

MINISTERIAL DECISION

LI/D/557

VULNERABILITY, RESILIENCE AND ADAPTATION TO CLIMATE CHANGE IN THE ENERGY SECTOR OF LATIN AMERICA AND THE CARIBBEAN

VIRTUAL MODALITY

24/11/2021

THE LI MEETING OF MINISTERS

CONSIDERING:

THAT pursuant to the provisions of subparagraph n) of Article 3 of the Lima Agreement, the Organization has to, among its objectives and functions, promote among the Member States technical cooperation, exchange and dissemination of scientific, legal and contractual information, as well as propitiate the development and diffusion of technologies in the activities related to energy;

THAT the fight against the adverse effects of climate change and the compliance with the commitments of the Paris Agreement, within the framework of the United Nations Framework Convention on Climate Change, are priorities for the OLADE member countries;

THAT the report Climate Change 2021, the basis of the physical science, published by the Intergovernmental Panel on Climate Change in August 2021 states that unequivocally human action has warmed the atmosphere, ocean and land and that rapid changes in these are occurring;

THAT human-induced climate change is already affecting the occurrence of severe weather and climate phenomena in all regions of the world, with Latin America and the Caribbean being strongly affected by these changes in climate, evidenced by an increase in temperature, changes in rainfall patterns, rising sea levels, droughts and tropical cyclones;

THAT the International Energy Agency, in its 2021 Climate Resilience report, warns that electricity systems are considerably impacted by phenomena associated with climate change: variable rainfall patterns, rising sea levels and extreme weather events that represent a significant challenge for the electricity system, affecting the security of electricity supply;



THAT the increase in global temperature leads to decreasing efficiency, deterioration of equipment and increases energy demand, with direct impact on energy systems;

THAT in the fight against the adverse effects of climate change, developed countries should provide financial resources to assist developing countries with respect to both mitigation and adaptation in accordance with their obligations under the UNFCCC and the Paris Agreement.

THAT a better understanding of the impact of climate change on energy systems will help to better assess risks and impacts, include climate resilience in energy plans and regulations, implement measures to adapt systems to climate phenomena, create appropriate incentives for energy companies to collaborate in the care of their assets;

THAT several OLADE member countries requested during the Council of Experts held on July 13 and 14, virtually, that the organization direct its efforts to study the issue of resilience and vulnerability of the energy system to climate change and that strategies and recommendations for adaptation to climate change be included;

THAT OLADE has worked together with the IDB in studies on vulnerability to climate change in hydroelectric production systems in Central America and their adaptation systems in the period 2012-2014, continuing the study for the Andean countries in the period 2017-2019;

THAT OLADE has worked with the support from AECID in a study on the incidence of climate change in energy planning: Screening for global evaluation of the vulnerability and climate risks of the energy system of Latin America and the Caribbean (screEN-LAC) in the period 2019- 2021;

In exercise of its powers:

DECIDES:

ARTICLE ONE. - Instruct the Permanent Secretariat of OLADE to carry out the necessary studies and actions to strengthen resilience and reduce the vulnerability of the energy systems of Latin America and the Caribbean in the face of phenomena associated with climate change.

ARTICLE TWO. - Encourage studies and actions focused on determining the climate impact on energy production or generation, its transportation and distribution and its effect on demand and the impact and quantification of the costs of externalities associated with climate change on the energy system. Likewise, they should include proposals to increase the resilience of the infrastructure and adapt it to new phenomena in order to minimize the risks of

interruptions in the energy supply and to strengthen the productive capacities of the populations of our region.

ARTICLE THREE. - Urge the Permanent Secretariat of OLADE to seek various financing options from multilateral banks, international organizations, cooperation agencies and private companies to carry out studies and proposals related to the matters referred to in Article One.

ARTICLE FOUR. - Authorize OLADE to begin work on vulnerability to climate Change in hydroelectric production systems in those subregions that have not yet been worked on.

