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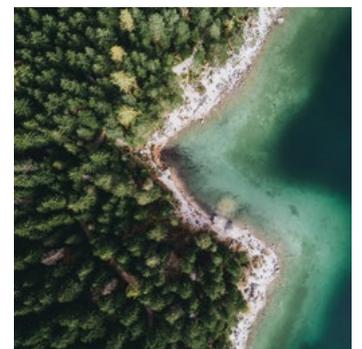


COP26 - Trends in Latin America

From the glaciers of the Andes to the oceans on both sides of the continent, Latin America is home to a vast array of eco-diversity that is particularly vulnerable to the negative impact of climate change. Each Latin American country faces its own challenges, and hence there is no unified Latin American policy response to climate change. Individual state efforts to reduce and reverse climate change by Latin American governments have been limited over the past year due to the more immediate need to focus on the COVID-19 pandemic and the economic crisis it caused over the region's economies.

While Chile, Peru, and Costa Rica have continued to lead initiatives in the region, other countries see environmental protections as coming at the expense of economic growth. Oil-producing economies such as Brazil, Colombia, Ecuador, Mexico, and Venezuela have demonstrated interest in retaining current activities in their oil industries by taking action to develop hydrocarbon exploration within the region and deprioritize non-carbon based energy alternatives.

Still other countries, such as Argentina, have faced significant economic hurdles that have prevented them from taking any action regarding climate change. As the rest of the world begins to invest in sustainable energy, Latin American countries have the opportunity to boost their economies by focusing their efforts on sustainable energy.



Positive Initiatives Undertaken in 2020-2021

The Latin America region is especially vulnerable to the consequences of climate change, and some countries are consciously leading initiatives to mitigate this impact:

Chile

In early 2020, a group of legislators submitted to the House of Representatives to prohibit the installation and operation of coal-fired power plants nationwide by 2025. This bill was passed by the House of Representatives in June 2021 and subsequently moved to the Senate. If approved, the Bill would accelerate as a matter of law the closure of the remaining power plants originally scheduled to close by 2040 pursuant to Chile's Plan for Decarbonization and Closure of Coal-Fired Power Plants, which provides for a three-phase closure rather than a one-time ban. Further, Chile enacted its *Ley de Eficiencia Energética* in January 2021, which regulates energy consumption and proposes reduction in energy consumption of 5.5% by 2030 and 7% by 2035.

Chile also has an ambitious goal to emerge as one of the world's leading producers and exporters of green hydrogen across the globe. These efforts include the launch of the National Strategy for Green Energy to promote the production of green hydrogen by taking

advantage of the vast and cheap solar energy produced in the north of the country, as well as a pilot project in the Spence copper mine to replace the diesel and natural gas used in the boilers for its copper obtaining process. There are also efforts to develop two hydrogen pilots which are expected to start operations between 2022 and 2023, and the Siemens Haru Oni green fuel project, which involves using wind power to produce hydrogen, e-methanol and e-fuels. The Magallanes regional environmental agency approved the green hydrogen project to green fuels developer HIF in such region.

According to President Piñera, Chile is planning to present its [Long Term Climate Strategy](#) at COP26, which is expected to define how Chile will implement the bill on climate change and will establish, for the first time, limits on carbon emissions for eleven sectors. In its 2020 NDC, Chile recorded its commitment to reducing at least 25% of the total black carbon emissions by 2030 (compared to 2016 levels).

Peru

Peru's Executive Branch introduced a bill to Congress in January 2021 to provide investment incentives for renewable energy resources. The Energy Ministry announced that Peru's non-hydro renewables produced 27% more energy when compared with the

preceding year's numbers. In April 2021, Anglo American announced that it has signed a deal with Engie to provide 100% renewable energy for its Quellaveco copper mine – which will be the country's largest windfarm project. The Peruvian government also announced this year its commitment to unconditionally reduce 30% of its GHG emissions by 2030.

Costa Rica

Costa Rica has long been a leader in the region regarding climate change and sustainability. In response to the COVID-19 pandemic, the Costa Rican government developed and initiated a "green recovery" plan to both recover from the impact of the pandemic as well as to develop a more sustainable future. This recovery plan includes economic measures, such as an assessment of the state's Decarbonization Plan on the COVID-19 economic recovery, adaptation measures, such as strengthening food security and identifying and supporting the most vulnerable populations in Costa Rica, and ways to build a more circular economy. As part of its Decarbonization Plan, Costa Rica is committed to reaching zero carbon emissions by 2050. Earlier this year, President Alvarado met with the President-Designate of COP26, Alok Sharma, to discuss the implementation of the Paris Agreement at COP26, particularly in relation to Article 6 on carbon markets and Article 13 on transparency frameworks.

Ambiguous Approaches to Climate Change

Other countries, such as Brazil, have combined positive initiatives with economic decisions that may have a negative impact on the climate:

Brazil

During the past year, Brazil took various legislative actions that have an ambiguous impact on climate change. President Bolsonaro sent a bill to Congress to release Indigenous Lands for mineral exploration, and has pushed Congress to vote on the bill. Although the bill grants indigenous communities the power to veto mining activities in their lands, it does not provide consultation rights over construction of hydroelectric or thermoelectric plants. Brazil also passed a gas law opening the LNG market to private companies, which faced criticism contending that using LNG to replace coal is not an effective strategy to reduce emissions. Bill 3729/2004 was also approved by Congress, which creates more flexible and simpler processes for environmental licensing within Brazil.

Brazil has also taken policy action that will have a positive impact on climate change, including a new law that compensates those who provide native forest conservation services. The Brazilian state of Piauí is home to the largest wind farm and solar park in South America, and became the largest producer of both renewable energy sources in South America in 2021. Brazil's energy agency authorized the expansion of multiple other wind parks, which will ultimately prevent the emission of more than 2 million tons of CO₂ into the atmosphere. In 2020, as part of its NDC, Brazil reaffirmed its reduction target of 37% by 2025 and assumed a new target of 43% by 2030 (compared to 2005 levels). The solar energy sector also benefited from a price drop in 2020, as well as tremendous growth in the use of solar panels.

Colombia

In early 2021, Colombia also announced its intention to grant 15 new hydrocarbons exploration contracts in 40 different areas of the country, which may have a negative impact on the environment. However, Colombia is also taking positive steps to mitigate climate change. Colombia's President Duque announced in April 2021 that Colombia will ratify its two commitments at COP26: reducing 51% of greenhouse gas emission by

2030, and achieving carbon neutrality by 2050. Colombia is also home to the largest electric public transportation system and electric fleet in Latin America. President Duque also launched a project in early 2021 that engages with local communities. This project compensates these local communities for the impacts of deforestation, with the goal of contracting with almost 10,000 communities by the end of 2022.

Mexico

In spite of Mexico's NDC which aims to reduce 22% of its GHG emissions by 2030, most of Mexico's governmental action will likely have a negative impact on the environment. The government has taken multiple steps to prioritize oil and fossil-fuel use, including the promotion of Mexico's national electric company, the push for the construction of the Dos Bocas oil refinery, as well as the Maya Train railroad initiative that will bring infrastructure development and diesel engines to sensitive jungle ecosystems. Mexico also plans to overhaul the country's gaining hydroelectric generators as well as allowing the state to refine the entirety of the country's oil output locally, which will have a positive impact for oil and gas giant Pemex and a negative impact on efforts to promote clean energies. There is, however, a bill currently moving through the legislature that would ban certain mining and hydrocarbon extraction activities in protected natural areas because these activities pose a serious threat to biodiversity in Mexico. If this bill passes, it would have a positive impact on climate change; however, the bill is likely to be opposed by mining companies and other relevant industry bodies.

Ecuador

In April 2021, Ecuador's new President-elect announced he will switch the contracting modality from services contracts to participation contracts to boost investment in the exploration and exploitation of hydrocarbons in the country. Although this may have a positive impact on the economy, it will not have a positive impact on regional efforts to combat climate change and on the recent initiative to launch a zero carbon plan. In 2019, the Government announced Ecuador's goal to reduce 9% of its GHG emissions in the energy, industry, waste management, and agriculture sectors by 2025.

Developing Initiatives

Finally, other countries in Latin America, such as Argentina, have been less focused on climate change initiative due to a focus on other serious challenges. Argentina took its first step toward the development of climate change initiatives in November 2019 by enacting a law on the "Minimum Budget for Adaptation and Mitigation to Global Climate Change". This law establishes a legal framework to develop and articulate climate change policies in the country while guaranteeing their implementation in a consensual and transparent manner. In 2020, renewable resources made up 10 percent of Argentina's energy production, and the country hopes to raise this to 16 percent by the end of 2021. Argentinian authorities have been considering several mechanisms to spur the growth of renewable energy generation within the state, but have run into economic and financial roadblocks. Argentina has a specific commitment to reduce 26% of its GHG emissions by 2030, and in this year's Leaders Summit on Climate, President Fernández informed that he had instructed Argentina's National Climate Change Cabinet to prepare a national plan of adaptation and mitigation to be presented at COP26, and show that Argentina incremented 27.7% its Nationally Determined Contribution with respect to 2016.

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