



MEXIREC

DECLARATION

adopted at the

MEXICO INTERNATIONAL RENEWABLE ENERGY CONFERENCE (MEXIREC)

Mexico City, 11-13 SEPTEMBER 2017

1. Ministers and Government Representatives from 44 countries as well as representatives from the private sector and civil society including NGOs, academia, business and industry as well as international organisations, participated in the Mexico International Renewable Energy Conference 2017 MEXIREC (11 – 13 September 2017 in Mexico City), with the aim of up-scaling and mainstreaming renewable energy for a global sustainable energy transition. MEXIREC, the seventh meeting in the series of the International Renewable Energy Conferences (IRECs), builds upon successful outcomes of SAIREC 2015 (Cape Town/South Africa), ADIREC 2013 (Abu Dhabi/UAE), DIREC 2010 (Delhi/India), WIREC 2008 (Washington DC/US), BIREC 2005 (Beijing/China) and renewables 2004 (Bonn/Germany).
2. With a view to a successful outcome of the 23rd Conference of the Parties under the United Nations Framework Convention on Climate Change (UNFCCC), participants underlined the central role of renewable energy and energy efficiency in global endeavours to mitigate climate change and their contribution to the global solutions in keeping anthropogenic induced global warming well below the dangerous 2 degree Celsius threshold, aiming at less than 1.5 degrees C of global warming.
3. Furthermore MEXIREC is a building block of international endeavours to implement the Sustainable Development Goals. Access to sustainable, affordable, reliable and modern energy services is a key prerequisite for realising cross-sectoral benefits

and reaching the targets of other linked goals. In line with this, the MEXIREC also gives effect to the UN Decade on Sustainable Energy for All (2014-2024) and aims to strengthen the work of the regional SEforALL Latin America and Caribbean Hub which is hosted by the Inter-American Development Bank (IDB).

KEY ELEMENTS TO ENHANCE THE ENERGY TRANSITION WITH RENEWABLES IN LATIN AMERICA AND CARIBBEAN AND GLOBALLY

4. We the delegates at MEXIREC acknowledge with satisfaction the **dynamic development that renewable energy has seen** over the last years. Due to the rapid cost reduction, in particular of solar and wind energy, renewable technologies in an increasing number of markets have become the technology of choice. Together with energy efficiency, they are the central pillars for any sustainable energy transition; they create economic and job opportunities; they improve air quality and mitigate climate change; they can contribute to heightened food and water security and gender equality; and enhance energy security, human health as well as sustainable development in general.
5. As documented by REN21's Renewables 2017 Global Status Report, the **global energy transition is well under way**. In 2016, there were record new additions of installed renewable energy capacity and rapidly falling costs, particularly for solar PV and wind power. According to the IEA, the world witnessed a decoupling of economic growth and energy-related carbon dioxide (CO₂) emissions for the third year running. These developments are accelerating the paradigm shift away from a world run on fossil fuels. However, the share of renewables in total final energy consumption is not growing quickly enough to reach the Paris objectives, while progress in the transport and heating and cooling sectors lags well behind the tremendous growth in the power sector.
6. We state our conviction that climate commitments can only be reached if energy systems are transformed to cope with a significantly increased share of renewable energy. In this transition, energy efficiency should take the role of a "first fuel". Furthermore, sustainable patterns of consumption should be widely adopted and energy needs of all have to be met. In this respect, we strongly support enhancement of institutional capacities to integrate holistically the climate and

energy nexus and encourage the accelerated implementation of the National Determined Contributions (NDCs).

7. We stress the urgency of pressing ahead in order to **make universal access a reality** by 2030, providing 1.2 billion people with access to electricity. The scale of the challenge requires that all approaches, including grid and off-grid solutions are taken into account and adopted based on national appropriateness and efficiency principles. Rural and urban as well as household, social and industrial demands can best be met with a diverse technology mix that takes full advantage of the abundant renewable energy potential. Furthermore, as of today 2.7 billion people lack access to clean forms of cooking energy. We also continue to be committed to working towards addressing this need speedily and effectively and to achieve the universal access target.
8. We acknowledge that **SIDS (Small Island Developing States) are highly exposed to the negative environmental impacts** associated with fossil fuel consumption and climate change and that renewable energy has the potential to play the key role in enhancing energy security in SIDS and assisting them to achieve their sustainable development goals.

In order to make the global transition to renewable energy happen rapidly, we strongly support the following crucial elements:

9. **Prioritising renewable energy globally:** The world is richly endowed with renewable energy resources – which should rapidly be developed in support of a low-carbon and eventually a carbon negative future. Today, renewable energy technologies are viewed not only as tools for improving energy security and mitigating and adapting to climate change, but are also increasingly recognised as investments that can provide direct and indirect advantages for states and society by reducing dependence on imported fuels; improving local air quality and public health; advancing energy access and energy security; propelling economic and social development; i.a. by creating jobs.

- 10. Building a smarter, more flexible energy system:** The use of variable sources of renewable energy and the fostering of both centralised as well as decentralised and community-based generation are innovative and sustainable ways of meeting energy needs - through better-integrated sectoral system planning and operation, the adoption of new business models, and more use of enabling technologies such as information and communication technologies, storage and electric vehicles.
- 11. Securing financial resources:** A key constraint to the effective execution of both small and large-scale renewable energy projects is the lack of resources for project preparation and development – from concept to financial close and execution. In addition, most major energy projects require long term finance with repayments linked with project revenue generation. In developing countries the revenue generation can be insufficient to support energy infrastructure projects, interregional transmission and renewable energy projects. Innovative financial tools and mechanisms including loan guarantees should be deployed to mitigate such challenges. The newly created Green Climate Fund should also provide a new finance stream for renewable energy deployment. A special challenge to be addressed is how to raise equity for domestic and local investors in emerging economies and developing countries, such as local communities or cooperatives. Work on better understanding climate-related financial risks should be pursued.
- 12. Prioritizing renewables in regulatory frameworks:** Costs for renewable energy have already decreased significantly, yet sustainable energy will only become available for all if we continue to scale up both grid-connected and off-grid renewable energy deployment to set in motion a virtuous cycle of cost-reduction followed by even more significant scaling up. Consistent, and sustained and long-term policies at all levels are important to provide investment security and impact favourably on technology deployment. Supportive, reliable and predictable market and policy frameworks, transparent, cost-effective, and market-based procurement policies, a level playing field, providing access to affordable long-term finance, all will help increase further uptake of renewable energy. The integration and mainstreaming of renewable energy into national and regional strategies for economic and social development, development of national climate policy,

agriculture, industrial development, education, health and family welfare, will further provide more opportunities for scaling-up.

13. **Catalysing the engagement of the corporate sector:** More and more companies are committed to use renewable energy sources for their operations. We encourage action to scale up these corporate commitments across multiple markets.

14. **Upgrading Research and Development:** We strongly reaffirm the importance of investments in research, development and deployment (RD&D) and of international cooperation in RD&D for more cost-effective and advanced energy technologies. In many countries, investments in targeted research and development in the energy sector are much lower than in other comparable sectors of the economy and incommensurate with the scale of the task at hand.

15. **Emphasizing the role of decentralised energy supply:** Especially in developing countries where energy infrastructure is still missing, decentralized energy supply plays an important role. Off-grid and mini-grid systems, as well as hybrid systems for transition periods play a crucial role in enabling access to energy through renewables in rural areas.

16. **Promoting renewable energy in cities:** We further recognize the role that the integration of renewable energy in **urban planning** can play in improving infrastructure and enhancing quality of life in cities globally.

17. **Fostering integrated planning:** The energy sector does not operate in isolation; infrastructure such as power lines, pipelines, water, and transport are interdependent. Integrated planning is critical to sustainability and further development of our economies and societies. Furthermore, uptake of renewable energy requires reliable, secure, and efficient transmission infrastructure which can be achieved through regional interconnectivity enhanced by integrated planning and harmonised regulatory policies. A **nexus approach that integrates policies,**

especially regarding energy, water and food security, can help to identify synergies and avoid conflicts.

18. **Advancing the design of national and regional markets:** Pricing mechanisms and tariffs to incentivize critical investments are crucial, including the phasing-out of fossil-fuel and nuclear subsidies, as well as implementing robust carbon pricing in order to ensure a reliable, cost-efficient and effective market and system integration of increasing shares of renewables, guaranteeing the highest possible degree of supply security, while keeping the cost down for consumers and industry.
19. **Acknowledging the role of national and regional parliaments:** The transition to a post-fossil fuels world will benefit considerably from the support of parliamentarians ready to use their political capital for the promotion of renewable energy. Furthermore, we emphasise the **leadership role of non-state actors** such as corporates, non-government organizations, academia, workers, faith groups and indigenous groups in advancing an inclusive and just global energy transition, while ensuring transparency in the process.
20. **Promoting social justice:** As we decarbonise the energy sector, rights of workers employed in sectors that have to change must be safeguarded and their needs properly addressed.
21. **Stressing the significant contribution of women:** We emphasize the importance of involving women in all stages of sustainable energy development, keeping in mind that lack of access to modern energy services places a particularly heavy burden on poor women.
22. **Advancing regional trade and energy resource development:** We encourage enhanced support from development partners for scaling up regional energy trade and developing of renewable energy resources. We note the urgency to support regional strategies and complete key regional transformational projects that will secure sustainable, efficient and affordable energy supply based on economies of scale and diversification of the energy mix at the power pool level and other associated structures.

23. **Promoting community involvement in the energy transition:** We acknowledge that community-driven renewable energy projects offer an unrealised opportunity for shared benefits and local development, in developing and in industrialized countries alike, and particularly in Latin America and the Caribbean. We encourage governments to develop a comprehensive approach to promoting community-driven projects as outlined in the REN21 report *Renewable Energy Tenders and Community [Em]Power[ment]* which was launched at MEXIREC.
24. **Clean Energy Corridor Initiatives:** We highlight the importance of Clean Energy Corridor initiatives such as the Central America Clean Energy Corridor, jointly developed by IRENA, the Central America Integration System (SICA) and the Central American Electrical Interconnection System (SIEPAC) to explore possibilities to expand renewable power flows, and the North American Renewable Integration Study (NARIS), jointly developed by Mexico, United States and Canada, as a tool to facilitate the accomplishment of 50% clean power generation goal in North America. With 46 million people and an economic growth of 5% per annum, Central America has rapidly growing energy needs. Although over 60 percent of the region's electricity comes from renewable energy sources, there is still a significant dependency on fossil fuels, derived largely from imports.
25. **Regional cooperation:** We stress the importance of regional centers as created by UNIDO and its partners – as a powerful way to simultaneously address the challenges of energy access, energy security and climate change mitigation and welcome the recent establishment of a renewable energy and energy efficiency center for the Caribbean (CREEE) as well as the planned establishment of a center for the Central American region (SICREEE).
26. **International cooperation:** We emphasize the role that international cooperation plays in fostering renewable energy, energy efficiency and modern and sustainable energy access globally and in Latin America. A proactive international cooperation to advance diffusion of effective transformation strategies and to increase the skills

in various fields by facilitating staff exchanges and peer learning opportunities between regulators, policy makers and other relevant stakeholders is imperative for energy system transformation.

27. We welcome **close collaboration between REN21, IRENA, IEA, the Multilateral Development Banks and Development Finance Institutions, the various UN agencies, SEforALL, National Governments, NGOs, Civil Society and all aspects of the private sector** as well as contributors to these organisations on collecting streamlined renewable energy data globally, and we encourage further policy development and best practice sharing. The integration and mainstreaming of renewable energy into national sustainable development strategies for poverty reduction, industrial development, agriculture, education, health and family welfare will additionally provide opportunities for scaling-up.

HOST COUNTRY MEXICO

28. We acknowledge the efforts of host country Mexico to strengthen sustainable development and energy transition with renewable energy as the central axis of its Reform of the electric power sector. Particularly, the enactment of the Energy Transition Law, which harmonizes Mexico's climate change and clean energy frameworks, as well as the successful results of the first two long-term energy auctions that resulted in commitments for wind and solar capacity additions of nearly 4.9 GW over the next 3 years and at very competitive prices, besides the creation of the Universal Energy Access Fund and the efforts for increase the investments in research and development through the operation of the Mexican Centers for Energy Innovation (CEMIE) . These actions contribute to the energy transition worldwide.

29. Furthermore, we acknowledge the Sustainable and Energy Efficiency Programme at the sub-national government level in Mexico (PRESEM), and the publications of a web platform that provide accurate information about the potential and the most competitive zones for deploying renewable energy projects, and we are pleased of the announcement of the upcoming release of a one-stop shop permitting process

in Mexico, that will make it easier, more cost-effective and it provides transparency and accountability to invest in clean energies.

30. We recognize Mexico's efforts to establish policies in the National Strategy to promote the use of cleaner technologies and fuels which establish a strong partnership between power, heating/cooling and transport sectors, due to the fact that Mexico has megacities and a well-developed automotive industry. This should be seen as an opportunity to promote renewable energy based electric mobility in accordance with the EV30@30 Initiative from the Clean Energy Ministerial.

31. We express our sincere and deep appreciation and thanks to the people and the government of Mexico for successfully organising this conference and for their hospitality and generosity.