RENEWABLES IN LATIN AMERICA AND THE CARIBBEAN

DECLARATION OF MONTEVIDEO

Montevideo, November 8, 2023

The Ministers, Vice Ministers and Senior Officials of the energy sector of the member countries of the RELAC initiative and who have subscribed to the Declaration of Principles of the initiative (Barbados, Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Dominican Republic and Uruguay), meeting in the city of Montevideo, by virtue of the objectives and commitments of the initiative; and in accordance with the principles of international cooperation and regional integration:

CONSIDERING:

The RELAC initiative, in its role as a platform for climate action in the power sector in Latin America and the Caribbean (LAC), aims to promote the energy transition through a greater participation of renewable energies (RE) in their electricity matrices.

That, the RELAC initiative originated with the purpose of promoting decarbonization in the power sector with a regional goal of at least 70% RE in installed generation capacity by 2030. However, electricity only represents approximately 20% of primary energy consumption in both LAC and RELAC countries.

That, the urgency of mitigating climate change requires better monitoring of countries' decarbonization processes through appropriate indicators that reflect the evolution and dynamics of the transition in a broader manner.

That, some LAC countries do not have sectoral targets for renewables in the electricity sector, but they do in the energy sector and therefore a follow-up on the indicator of
renewables in the total energy supply at the regional level could better align the RELAC initiative with the goals expressed in the energy policies of several countries in the region and with the Sustainable Development Goals (SDGs) such as 7.2, which proposes a substantial increase in the percentage of renewable energy in the global energy mix by 2030.

That, following the consensus expressed by the Energy Ministers of the RELAC initiative in the Governance Committee (GC) of December 15, 2022, options have been studied to update and increase the ambition of the RELAC objectives and align them with global initiatives (especially the SDGs).

That, the study of options to increase ambition, based on public and existing information, considering a prospective scenario that includes within its assumptions the goals already expressed by the RELAC countries in their Declarations of Principles, goals of the electricity sector in the Nationally Determined Contributions and the most recent generation expansion plans, determined that the participation of renewable energy would be 73.7% in terms of total installed capacity and 80.1% in terms of electricity generation in the RELAC countries by 2030.

That, the same study determined under conservative assumptions as of 2030 that the share of renewable energy would be 95.1% in terms of total installed capacity and 96.1% in terms of electricity generation in the RELAC countries by 2050.

That, the same study and with assumptions that represent the current efforts of the countries reflected in their Declarations of Principles of the RELAC initiative, as well as the goals of the electricity sector in the most recent Nationally Determined Contributions and generation expansion plans, determined that the participation of renewable energies in the total energy supply, or Renewability Index of the Total Energy Supply (IROUTE, as defined by OLADE), would reach 36.8% by 2030 for the RELAC countries.

That, the same study determined under conservative assumptions as of 2030 that the participation of renewable energies in the total energy supply, or Renewability Index of Total Energy Supply (IROUTE, according to OLADE’s definition), would reach 72.2% by 2050 for the RELAC countries.

AGREE:

1. Ratify its commitment to the RELAC initiative and its objectives.

2. Support the work developed by the focal points, the Technical Secretariat and OLADE.
3. Update the regional target for the share of renewable energy in the total installed capacity of electricity generation in the member countries of the RELAC initiative from 70% to 73% by 2030.

4. Update the regional target for the share of renewable energy in total electricity generation in RELAC member countries from 70% to 80% by 2030.

5. Incorporate the Total Energy Supply Renewability Index (IROTE, as defined by OLADE) to the set of indicators to be monitored through the RELAC platform.

6. Propose as a regional goal for the entire group of member countries of the RELAC initiative, to reach a share of renewable energies in the total energy supply of at least 36% by 2030. This global target is indicative and voluntary, and will be monitored through the Renewability Index of the Total Energy Supply as defined by OLADE and will represent a differentiated progress of the countries according to the different starting points of the above mentioned index.

7. Recommend the continuation of technical studies that identify and analyze net zero carbon decarbonization scenarios of the countries of the initiative, in line with meeting the objectives of the Paris Agreement to keep the increase in global temperature this century below 2 degrees Celsius above pre-industrial levels and continue efforts to limit this temperature increase to 1.5 degrees Celsius.

8. To thank and congratulate Honduras and Panama for the role they have played as pro tempore Presidents of the RELAC initiative during 2023.

9. To appoint Colombia and Costa Rica to jointly serve as pro tempore Presidents of the initiative as of January 1, 2024.

10. To express its appreciation to the Inter-American Development Bank, IDB, for its management, financial support and commitment to the RELAC initiative and request that it remain in charge of the Technical Secretariat. Likewise express its appreciation to OLADE in its capacity as monitoring agency. Also, to thank the partner agencies of the initiative for their support in financing and technical assistance to the energy transition agendas of the member countries.