

# Latin America, a region of opportunities and strong momentum for a just and clean energy transition

*The IEA's rich work programme supports policymaking in Latin America and for the first time produced an energy outlook report for the region*



First-ever *Latin America Energy Outlook* explores energy demand, supply, and emission reductions as well as opportunities for the region's positioning in the emerging new energy economy



Analysis and policy advice on energy efficiency in key industries in Brazil and on advancing standards for appliances in Central America



Close dialogue with policymakers and with regional institutions, such as OLADE and SICA, working to scale up necessary policy changes and build expert capacity


## Key facts


8%   
of global population

7%   
of global GDP

5%  of total cumulative energy-related GHG emissions to date

About 17 million people in the region remain without access to modern energy services today

60%   
Power sector in the region is already 60% based on renewables, making its electricity one of the least carbon intensive in the world

45%   
Hydropower accounts for 45% of power generation in the region

## ► First-ever Latin America Energy Outlook

Produced in close cooperation with countries in the region, the report shows why Latin America has a crucial role to play in energy transitions around the world and in meeting global climate goals. It also highlights what additional measures would be needed to fulfil all energy and climate pledges made by Latin American countries, including the net zero pledges made by Latin American governments covering over half of the region's CO<sub>2</sub> emissions.

## ► Energy efficiency in key industries in Brazil

The IEA works closely with the Brazilian government's Energy Research Office to benchmark energy efficiency in key industries. We provide recommendations on how to further improve energy efficiency and decarbonisation pathways, selecting sectors that contribute significant shares of Brazil's CO<sub>2</sub> emissions, such as freight transport, iron and steel production and the pulp and paper industry.

## ► Increasing efficiency of appliances in Central America

The IEA contributed analysis to consultations that led to adoption of minimum energy performance standards for air conditioning by SICA. This binding policy has been adopted by six out of eight member countries so far. The policy will help lower consumer bills, cut CO<sub>2</sub> emissions and lead to more affordable energy through avoided electricity costs. The IEA is also driving an initiative to support harmonisation of efficiency standards for a range of products in a group of leading countries in Latin America.

## ► Innovation and RD&D data in Brazil

The IEA advised the elaboration of a new data collection system on technology innovation that provides crucial information to shape clean energy research in Brazil. This work culminated in the publication of a resolution by the Brazilian National Council for Energy Policy that prioritised public RD&D investments. This resolution now guides the oil and gas industry as well as power regulators ANEEL and ANH to allocate innovation resources from regulated companies into work on hydrogen, nuclear, biofuels, energy storage, sustainable thermoelectric generation, digital transformation and strategic minerals.

## ► Hydrogen

The IEA supports the regional H2LAC initiative funded by GIZ, World Bank, UN ECLAC, Euroclima+, leading a work stream on "Production and Consumption", and engages both at the bilateral and regional level with energy ministries to support development of hydrogen technology in the region. For the *Latin America Energy Outlook* report, the IEA conducted consultations with national hydrogen associations as well as policy makers to inform its first-ever long-term scenario analysis of the region's potential.

## ► People-centred transitions

At the request of Chile's Ministry of Energy, the IEA provided technical input to the Ministry's working group on energy poverty and to a series of roundtables with stakeholders. As a result of these consultations, the group formulated a medium-term plan, Plan de Acción 2023-2030, to tackle issues of energy quality and affordability and access to clean energy services, as well as an approach to energy subsidy reform.

## Opportunities for engagement

- **Tailored policy advice based on the Latin America Energy Outlook** – The IEA will work closely together with countries in the region to translate the findings of the report into tailored and carefully timed policy and regulatory measures guided by strategic priorities for selected sectors.
- **Support to Colombia's Just Energy Transition strategy** - The IEA is working with Colombia to support its preparations for a just energy transition strategy to design truly people-centred and inclusive policies.
- **Clean hydrogen production and critical minerals development** - The emerging new energy economy creates great opportunities for Latin America to sustainably tap into natural resources that could make the region a leader in these sectors. The IEA is working with countries in the region to connect key policymakers from mining and energy authorities with the aim of fostering national and regional policy dialogues to foster sustainable development in these areas.
- **Energy efficiency** - The IEA's work on energy efficiency focuses on data collection roadmaps and diagnostics for several countries and on promoting the deployment of efficient appliances and products. It also includes capacity building with a dedicated Training Week for Latin America and translation of online courses into Spanish and Portuguese.

This work is supported by the **Clean Energy Transitions Programme**, the IEA's flagship programme for taking action to achieve a clean energy transformation worldwide.

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