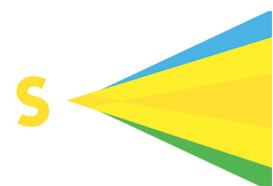


Uruguay South Initiative Statement

The Uruguay Sur Initiative began in Montevideo in October 2025 as a space for strategic dialogue and collective reflection on green industrialisation from a Global South perspective. Convened by the Ministry of Industry, Energy and Mining of Uruguay (MIEM), the Transnational Institute (TNI), the United Nations system in Uruguay, the United Nations Industrial Development Organization (UNIDO), and the Economic Commission for Latin America and the Caribbean (ECLAC), the initiative brings together policymakers, academic institutions, international organisations, development actors and representatives of civil society engaged in understanding the climate transition as part of a broader process of productive transformation.

The international context in which this process unfolds is not neutral. Climate change, accelerating technological shifts, geopolitical reconfiguration and growing financial fragmentation are reshaping the conditions under which countries of the South seek to sustain development trajectories. In this setting, decarbonisation, the creation of quality employment, the strengthening of technological capabilities and the reduction of inequalities cannot be treated as separate agendas, but as interwoven dimensions of a single structural challenge.

Discussions in Montevideo began from a shared observation: prevailing frameworks for green finance and productive reorganisation do not always operate in ways that fully reflect the structural priorities of countries in the South. Climate finance is frequently channelled through debt-based mechanisms; technological value chains remain highly concentrated; and national policy space may be constrained by international regulatory and financial architectures.



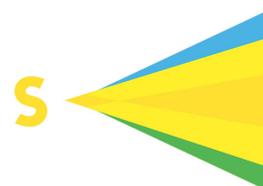
This underscores the need to conceive the green transition not solely as an environmental process, but as part of a broader strategy of productive sovereignty, economic diversification and institutional strengthening oriented toward structural transformation.

Through this exchange, a set of structural conditions emerged that help frame reflection on green industrialisation from the South.

The first concerns policy space. Green industrialisation requires not only expanding the margin available for designing industrial strategies, but also using it effectively. This entails examining macro-fiscal and financial constraints, strengthening state capacity and ensuring strategic continuity, while translating these conditions into coherent and sustained policies. Policy space is not merely a formal or legal concept; it is a practical capacity for institutional coordination and public direction.

A second dimension relates to productive capabilities. Transformation strategies must be grounded in each country's structural conditions and accumulated learning. Building sovereign industrial frameworks involves articulating technological capacities, employment dynamics and long-term development objectives, while strengthening higher education systems, applied research, technical training and the linkages between knowledge and production. Without such foundations, the energy transition risks remaining at the level of technological deployment without consolidating endogenous capabilities.

Regional integration and cooperation also emerged as a central component. The articulation of value chains, technological cooperation and infrastructure coordination can generate scale, specialisation and greater resilience in the face of external shocks. In medium-sized or smaller economies, productive transformation often requires regional articulation to achieve scale and sustainability. South-South cooperation thus appears as a strategic dimension of green industrialisation.



Climate action, in turn, cannot be separated from employment, social cohesion and care. Decarbonisation forms part of a broader productive transformation and entails distributive effects that must be explicitly addressed. A just transition requires rigorous diagnosis, adequate financial instruments, labour reconversion, social protection and inclusive participation. Gender equality and the recognition of care as a structural economic dimension are integral to this discussion and cannot remain secondary considerations.

Finally, the discussions underscored the centrality of institutional capacity and public financial architecture. Productive transformation demands coordinated instruments integrating development banking, public enterprises and long-term financing mechanisms. Multi-year planning, inter-institutional coordination and the strengthening of public financial institutions are necessary conditions for sustaining green industrialisation processes beyond political or financial cycles.

Taken together, this process holds that green industrialisation constitutes a political and institutional challenge of long-term scope. It is not limited to the incorporation of clean technologies, but requires articulating energy policy, industrial strategy, financial systems, technological capabilities and social inclusion within coherent frameworks.

Transformation pathways are not uniform. Many countries in the South face the simultaneous challenge of strengthening their manufacturing base while advancing the decarbonisation of productive processes. This dual imperative calls for context-sensitive strategies and sustained cooperation.

The Uruguay Sur Initiative will continue as an open space for dialogue and articulation, with the aim of deepening cooperation among governments, international organisations, academic institutions and civil society. It is grounded in the recognition that the Global South possesses the analytical and institutional resources necessary to define its own development strategies, and seeks to contribute to translating that potential into coordinated and sustained action.

