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CONCEPT NOTE

Regular meeting of THE

Inter-American Council for Integral Development (CIDI)

OCTOBER 31, 2023

**THEME: ACCELERATING THE CLEAN ENERGY TRANSITION IN THE AMERICAS**

1. **Background/Justification**

The Americas, as a diverse and interconnected region, stands on the cusp of an energy revolution. With an abundance of renewable energy sources—from the solar fields of the Atacama Desert in Chile, the wind farms of Texas, the geothermal plants in Costa Rica, to biofuels in Brazil, and huge hydropower resources across the entire Hemisphere—the Americas have the potential to be a global frontrunner in the clean energy transition. According to the Inter-American Development Bank (IDB), the participation of renewable sources in the region's electricity matrix reached 61%, a figure higher than that of any other region, and nearly twice the global average, which stands at 29%. Yet, to lead the global clean energy transition concerted and coordinated efforts are paramount.

The clean energy transition represents more than just a technical challenge—it's a transformational opportunity. By pivoting to clean energy, countries in the Western Hemisphere have the potential to mitigate the worst impacts of climate change while catalyzing economic growth. For instance, investing in renewable energy can create up to three times more jobs than fossil fuels. Additionally, the transition promises improved public health outcomes by reducing air pollution and fostering innovations that enhance global competitiveness. With the right combination of public policies and private investments, the Americas can lead a sustainable, prosperous, and equitable energy future for all its peoples.

The effects of climate change are glaringly evident. It is estimated that, by 2050, the cumulative costs of climate change in Latin America and the Caribbean could amount to over $100 billion annually. This underlines the increasing frequency and severity of weather phenomena, rising sea levels, and disruptions to agriculture, which are intensifying across the Americas. The transition to clean energy, hence, is not merely about environmental stewardship—it's an existential imperative. As global markets gradually shift away from fossil fuels, countries lagging in their transition to clean energy face potential economic headwinds. These include reduced competitiveness, stranded fossil fuel assets, and missed opportunities in an emerging green economy which, by 2030, could represent a market of over $10 trillion globally.

Hemispheric cooperation is paramount as member states strive to accelerating clean, sustainable, renewable, and just energy transition in the Americas.

**A Collaborative Approach to the Clean Energy Transition**

While each nation in the Americas has its unique energy challenges and opportunities, there's a clear advantage in working together. The Energy and Climate Partnership of the Americas (ECPA) is ideally positioned to facilitate this collaboration, bridging gaps and catalyzing joint efforts. Through collaboration on policy alignment, shared knowledge, financing, empowerment, and a common , the Americas can accelerate the clean energy transition in a way that benefits all.

**Policy alignment.** Energy systems are not isolated. A decision in one nation can have consequences for neighboring countries. Recognizing this interdependence, it is essential for nations to work collaboratively. By aligning energy policies, countries can create a synergistic approach, maximizing regional benefits and minimizing potential conflicts or redundancies.

**Shared knowledge.** Given the diverse stages of energy transition across the region, the exchange of knowledge and experiences becomes invaluable. Collaboration ensures that these insights are disseminated, adapted, and implemented across the Western Hemisphere, accelerating the pace of the clean energy transition for all.

**Financing.** Moving to cleaner energy sources requires significant capital. Countries must find ways to pool resources, attract private equity, and leverage public-private partnerships. By collaborating on these fronts, nations can ensure they have the financial backing to make their clean energy aspirations a reality.

**Empowerment.** A successful energy transition is not just about new technologies; it's about having skilled professionals to implement them. Across the region, there's a need to focus on training programs, certifications, and educational initiatives that ensure a workforce ready for tomorrow's energy sector challenges.

**Forum in common.** On the global stage, the Americas can have a more significant impact if they present a united front, or unified hemispheric stance. As international discussions around clean energy continue, the countries of the Americas should aim to develop coordinated positions and strategies, amplifying their collective voice and influence.

1. **Purpose of the Meeting**

This regular meeting offers an opportunity to develop collaborative actions for effective national clean energy transitions in the Americas. Questions for member states will feature:

1. How can member states align their energy policies more effectively to maximize regional benefits?
2. Considering the varying stages of energy transition among nations, how can ECPA, the initiative Renewable Energy in Latin America and the Caribbean (RELAC) or other mechanisms or platforms facilitate the exchange of best practices and lessons learned? How can member states collaborate more effectively on training and capacity-building initiatives?
3. What collaborative models or mechanisms can be established to pool resources, attract greater private equity, and leverage public-private partnerships for cleaner energy projects across the region?
4. How can ECPA support member states in forging a coordinated and cohesive regional stance on clean energy that amplifies the collective voice of its members?
5. **Relevance to SEDI**

- Strengthen the implementation of the commitment on Accelerating the Clean, Sustainable, Renewable, and Just Energy Transition, adopted by the Heads of State and Government at the Ninth Summit of the Americas held in Los Angeles in June 2022.

- Guide the efforts of the Executive Secretariat for Integral Development (SEDI) in the implementation of the Inter-American Climate Change Action Plan 2023-2030, adopted by the member states at the Fourth Inter-American Meeting of Ministers and High-Level Authorities on Sustainable Development, held in Nassau, The Bahamas, in October 2023.

- Receive member state inputs for the Sixth ECPA Ministerial meeting to be held in Punta Cana, Dominican Republic, on March 14-15, 2024.

1. **OAS Mandates**

At the Ninth Summit of the Americas held in Los Angeles, United States of Americas, on June 8-10, 2022, the Heads of State and Government committed to “[p]romote multilateral cooperation to increase the use of all forms and types of renewable energy in the countries of the Hemisphere, including programs such as those of the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), Development Bank of Latin America (CAF), Central American Bank for Economic Integration (CABEI), the Renewable Energy in Latin America and the Caribbean (RELAC) Initiative, and the Energy and Climate Partnership of the Americas (ECPA), among others, to include the participation of all States, as appropriate.”

AG/RES. 2955 (L-O/20) instructs SEDI “to continue to assist the ECPA in its efforts to support member states to develop renewable energy and natural gas, as well as some possible options for building cross-cutting and cross-border energy infrastructure and energy services, diversifying sources and geographic distribution for power generation and protecting communities from power grid failures caused by disasters.”

AG/RES. 2904 (XLVII-O/17) instructs the General Secretariat “to continue to promote, as resources permit, regional dialogue among member states and between the public and private sectors with a view to developing reliable, cleaner, more-affordable, renewable and sustainable energy systems that facilitate access to energy and energy-efficiency technologies and practices, and also that it continue to encourage partnerships that promote greater donor coordination, voluntary access to information and sharing of knowledge on mutually agreed upon terms and conditions in order effectively to coordinate regional renewable energy strategies.”

The Charter of the Organization of American States (OAS) mandates the Inter-American Council for Integral Development (CIDI) to promote cooperation among OAS member states to achieve integral development and, in particular, to help eliminate extreme poverty. The Charter also directs CIDI to “promote, coordinate and assign responsibility for the execution of development programs and projects to the subsidiary bodies and relevant organizations, on the basis of the priorities identified by the member states, in areas such as economic and social development, including trade, tourism, integration and the environment.”

The Inter-American Climate Change Action Plan 2023-2030 seeks to develop concrete and responsive measures to be coordinated by SEDI, through its Department of Sustainable Development (DSD), working with national governments, international organizations, and other relevant stakeholders. The Action Plan seeks to, among other things, “[p]romote our just transitions by supporting member states’ efforts to formulate policies and incentives that encourage investment in environmentally sound technologies, thus accelerating the shift toward low greenhouse gas economies, driving sustainable economic growth and contributing to the global fight against climate change.”

Moreover, the work of the General Secretariat of the OAS should contribute directly to supporting member states in their efforts to meet SDG 7: “Ensure access to affordable, reliable, sustainable and modern energy for all;” as well as the interrelated targets of other SDGs on the 2030 Agenda for Sustainable Development and all of its crosscutting elements.

1. **Structure of the Meeting**

Several speakers will be invited to address the topic. Member states will have the opportunity to participate in an interactive dialogue guided by the Chair of CIDI.

After the session of question with the invited speakers, the Chair will invite the delegations to present best practices and indicate needs, possible challenges, and opportunities in relation to hemispheric cooperation in this area.

1. **Outcomes of the Meeting**
2. Member states feedback on strategies to accelerate the clean energy transition.
3. Specific recommendations relating to mitigation strategies that can be implemented under the umbrella of the Inter-American Climate Change Action Plan 2023-2030.
4. Key takeaways to support the formulation of the agenda for the Sixth ECPA Ministerial Meeting.

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