



**Forum on Climate Change and Renewable Energy  
in Latin America and the Caribbean  
Bogotá, 18 June 2013**

**Speech by  
Christiana Figueres, Executive Secretary  
United Nations Framework Convention on Climate Change**

Good afternoon, Minister,  
Good afternoon, ladies and gentlemen,

It is a great pleasure to have this opportunity to be here in my region and I would like to thank the 3GF, the Government of Denmark, the Government of Colombia and the Inter-American Development Bank for organising this vitally important event.

Some of you will know that I come from a family of politicians. This morning I felt as if I were in the midst of a political campaign — the only things missing were the banners, the crowds, the chants, and the flags. I say that because I believe that we genuinely are in the midst of a campaign to achieve energy sustainability in both this region and the rest of the world.

Before addressing the region's energy-specific issues, I would like to announce officially that our region will have the challenge and honour of hosting the next climate change Conference of the Parties, which will take place in December 2014. This year we will be in Poland, but next year we will come to Latin America and I would like to thank the Government of Peru profusely for taking on the challenge of hosting the COP in 2014. I would also like to thank Venezuela for volunteering as the venue for the pre-COP.

It will be a milestone event, because the Lima COP has to produce the draft of the global agreement that will be reached in Paris in 2015. I therefore invite you to contribute to the Latin American effort to make the meetings in Peru and Venezuela a success.

In the previous speech, Dr Pachauri showed us a graph indicating what the global energy mix should look like by 2035.

The big question for us is what contribution should Latin America make to it?

We need to ask that question because the energy policies defined over the next seven years through to 2020 will determine the region's energy mix through to 2030, if not beyond.

We need to double the amount of energy we generate by 2030, and we have to think very hard about how we are going to do it.

Ladies and gentlemen, I have to say that based on both our current energy mix and the trends observed over the last decade, although we are still well positioned, we are heading in the wrong direction.

Why are we well positioned today? We are well positioned today because we started out with a fairly clean energy mix in which renewable energy accounted for 52 per cent of the total. Not only is hydropower's share of energy generation here the highest anywhere in the world, but we have still only exploited 25 per cent of the region's hydroelectric potential. That means we still have an enormous amount of potential available to us.

However, over the last ten years we have seen two contradicting trends emerge. On the one hand, we have seen a laudable and admirable tendency to decrease energy intensity per unit of gross domestic product. This indicates that our medium-sized economies are moving closer to becoming large economies and are reaching a certain degree of energy maturity.

That is the good news. The bad news, however, is that over the same period we have increased the carbon intensity of the energy we use.

This trend runs counter to our aims regarding energy sustainability and climate change. Moreover, during the period in which this has occurred almost all of the world's regions have lowered their carbon intensity. In our region, this tendency is due to our growing use of natural gas.

Given that we are talking about doubling energy generation, what should we do? It has already been mentioned several times this morning that we need an energy integration policy that encourages us to make use of all of the fuels within our reach.

First and foremost of these is hydropower and we need to find ways of further exploiting this huge regional resource wherever it is environmentally appropriate and socially viable.

We are going to have to use natural gas, but we need to think very carefully about where we use it and we should only use it when there is no other alternative. What is more, we should start anticipating the future now and should include a carbon charge in all of our economic projections for natural gas. Those projections should envisage various scenarios, with charges ranging from ten dollars per tonne up to one hundred dollars per tonne, and those charges should be applied when analysing natural gas' long-term economic viability.

We should not fall into the default mindset of thinking that natural gas is the only other alternative. We have already spoken this morning about all of the opportunities that renewable energy offers us.

I would like to thank Walter and his colleagues at the Inter-American Development Bank for the excellent report they have produced for this meeting. Their report identifies several key factors:

1. The region's renewable energy potential.
2. Our experience of using the various technologies and of implementing policies to encourage them.
3. The fact that renewable energy's costs are falling whilst its efficiency is rising.
4. The fact that the technological frontier lies firmly in the low-carbon field.
5. Furthermore, the report suggests ways of overcoming the issue of intermittent power generation and enumerates all of the associated benefits.

Nevertheless, the report also underlines that we have to do more with regard to policies that encourage adoption of these technologies and integration of them into energy systems.

The report does not address several global trends which, if you will allow me, I would like to examine at three levels – private, national and international.

On a private level, a total one trillion dollars has already been invested in renewable energy. We saw the graphs earlier today — 100 MW of installed solar energy capacity worldwide and almost 300 MW of wind power.

At national level, the number of countries worldwide that already have climate change legislation and, consequently, energy regulations in place is now 33, with perhaps Mexico being the region's star performer in this regard. In total, 120 countries now have some sort of renewable energy legislation in force. This shows us which way we are heading.

At international level, I am the first to admit that international negotiations are advancing much too slowly. However, I am also the first to emphasise that the direction in which they are advancing is the right one. There is no denying that we are moving towards a low-carbon global economy.

The world's countries have committed to reaching a global agreement in which each and every country, large and small, will have to play a part. They will all have to contribute, although naturally this will be to differing extents based on each country's capacity. Nobody is exempt because we all have the means to contribute to the solution, and we all know that our respective national governments are working towards that global agreement.

Secondly, not only do we already have the beginnings of a global agreement, but we also already have an emerging price for carbon worldwide.

In California, Mexico, Chile, Brazil and Costa Rica work is already under way to establish the domestic and international markets that will determine the price of carbon in those countries.

Australia already has a price mechanism. South Africa already has a price mechanism. And India, Vietnam and China are all working on one.

In fact, only yesterday China's first domestic market was launched, in the city of Shenzhen, and this year alone China will create six more markets with a view to establishing a national system that will produce a carbon price for the country.

Given that all of these countries are setting up markets within their borders, it is foreseeable that it will not be long before those efforts are integrated and we have an international carbon price.

That trend is already well under way.

The third tendency is to support developing countries via various mechanisms and institutions currently being set up to provide technology and funding.

In terms of funding, and as we are gathered here because of the IDB, allow me to explain how the Green Climate Fund works. The Fund was established in Cancún at the 2010 COP. Its board of directors has met three times and the next meeting will begin next week in Songdo, Korea.

This year the board has set itself the tasks of finalising the headquarters agreement to enable the move to Korea; of appointing an executive director — which is not going to be easy; of establishing its administrative policies; and of developing its business model, which is perhaps the most important task of all.

The business model will determine the Fund's structure and will define how the Private Sector Facility will operate, which I know is a subject of enormous interest to everyone here. It will establish the eligibility criteria for the Fund and it will set up the portfolio of financial instruments available to it to leverage and reduce private investment risk.

Some of you may be wondering whether the Green Climate Fund will actually come into being and, if so, whether it will help or hinder us.

The answer is yes, it will exist. Nevertheless, although it is currently under development, I would like to make extremely clear that it will not be the only funding option, as we all know that the vast majority of funding for renewable energy will come from the private sector.

This is as true in Latin America as it is in any other part of the world.

We have been told that 430 billion dollars will be invested in Latin America's energy sector between now and 2030.

Will this investment arrive? We have no doubt about it.

The question is, what will the quality of that investment be like? What will that investment's carbon content be? Those are the big questions, and you can help shape the answers because, as I said earlier, the policies that governments adopt now, today, next year and through to 2020 will determine, without a shadow of a doubt, the nature of the investment the region receives.

That investment will define the region's infrastructure, and that in turn will determine whether or not the region heads up a technological one-way street that, in the long term, will not serve our best interests.

Today we were shown a sketch of an uneven football pitch, and I believe that sums up the challenge we face.

The policies and regulations in place in the region must, at the very least, first level the playing field for renewable energy and then later allow it to compete on its own merits.

Ladies and gentlemen, I would like to finish by reminding you that the future of my region is in your hands. Even more importantly, you hold your children's future in your hands.

I am confident that you will make the right decisions.

Thank you.

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