

JOINT DECLARATION “NO NEW COAL-FIRED POWER PLANTS IN LAC”

LIV MEETING OF MINISTERS OF THE LATIN AMERICAN ENERGY ORGANIZATION

Asunción, Paraguay - October 31, 2024

The Ministers of Energy of Argentina, Barbados, Belice, Bolivia, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Haití, Honduras, Panamá, Paraguay, República Dominicana, Trinidad y Tobago, Uruguay, and Venezuela in their capacity as Members of OLADE, meeting in the city of Asunción, Republic of Paraguay, on October 31, 2024.

CONSIDERING

- 1- The institutional role that the Lima Agreement grants OLADE with regards to: promoting among its Member States the adoption of effective measures to prevent environmental pollution caused by the exploitation, transportation, storage and utilization of energy resources within the Region; and recommending measures deemed necessary to prevent environmental pollution caused by the exploitation, transportation, storage and utilization of energy resources within the Region, in areas not dependent on the Member States.
- 2- The strategic pillar No. 5 of the Three-Year Plan in force for the current OLADE administration, focused on strengthening the comparative advantages of Latin America and the Caribbean to move forward in the transition to a more sustainable energy model in social, economic and environmental terms and to carry out a sustainable energy transition that will make a real contribution to the fight against climate change and a boost for regional economic development and the reduction of inequality in terms of access to energy.
- 3- The political will expressed on November 9, 2023 at the LIII Meeting of Ministers of OLADE, through the Montevideo Declaration, regarding the affirmation of the importance of enhancing the process of just, sustainable and inclusive energy transitions; and the promotion of the development of cleaner and more resilient energy infrastructures and technologies, which facilitate compliance with the commitments assumed by the Member States, within the framework of the Paris Agreement, with emphasis on the implementation and updating of the NDCs.
- 4- The commitments assumed by the OLADE Member States to comply with Goals 7 and 13 of the United Nations 2030 Agenda for Sustainable Development “Affordable and Clean Energy” and “Climate Action” and their goals aimed at increasing international cooperation for the transformation of energy systems through the introduction of advanced and cleaner technologies, and promoting investment in energy infrastructure and clean technologies.
- 5- The validity of the Paris Agreement, signed by all OLADE Member States, an instrument which, as a legally binding international treaty in force since November 4, 2016, implies commitments from all its parties regarding emissions reductions and provides a roadmap for climate actions that will reduce emissions and increase climate resilience, signaling the shift towards a world with net zero emissions, as part of the fulfillment of achieving climate neutrality by 2050.

6- The significance of the Dubai Agreement, approved by 198 countries¹ at COP28, held in the United Arab Emirates from November 30 to December 13, 2023, which expressly recognizes the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5°C trajectories and calls on the parties to contribute in a determined manner at the national level to the global effort to accelerate the progressive reduction in the use of coal-based energy.

7- The impact of energy consumption on climate change, as responsible for approximately 60% of global greenhouse gas emissions.

8- The positioning of coal, used in electricity generation, as the fossil fuel with the highest carbon emissions, responsible worldwide for more than 40% of all CO₂ emissions in the energy sector, and therefore a major contributor to the climate crisis.

9- The strong incidence of the progressive elimination of the use of coal in electricity generation, in order to guarantee the achievement of the objectives and the fulfillment of the goals foreseen at a global level by 2050 in terms of energy transitions and reduction of greenhouse gas emissions.

10- Specific commitments adopted at the country level and planned initiatives at the global level to reduce or phase out the continued use of coal as a source of electricity generation.

DECLARE:

FIRST. - EXPRESS the political will not to initiate the construction of new coal-fired power plants as part of their national contribution to the gradual elimination of coal-fired electricity generation, within the framework of the regional perspective of energy transitions, guaranteeing the security of electricity supply.

SECOND. - AFFIRM that the reduction and gradual elimination of coal as a source of electricity generation implies a broad additional effort in the diversification of the electricity matrix through the introduction or expansion of the participation of other low-emission energy sources, necessary to satisfy the growing demand for electricity, as well as the intensification of the efficient use of energy.

THIRD. - SUPPORT the specific commitments assumed and the initiatives implemented by a growing number of OLADE Member States that have undertaken actions to reduce and/or progressively eliminate the use of coal as a fuel for electricity generation, as part of their compliance with the greenhouse gas reductions foreseen in their Nationally Determined Contributions.

FOURTH. - ASSUME that the reduction and progressive elimination of coal as a source of electricity generation implies socioeconomic impacts to be considered in terms of investment recovery, contract compliance, labor reinsertion of workers linked to this industry, replacement of sources of income of communities dedicated to the exploitation of this resource, among other circumstances that require the design and implementation of policies, plans and concrete strategies to face them as well as the development of innovative financing mechanisms to help manage these repercussions.

¹ The Dubai Agreement was approved by all OLADE Member States.

FIFTH. - RECOGNIZE that each OLADE Member State, in the exercise of its sovereignty and in accordance with its geopolitical reality, designs and implements its policies, strategies and plans for the decarbonization of the energy sector. This, in accordance with its circumstances, perspectives, interests, national priorities, commitments and international agreements assumed, levels of development, endowment and availability of energy, technological, financial, budgetary and infrastructure resources, among other legal, regulatory, economic, institutional circumstances and conditions of access to energy sources, capital and financing, guaranteeing that the progressive withdrawal of projected coal-fired generation does not compromise the security and efficiency of the electricity system.

SIXTH. - URGE OLADE to identify, analyze and share among its Member States, lessons learned and good practices in terms of strategies, policies, plans, projects and initiatives implemented in the Latin American and Caribbean region to reduce and/or eliminate dependence on coal as a source of electricity generation, in which the corresponding socioeconomic impacts of these actions have been effectively managed.

SEVENTH. - PROMOTE the definition of strategies and initiatives that allow to address the strengthening of capacities aimed at achieving the labor reinsertion of the productive force currently linked to the coal-fired generation in all its productive process.