

Just Transitions from Thermal Coal in Colombia

Elisa Arond, José Vega –
Stockholm Environment
Institute, Latinoamérica

Juliana Peña, Fernando Patzy –
Natural Resource Governance
Institute

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Colombian coal overview

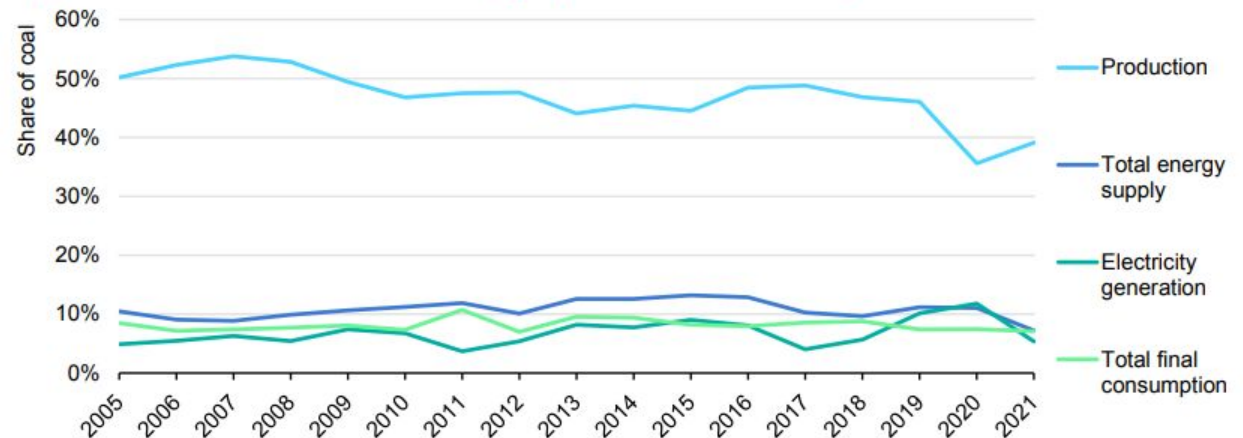
- Colombia is 5th top coal exporter worldwide, 1st in Latin America
- Thermal coal is Colombia's 2nd top export (after oil), representing 13.7% of all exports, 58.1% of mining exports
- 83% of all mining royalties
- 0.72% of Colombia's GDP (2.393 billion USD) in 2021, 56% of GDP from mining
- Approx 30,000 people formally employed in large-scale thermal coal mines in 2018



Colombian coal overview, cont.

- 39% of domestic energy production, 7.2% of Total Energy Supply
- 5.4% of electricity generation
- Coal demand by sector: power generation 50.3%, industry 48.3%, buildings 1.4%

Figure 7.1 Share of coal the energy system in Colombia, 2005-2021



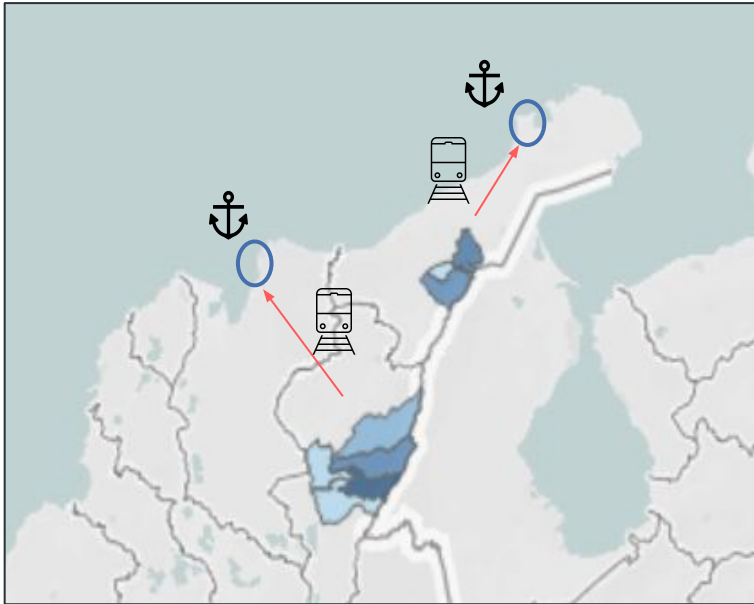
IEA. CC BY 4.0.

Coal represents almost half of national energy production in Colombia, while it only accounts for 7% of total final consumption.

Source: IEA (2023).

Thermal coal is mainly a source of revenue for the country and producing regions, and is a small part of electricity generation.

Regional context

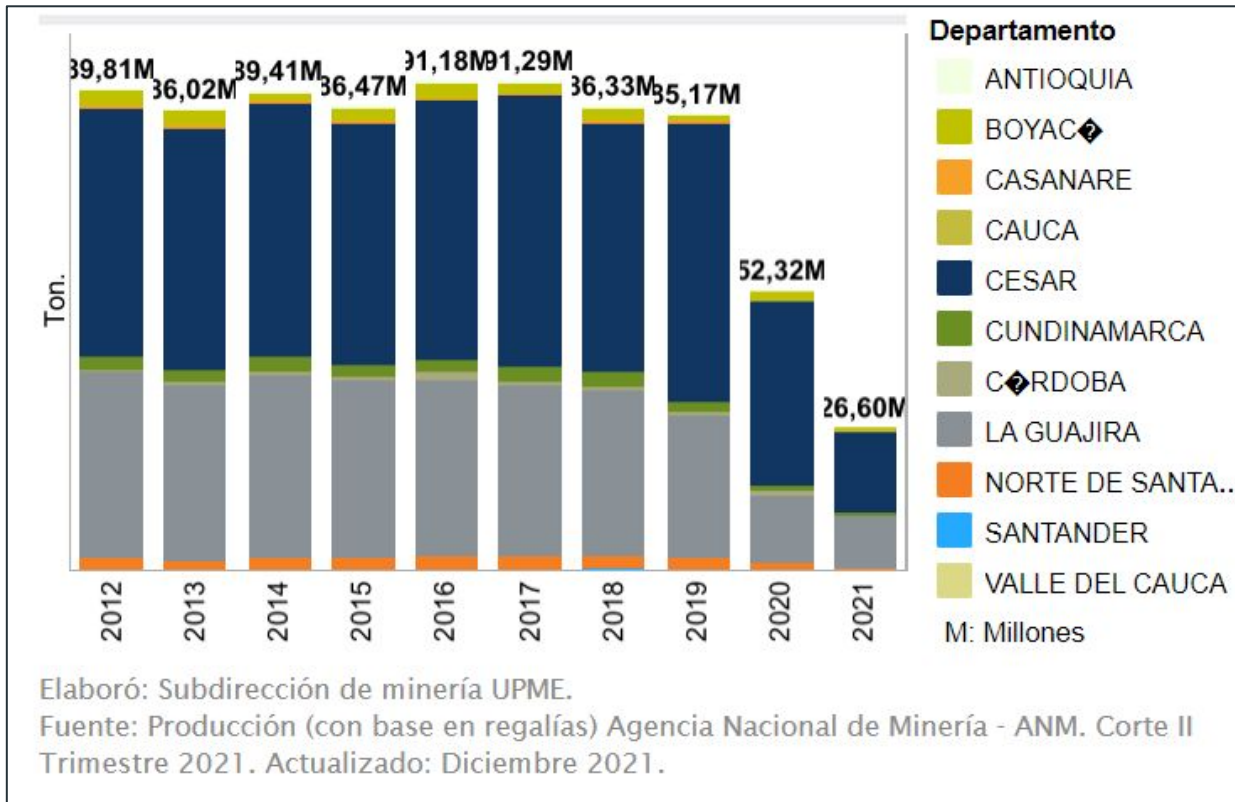


Production is concentrated in **8 municipalities in the Caribbean departments of Cesar and La Guajira**, though operations include railroad and ports in others.

- Cesar and La Guajira represent 91% of national coal production
 - Royalties constitute aprox. 35% (Cesar) and 65% (La Guajira) of the total public budgets of these regions.
 - Other traditional, more employment-intensive economic sectors have suffered as mining increased in importance (e.g. agriculture).
- There are significant vulnerable populations in the región (Afrodescendent, Indigenous).



Colombian coal and market volatility



Colombia's coal production and exports decreased by 42% from 2019 to 2020

Departure of major producers, including Prodeco in 2021



Just transition policies

Updated NDC 2020

Energy Transition Law 2021

Just Transition Dialogues
and Roadmap (2023)

Coal Mining Corridor

Corridor of Life

BUT, still limited on Coal
Transitions support...

Corredor de vida del Cesar, apuesta para una Transición Energética Justa



Image: [Ministry of Labor 2022](#)

Case of La Jagua de Ibirico

In 2020 Prodeco (Glencore) pauses operations and in 2021 solicits permission to return the titles to its mines in Cesar.

Departamento	Municipio	2019 (Ton)	2020 (Ton)	2021 Pr (Ton)
	Agustín Codazzi	10.530.915	6.159.357	373.978
Cesar	Becerril	15.128.895	15.921.028	20.261.855
	El Paso	4.047.975	1.526.016	660.952
	La Jagua de Ibirico	22.317.459	10.990.941	8.252.912
La Guajira	Albania	6.559.847	1.696.331	1.914.219
	Barrancas	19.272.654	10.536.043	17.312.442
	Hatonuevo	587.445	344.022	671.200
Cundinamarca	Varios	2.271.212	1.533.344	1.117.608
Boyacá	Varios	1.721.420	1.972.560	975.332
Norte de Santander	Varios	2.307.744	1.681.793	816.437
Córdoba	Puerto Libertador	336.799	1.017.999	274.713
Santander	Varios	210.654	102.341	175.943
Antioquia	Varios	81.769	48.053	67.933
Valle del Cauca	Varios	11.778	13.125	10.785
Cauca	Varios	24.352	6.327	4.264
Casanare	Recetor	570		
Total		85.411.489	53.549.320	52.890.574



Impacts of the mines' suspension

Social and economic

- Job losses (1200 direct, approx. 6200 indirect)
- Stagnated local economy
- Insecurity, domestic violence
- Increased informality

Environmental

- Improvements in local air quality
- Concerns about abandonment of social and environmental legacies left by coal mines

Institutional and financial

- Loss of revenues for public budgets
- Reduced capacity of local government
- Crisis management rather than transition management

As reported in interviews Sept 2023. Images: top (Elisa Arond), bottom ([La Silla Vacía](#))



Preliminary Lessons: Local government role

Challenges

Local governments face the immediate impacts of mining and closure but are often overlooked in planning and decisionmaking.

Opportunities: Key articulating role of local government

- Processes should be led by local government with financial and technical support from national government and international organizations
- Broad dialogue and involvement of a wide range of local actors (NGOs, communities, labor unions, private sector, academia, etc.)
- Financing strategies: improve capacities for collecting local fiscal resources (e.g. taxes) and more efficient and effective use of transfers (e.g. royalties), or from international cooperation
- Transparency and access to information: of mine closure plans



Thank you

Contact:

Elisa.arond@sei.org

Jose.vega@sei.org

