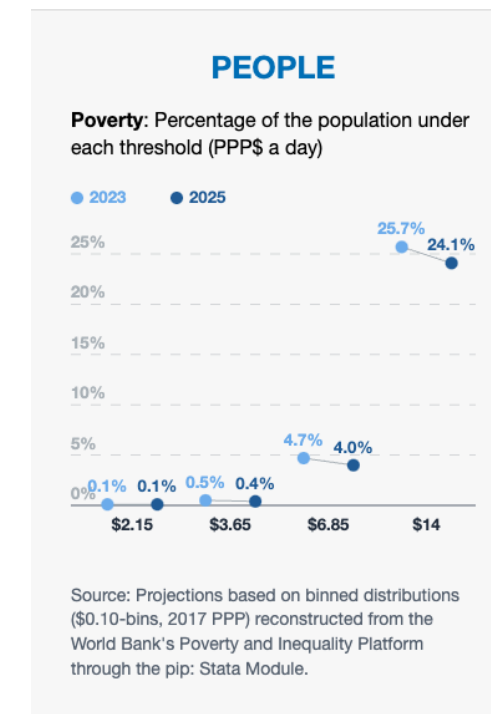
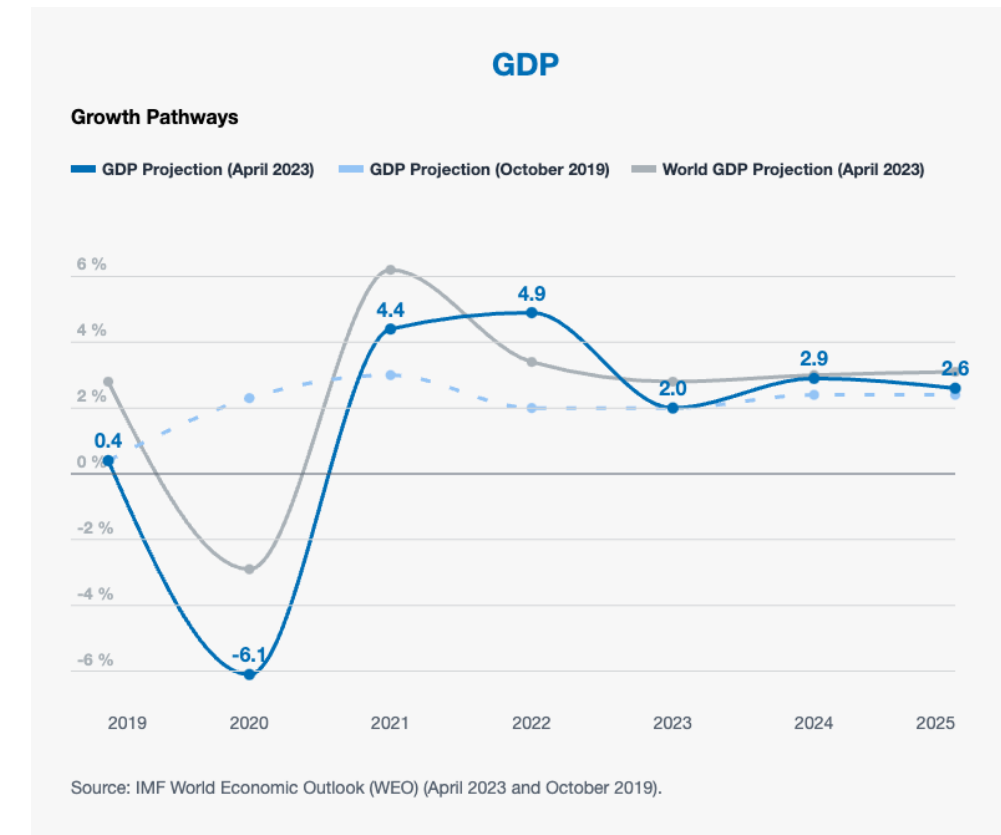
While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Uruguay's economy in 2023-2025 is muddling through, with a GDP per capita of US\$ 21,164.¹ Accordingly, Uruguay's commitments to achieving the SDGs are focused on increasing people's well-being by leaving no-one behind, and by tackling climate change mitigation and adaptation within public policy frameworks and coordinated actions with other countries.

This pace of growth is expected to exert a moderate positive effect on reducing the incidence of poverty by most thresholds and the share of people living under \$14 a day (i.e. in poverty and vulnerability-to-poverty). Moreover, the economic expansion would be somewhat less dependent on carbon emissions as the country's carbon emissions intensity of GDP is projected to decline at annual rates of 4%-5%.²

¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Uruguay performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



Trends in detail:

<https://data.undp.org/sdg-push-diagnostic/URY/sdg-trends>

SDG PRIORITIES

Uruguay's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Second Nationally Determined Contribution to the Paris Agreement
2. National Strategy for the Conservation and Sustainable Use of Biological Diversity in Uruguay 2016-2020
3. Report on the State of Education in Uruguay 2019-2020
4. Gender Statistics 2021
5. Estimation of Poverty by the Income Method Year 2022
6. National Human Rights Institution Annual Report and the General Assembly 2021-2022
7. National Board of Health Accountability 2021
8. Uruguay's Sovereign Sustainability-Linked Bond (SSLB) Annual Report

Priorities in detail:

<https://data.undp.org/sdg-push-diagnostic/URY/current-priorities>

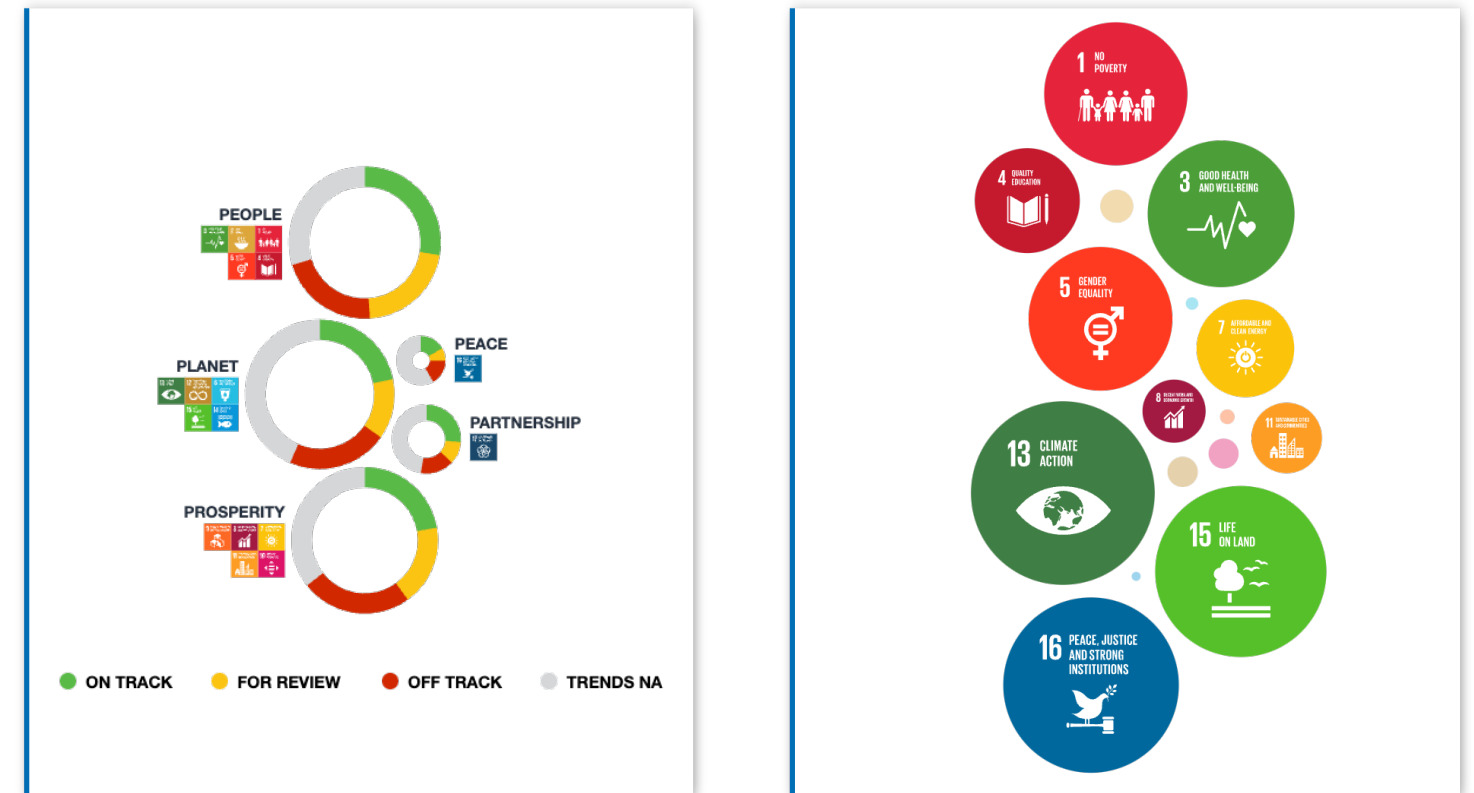
SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Uruguay to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Uruguay's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Uruguay:

- Target 1.3: Implement social protection systems
- Target 5.5: Ensure full participation in leadership and decision-making
- Target 13.1: Strengthen resilience and adaptive capacity to climate-related disasters



ACCELERATION PATHWAYS



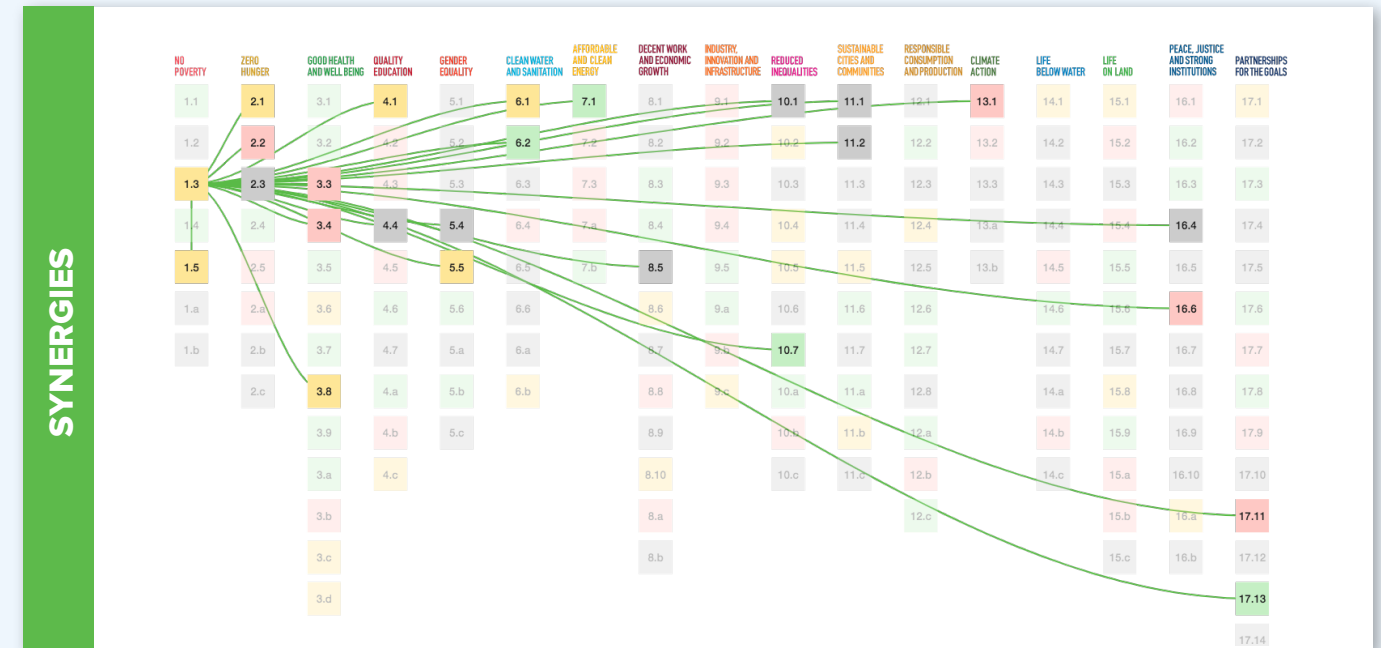
SDG INTERLINKAGES

1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Uruguay's strong commitment to social protection, inclusive social policies and the high level of old age pension coverage (around 90% of the population over 65 years old) has resulted in a significant poverty reduction.

However, the advanced stage of demographic transition is putting pressure through increasing fiscal costs. In fact, in pursuit of financial sustainability, a new retirement and pension system has recently been approved.

The country has made significant progress with the creation of the Integrated National Care System as the fourth pillar of social protection. Investing in nationally appropriate social protection with specific focus on the most vulnerable and recognizing the value of unpaid care and domestic work through social protection policies could lead not just to maintain the low levels of poverty but also help close the gaps on several other indicators, such as labour force participation, productivity rates and child development.



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/URY/synergies-and-tradeoffs>

SDG INTERLINKAGES

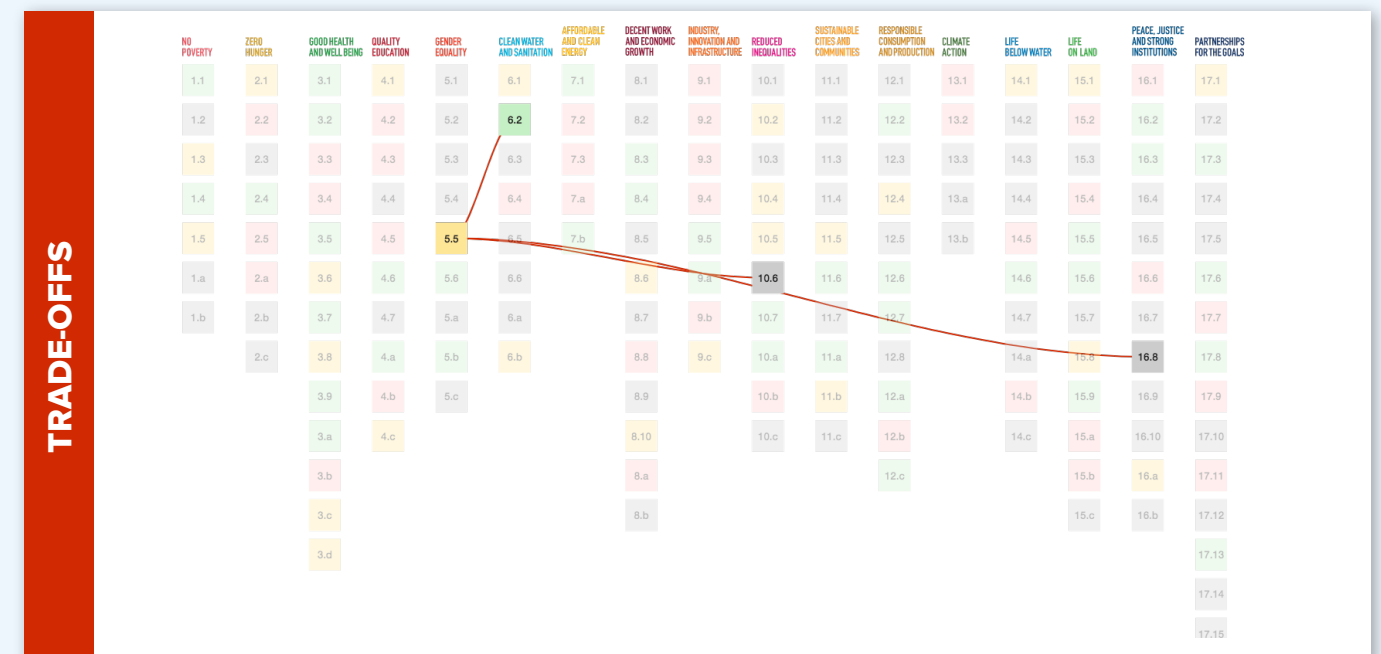
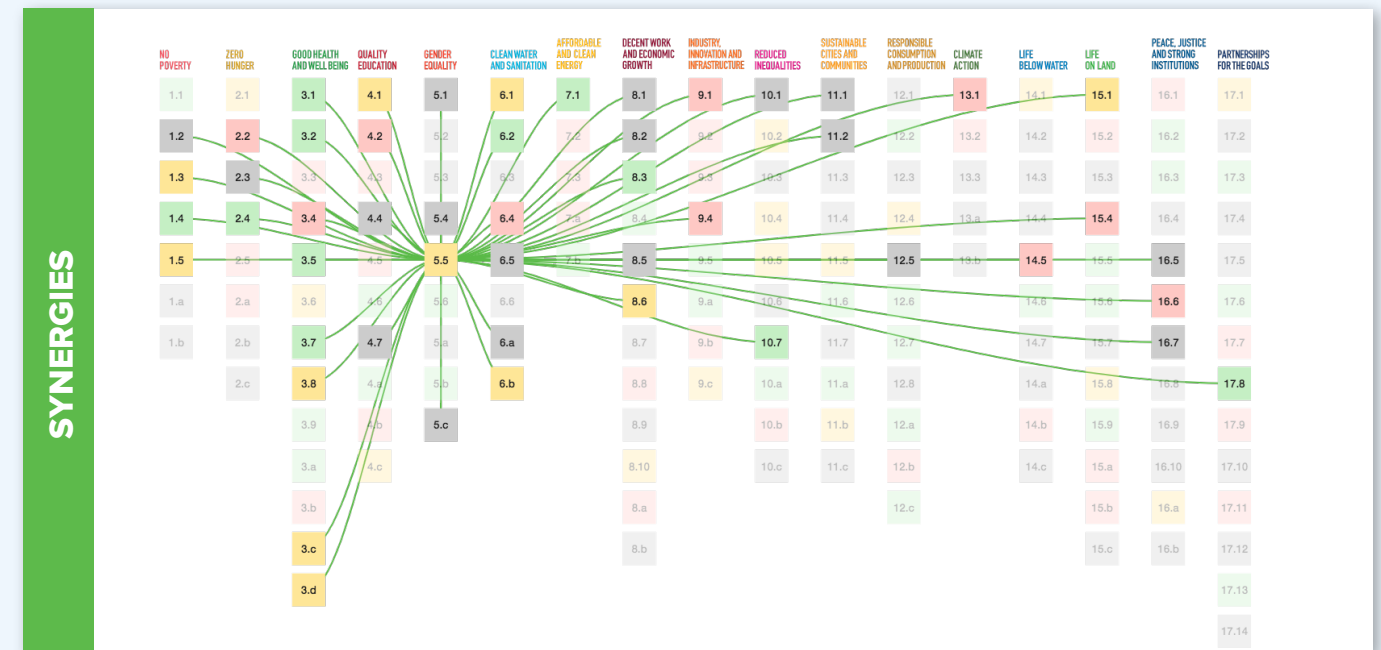
5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Despite being recognized worldwide for its strong democracy and solid institutions, achieving gender equality and ensuring women's full and effective participation at all levels of decision-making still poses significant challenges in Uruguay. At the political level, only one out of five seats in Parliament are occupied by women and their participation in the highest executive positions of government at the national and departmental levels continues to be marginal. Women are also underrepresented in other decision-making spheres, such as public and private companies, cooperatives, unions and academia.

In response to this challenge, two bills proposing parity in the composition of lists for national elections and other political representation spaces are currently under parliamentary discussion.

In order to achieve equitable participation between genders in decision-making spaces (Target 5.5), it is also essential to advance towards structural transformations in the way gender relations and dynamics are conceived. In addition to its implications from a human rights perspective, this will have a broad impact in terms of sustainable human development due to its beneficial effects on women's participation in the labour market, on productivity levels and on poverty reduction (Target 1.3).

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/URY/synergies-and-tradeoffs>

SDG INTERLINKAGES

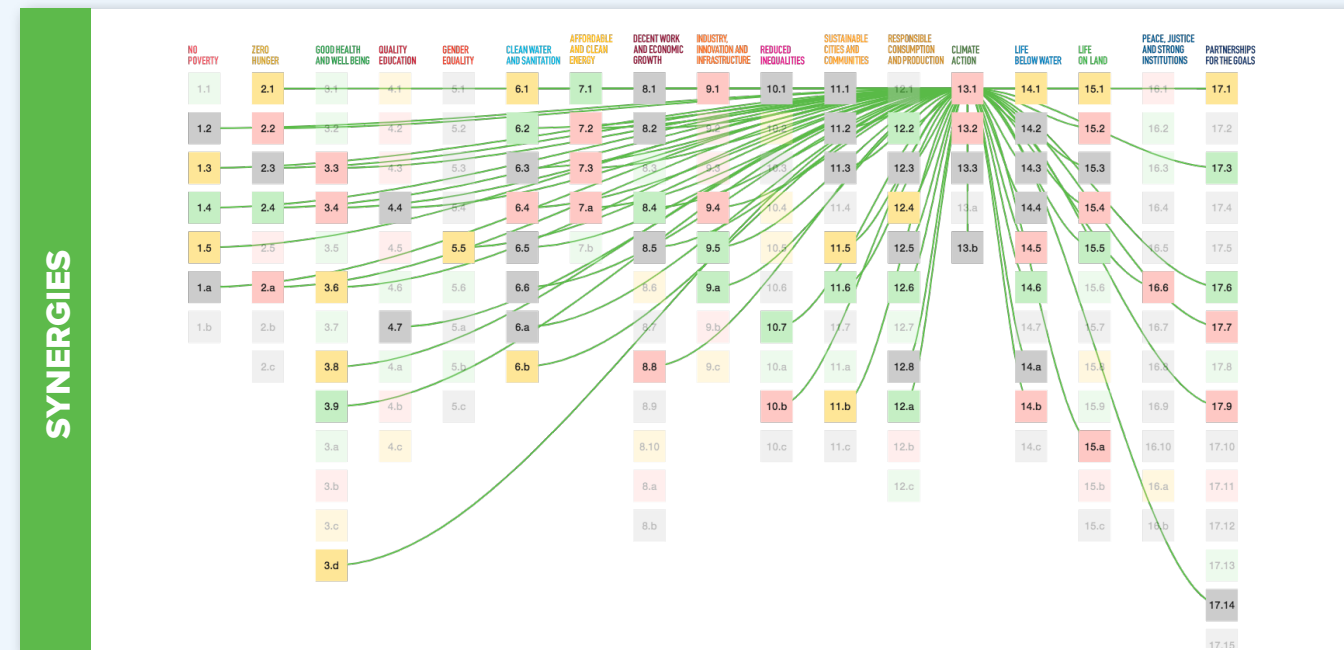
13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Uruguay promotes the integration of disaster risk reduction and climate change adaptation into development planning. The National Emergency System, in charge of disaster risk planning and management, is part of the National Climate Change Response System, which guarantees the articulation between both issues.

A key tool to strengthen resilience to risks arising from climate change and natural disasters is the Relocation Plan, which has managed more than 60 working agreements with local governments, allowing the relocation of people in flood-prone areas and the rehabilitation of these lands for public use. In addition, the country approved the National Climate Change Plan, the National Policy on Comprehensive Emergency and Disaster Risk Management for the period 2019-2030, three National Climate Adaptation Plans (cities and infrastructure; coastal zone; and agricultural sector), the Long-Term Climate Strategy and two Nationally Determined Contributions (NDCs). These documents contain implemented or ongoing actions and targets that contribute to reducing the country's vulnerability to the impacts of climate variability and climate change, to building adaptive capacity and resilience, and to facilitating the integration of climate change adaptation into the development process.

Addressing climate change will require making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Uruguay has made significant advances in that regard, by the issuance of a sovereign sustainability linked bond indexed to climate change and nature indicators that are aligned with the targets set by the country's NDC. The development of innovative mechanisms and the alignment of financial flows of the financial sector with climate and sustainable development objectives will accelerate the transition to a more climate-resilient future.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/URY/synergies-and-tradeoffs>

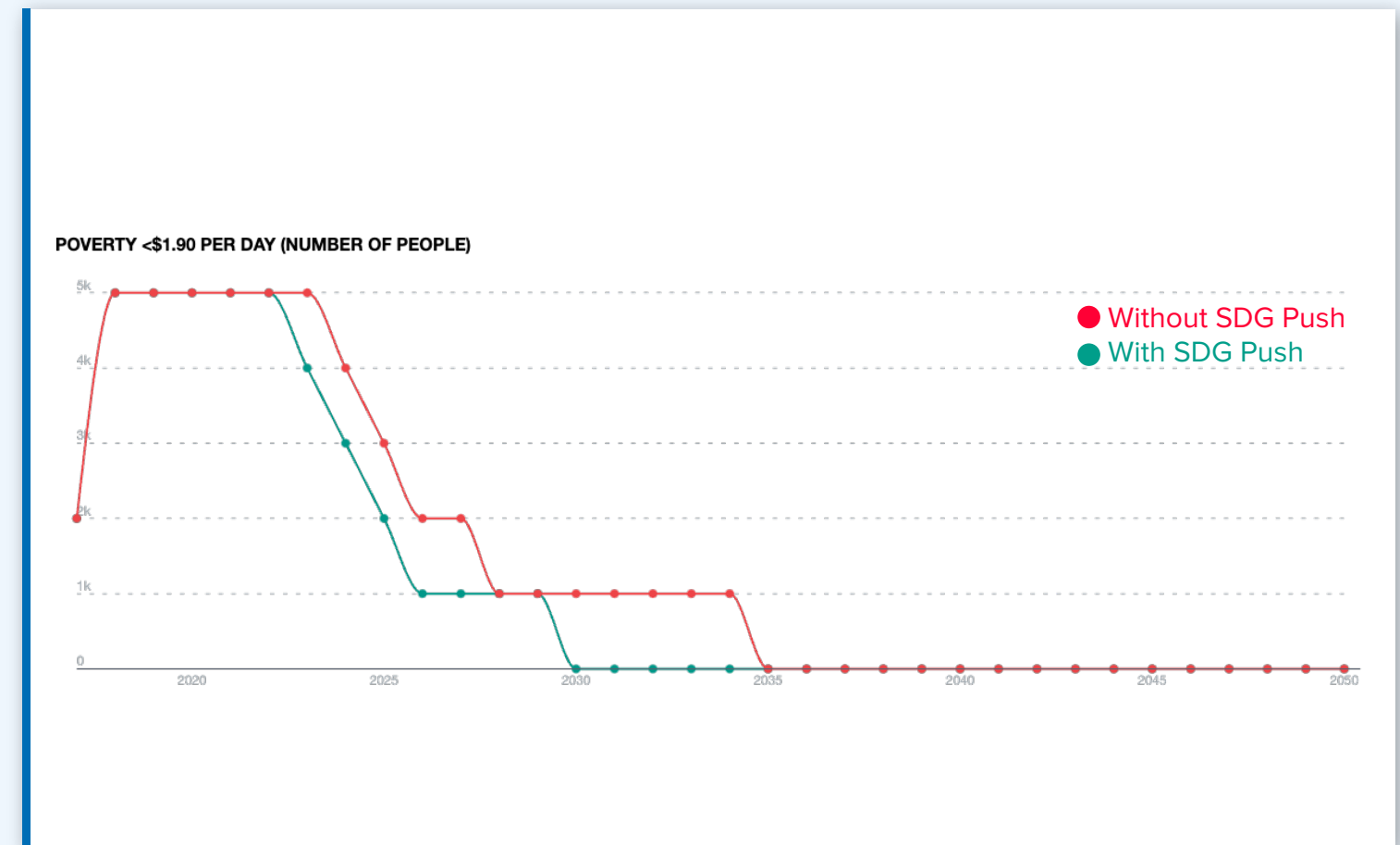
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Uruguay can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	1,000	0
With the SDG Push	0	0



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/URY/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

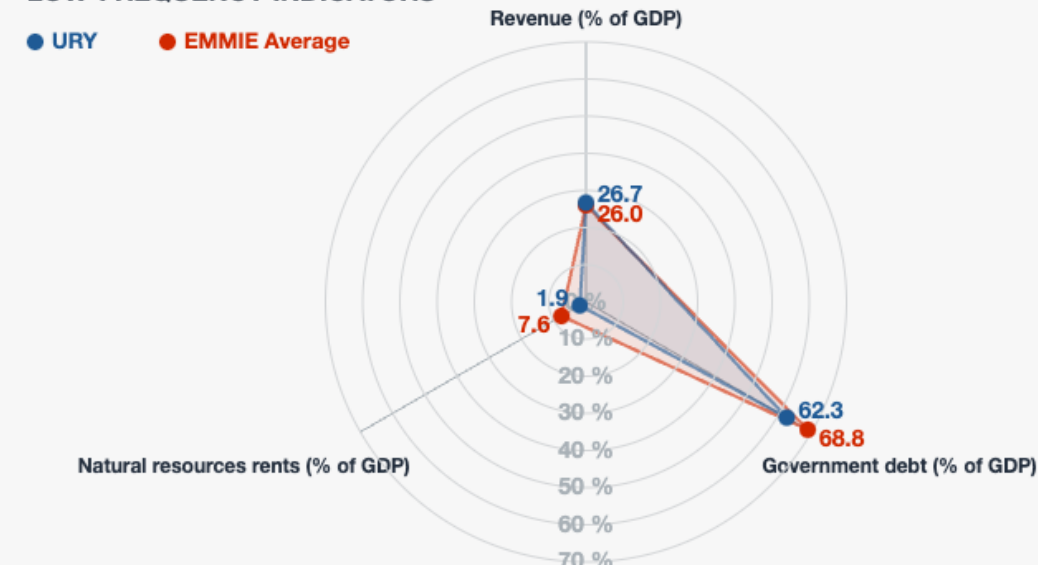
The radar diagram shows low frequency data points linked to government revenue, debt and natural resources rents as a proportion of GDP. The financial indicator graphs shows higher frequency data on external debt servicing relative to revenue and the country's sovereign credit rating.

Uruguay's gross government debt, projected at 62.3% of GDP in 2023, is 6.5 percentage points (pp) below the emerging market and middle-income economies (EMMIE) group's figure of 68.8%. The country is projected to collect 26.7% of GDP in revenue this year, which is close to the EMMIE group's 26%.

Uruguay's external debt servicing relative to revenue, at a projected 13% this year, is slightly above the EMMIE group's 12.3%. The country's credit rating is in the 'lower medium investment grade' category, and thus significantly above the EMMIE average.

The current fiscal deficit reaches 3.7% of the country's GDP. Nonetheless, the fiscal deficit for 2023 is expected to drop to 3.2% of GDP, then to 2.7% in 2024.

LOW-FREQUENCY INDICATORS



FINANCIAL INDICATORS



Notes: External debt covers public and publicly guaranteed debt. The credit rating shows the numerical average of S&P's, Moody's, and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: WDI (natural resources rents, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), debtjustice.org.uk (external debt, data from 2022), S&P, Moody's and FITCH (credit ratings, data from 2023).

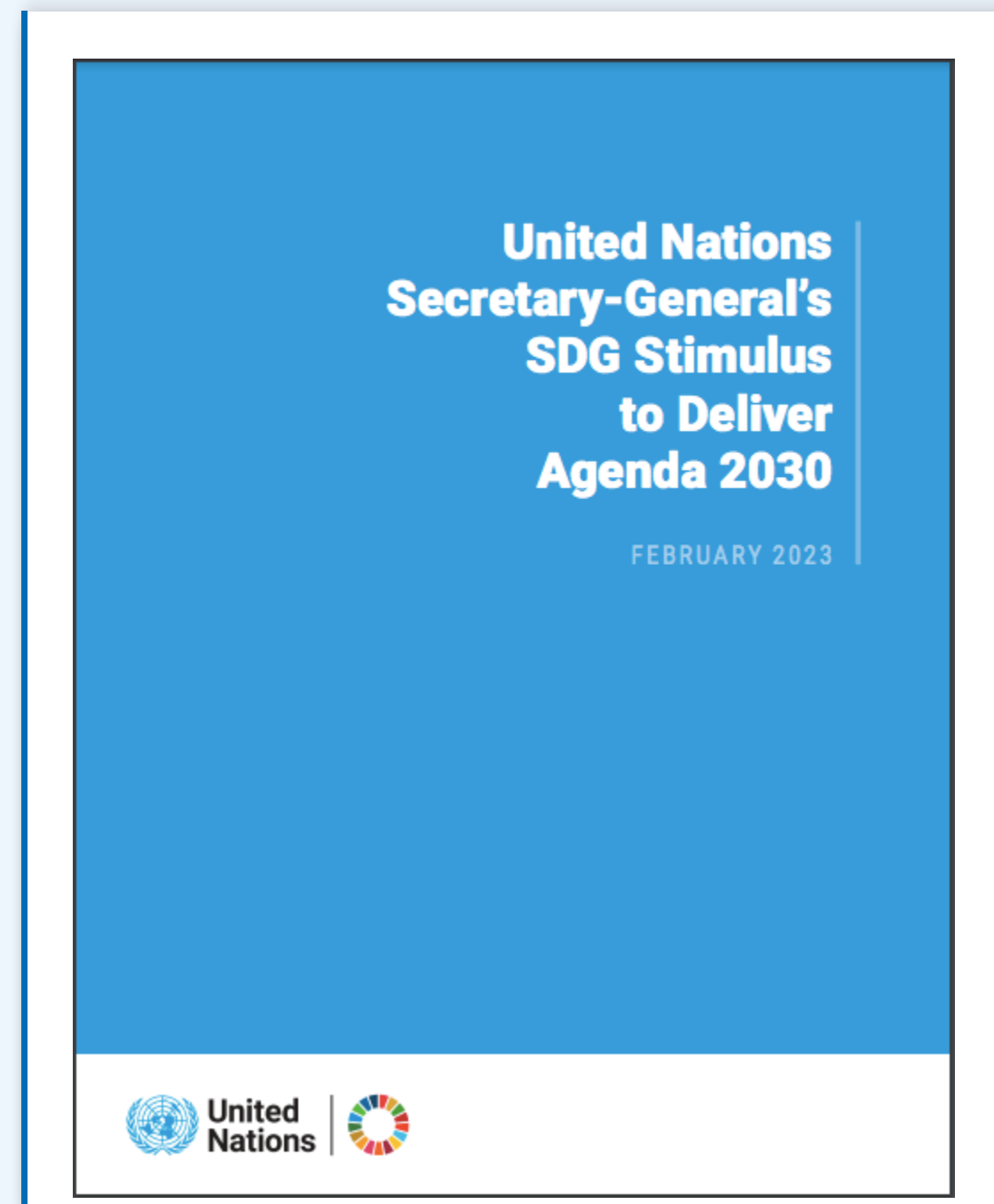
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Uruguay, possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Debt for SDGs
- Blended and public-private finance
- SDG-aligned business environment and investment



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



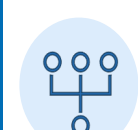
TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official UN statistics to assess SDG progress, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the KnowSDGs Platform by European Commission. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. (Miola et al., 2019 updated in 2021-2022)



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).