

Sustainable Development Goal (SDG)

Ensure access to affordable, reliable, sustainable and modern energy for all

7 AFFORDABLE AND CLEAN ENERGY



Regional overview

Energy is central to every major challenge and opportunity the world faces today. However, the use of fossil fuels has adversely affected the environment, which is why a transformation of the energy system towards renewable and sustainable power is necessary. In this context, energy is becoming a transformative industry based on innovation, efficiency and renewable and cleaner sources, which can contribute to creating quality jobs and developing new value chains to foster the recovery of the regional economy. In the region of Latin America and the Caribbean there is considerable progress on target 7.1 of universal access to energy services, although multidimensional energy poverty persists, and the challenge of reaching remote rural populations remains. Although there is progress on target 7.2 to increase the share of renewable energy in the energy mix, the region's energy matrix is still largely based on fossil fuels and vulnerable to external geopolitical shocks —particularly in the case of hydrocarbon-importing countries— persisting instrumental and regulatory challenges, and lack of energy security and integration that hampers progress at the speed required to achieve this target. Target 7.3 to increase energy efficiency requires considerable attention, as in the rest of the world, but is also a great transformative opportunity. Progress toward target 7a is receding in the region, despite it being the enabler to achieve the other targets.



Key messages from the region

- The region has made significant progress on access or connection to electricity in recent decades, reaching 97.6% of the population in 2021, while in 2020 close to 88% of the population had access to electricity from clean energy sources. Most of the 16.1 million people who are not connected to electricity in Latin America and the Caribbean live in rural and remote areas where the costs of extending networks and infrastructure are high. Although the situation is very varied, there are countries in the region in which up to 15% of the rural population do not have access to electricity. In South America, there are 4.9 million people without access and in Central America and Mexico 3.7 million.
- The impacts during and after the pandemic and the conflict in Ukraine have translated directly into an increase in energy vulnerability. The increase in fossil fuel prices (gas, oil and coal) and difficulties in paying electricity bills are two clear examples. These shocks have been amplified by inflation through the higher costs of energy and of transportation of goods and services.
- Since Latin America and the Caribbean is the most unequal region in the world, energy deficiencies must be considered from a multidimensional perspective, taking inequalities and territorial specificities into account. Households in the most vulnerable quintiles are those with the least access to quality energy services, owing to accessibility or affordability problems. The region's Indigenous and Afrodescendent populations are among the most vulnerable, given their lack of access to electricity, which is double the proportion for non-Indigenous and non-Afrodescendants.
- Gender inequalities in the field of energy are reflected in an inability to access clean energy sources for cooking and in responsibilities for acquiring and managing energy for the home. Likewise, the use of energy sources such as firewood and biomass is linked to health problems because of indoor pollution. This demonstrates the hurdles related to energy poverty that must be overcome to make progress on other Goals, with many women heads of household in the region.

Good practices from the region

- ECLAC, with the support of French cooperation and the countries of the region, is developing a set of energy efficiency indicators, metrics and policies.
- In its work on energy efficiency with Latin American and Caribbean countries, the United Nations Environment Programme (UNEP) has identified multiple opportunities for energy efficiency savings for lighting, appliances and equipment.
- The sector that consumes the most energy in the region —almost entirely through combustion of fossil fuels— is transport, making it strategic for electrification with renewable sources. The ECLAC initiative to support retrofitting of existing public buses from internal combustion engines with electric power trains promotes a departure from fossil fuel consumption in the transport sector. Of the 33 countries of Latin America and the Caribbean, 27 have prioritized transport as a key sector in the pursuit of the emission reduction goals from their nationally determined contributions (NDC). Most Latin American and Caribbean countries have legislation that encourages imports and use of electric vehicles.
- Green hydrogen is a topic of growing importance in the energy agenda of Latin America and the Caribbean, in line with the increasingly ambitious objectives related to development, the energy transition and climate. Most of the countries in the region have strategies or road maps for developing green hydrogen or are in the process of preparing them. In 2022, 12 green hydrogen projects are in operation in Latin America and the Caribbean, with 71 projects in the development phase.
- In the Central American subregion, a Clean Energy Corridor of Central America (CECCA) has been promoted seeking to increase intraregional trade in electricity produced using renewable sources in the framework of the Regional Electricity Market (REM) and the Electricity Interconnection System for the Countries of Central America (SIEPAC).
- In 2013, the Member States of the Caribbean Community (CARICOM) committed to a target of 47% electricity generation from renewable sources by 2027. Since then, several Caribbean economies have made great strides in adopting renewable energy by increasing its installed capacity by 98% between 2014 and 2021.

> Recommendations from ECLAC

ECLAC urges Latin American and Caribbean countries to accelerate the transition towards renewable and clean energy sources, electrify the energy matrix, unleash the potential of energy efficiency, and universalize coverage with quality and without intermittence. To achieve these goals, ECLAC proposes to accelerate the energy transition based on five pillars:

- (i) Increase the proportion of renewable sources in the energy matrix.
- (ii) Universalize access to electricity based on renewables and reduce energy poverty without leaving anyone behind.
- (iii) Increase regional energy security and resilience to external shocks, through renewable, distributed and cleaner local sources.
- (iv) Strengthen the complementarity, integration and interconnection between the energy systems of the region.
- (v) Increase the efficiency of energy systems in all economic sectors.

Transition towards renewable and clean energy sources



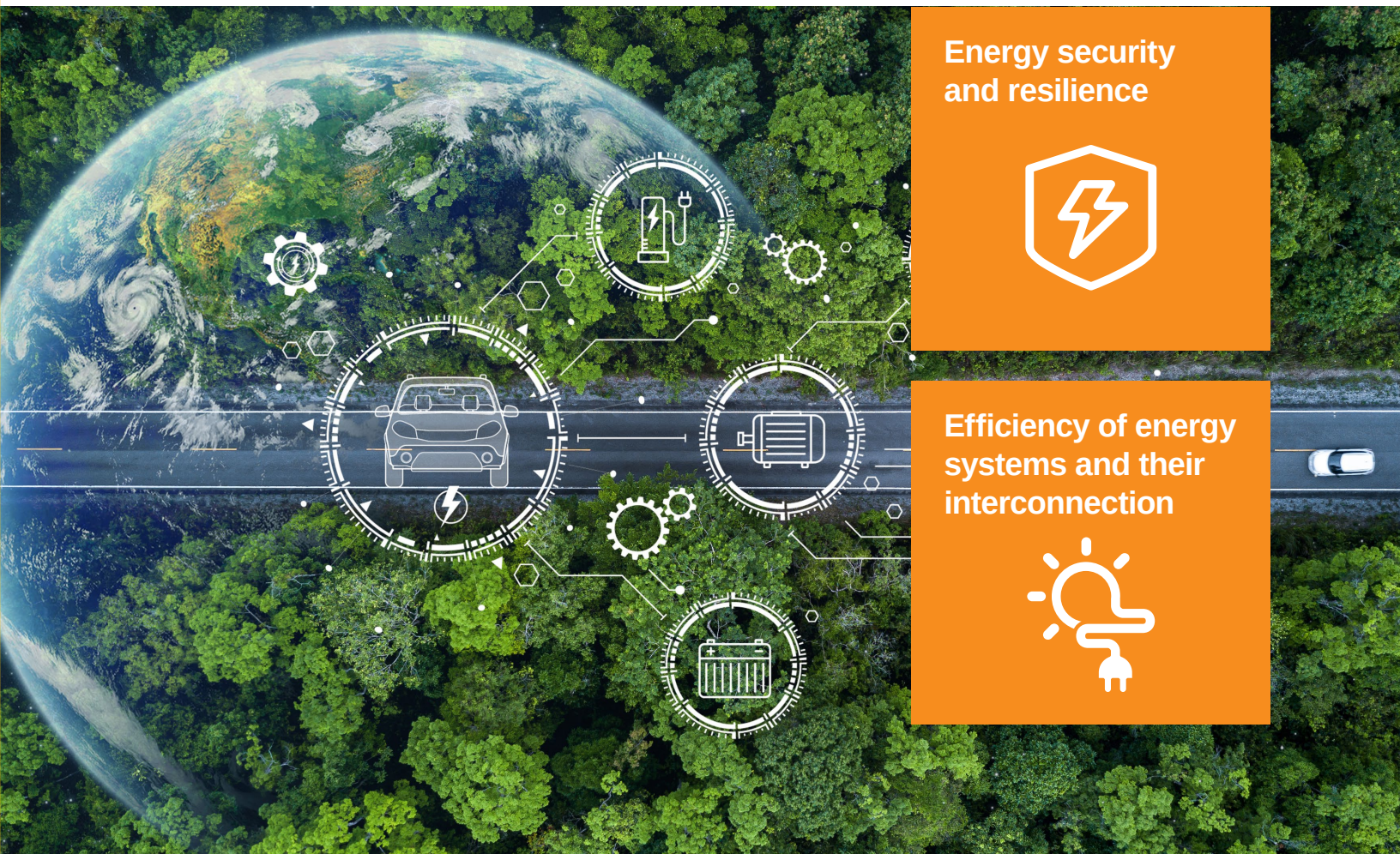
Universalize energy access



Energy security and resilience



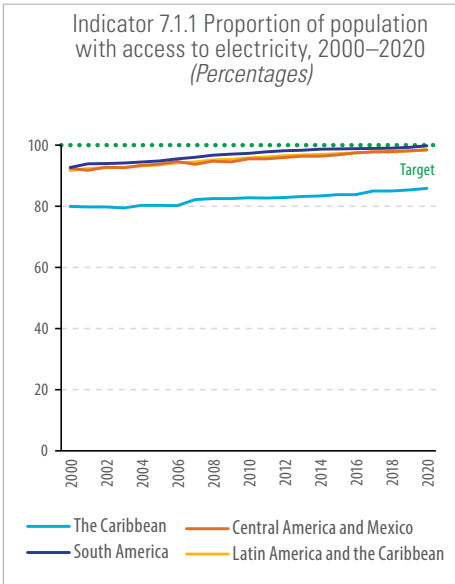
Efficiency of energy systems and their interconnection



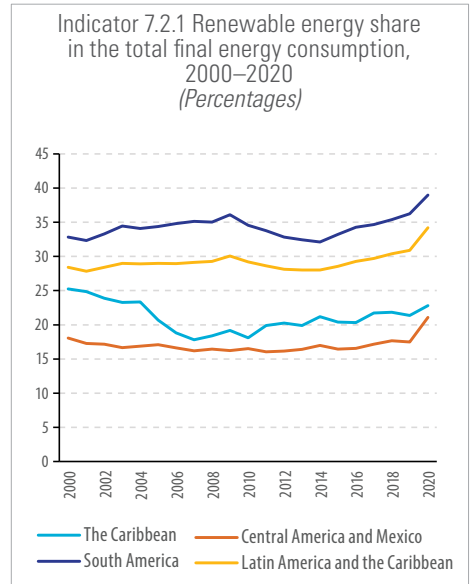
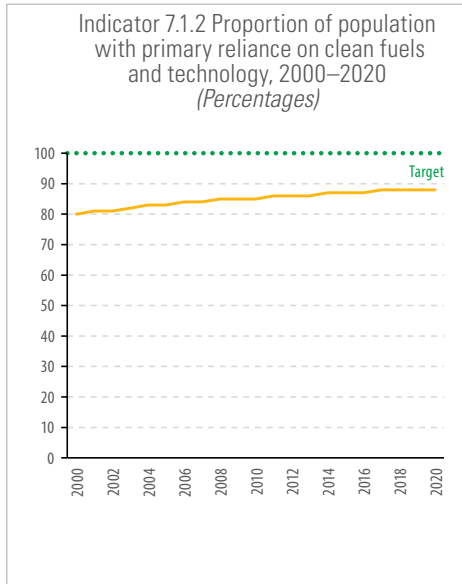
Key regional statistics



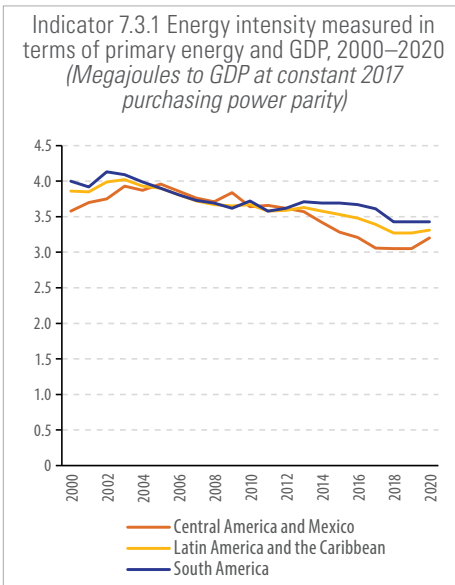
Target 7.1 Universal access to energy services



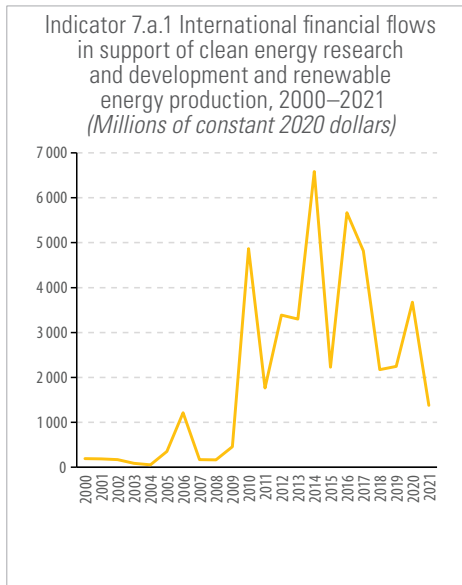
Target 7.2 Increase the share of renewable energy



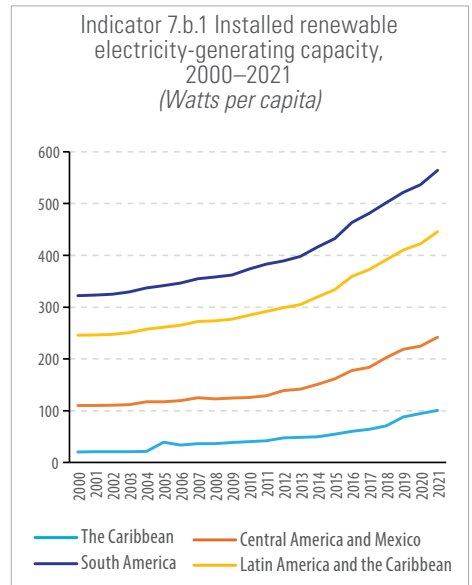
Target 7.3 Increase energy efficiency



Target 7.a Enhance international cooperation regarding clean energy



Target 7.b Expand infrastructure for modern energy services



- The trend is moving away from the target
- The trend is in the right direction, but progress is too slow for the target to be met
- Target already reached or likely to be reached on the current trend

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Regional Knowledge Management Platform for the Sustainable Development Goals in Latin America and the Caribbean, "SDGs in Latin America and the Caribbean: Statistical knowledge management hub" [online] <https://agenda2030lac.org/estadisticas/index.html>.

Note: Each indicator is comprised of one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.