



Mission Information

Field**AI Governance****Member State:**

United States of America

Regional Group:

Uruguay, Latin America

Principal Delegate:

Ambassador Laura Dupuy Lasserre

Date of Submission:

04/03/2026

II. Statement of Purpose

As global use of artificial intelligence accelerates and companies continue investing heavily in the technology sector, demand for high-powered data centers has grown dramatically. These facilities now span the globe, with Latin America in particular experiencing a notable surge in development. While they are essential to supporting digital infrastructure, data centers raise

significant environmental concerns, including substantial carbon emissions, intensive water consumption, and the generation of hazardous waste.

III. Research Question / Inquiry

We seek to investigate how policies can make the development of AI data centres and its impact on the environment sustainable?

IV. Executive Abstract

AI Development in Latin America: The Environmental Consequences

The environmental impacts of AI development in Latin America are widely felt. According to the government's environmental assessment report, 25,000 tonnes of carbon dioxide a year generate 86 tonnes of hazardous waste, including "electro-electronic residues," oils, and chemical packaging (Livingstone). While AI development is important for the future, multinational companies from developed countries such as Google and Meta establish factories in developing countries, given the economies of scale due to lower costs of production. Companies argue that AI is the future of the economy, and if we do not embrace it, we will fall behind. Often, governments and companies are swayed by the prospect of keeping up with the world alongside the creation of revenue and jobs. This ignores the impact of development on the environment and communities. **Many Latin Americans living near data centers do not feel welcome in the future due to the negative impacts of it on their home** (Montgomery). The data centers do not have consistent sources of water; hence, they dry up the water in their neighborhoods. They switched to air conditioning to cool off their servers over fresh water, but academics state that the negative impacts are the same. **Uruguay witnessed three-year drought,**

the worst since 1950. The capital ran out of drinking water. The question arises: **Who is this infrastructure actually benefiting?**

Google's AI Data Centers in Uruguay

Google bought 30 hectares for future data centers in Uruguay and announced an investment of over \$850 million ("Google: 'We Are Very Excited'). **These data centers do not pay taxes because of the tax-free zones serving government incentives, hence not contributing to the economic development of the region.** The datacenter would put added pressure on the country's energy grid, forcing it to rely on fossil fuels more often ("New Data Center Threatens"). It is a form of an **extractive investment**. Uruguay data centers will be globally beneficial to Google users but increasingly harmful to the residents of Southern Uruguay. Based on official figures, the country's carbon dioxide emissions from energy production would increase by 2.7%(Montgomery). Google has data centers across Latin America: São Paulo, Brazil; Las Toninas, Argentina; and Chile (Tironi & Albornoz). **Analysts are declaring this economic opportunity as a new form of exploitation: data colonialism.**

Although Uruguay is among the most developed and high-income countries in Latin America with GDP per capita of 22.9, their efforts to accelerate technological development have not ceased in the past decade. Despite an ongoing drought and water shortages across the country, the government has continued to prioritize digital development and infrastructure. **Support spans government levels as both national and local government officials have offered comments commending the new deal with Google and the supposed benefits it will bring to the country** ("Google: 'We Are Very Excited'). Initially, the data center deal suffered complications in 2023 as the drought created concerns about cooling, but was finalized after

extensive discussion. Due to limited resources, Google decided to downsize the center and transition to air cooling, which could still cause significant environmental issues for Uruguay (“Google Confirms the Construction”). Additionally, it could counter Uruguay’s environmental progress in reducing carbon emissions and using renewable energy. **In a complex tradeoff between digital innovation and environmental conservation, government incentive has superseded public welfare.** If the government continues to broker deals with tech companies, it has significant potential to worsen the current water situation in the country. While Google’s new data center had the potential to impact Uruguay’s technological development, the government evidently did not undergo the needed environmental impact assessment, overseeing its forthcoming impacts on agriculture, water and the environment of Uruguayans

V. Proposed Recommendations

List specific, actionable recommendations.

1. Recommendation 1:

Community Benefit Agreements

CBAs are legally binding between companies like Google and local organizations (Urban Institute). Provisions within the CBA involve ensuring companies like Google hire people from the local communities, measure the impacts of things like water quality before they develop the land, or contribute to certain funds (Urban Institute). Columbia University’s Sabin School of Law provided an example of Community Benefit Agreements for Data Center development using a case study in Pennsylvania. The owners of the data center, Chirisa Technology Parks, donated 10 million dollars to the Community Foundation and contributed 10 million to the City’s

Sustainable Development and Clean Energy Fund. They also provided local job training, hired locals, and ensured to account for any negative externalities of the project. For our specific project in Uruguay, for example, job training can take place, and resources from companies like Google could be put towards adequate training, monitoring, reporting, and local environmental funds. Aside from a contractual legal agreement, CBAs ensure accountability and transparency because the documents provide a comprehensive outline on the costs and benefits of the development. Moreover, the potential for CBAs is great in Latin American countries because they have high coverage in countries including Uruguay (Inter-American Development Bank). In our case, Google is showing some willingness to work with the local environment as they chose Antel as their first local provider to offer Google Cloud Solutions (BNAmericas).

2. Recommendation 2:

Alternating Fresh Water with Reclaimed Wastewater to Cool Systems

Additionally, there are possible solutions in decreasing the water scarcity crisis in Uruguay. One solution, according to the **Borgen Project**, is to turn to using **reclaimed wastewater and sewage to cool their systems instead of using fresh water**. This would benefit multiple Latin American countries by allowing them to prioritize their drinking water for their citizens, while still maintaining AI Data centers in their country. However, other companies have proposed the solution to **recycle the water used to cool down the systems**. Both of these solutions would be beneficial to the ongoing water crisis throughout Latin America, which would ease the tensions of water scarcity and enable Latin American citizens to have more reliable access to drinking water.

Local Ordinance on Large Water Use in Tucson, Arizona

As the risks of accelerated water usage for industrial projects increase, city officials passed an ordinance requiring major water-using facilities (e.g. data centers) to submit detailed water conservation plans, undergo public Tucson City Council reviews over a 6 month period, and obtain approval before accessing municipal water resources (Luminaria). Data centers must include an estimate of annual water consumption and detailed information on the intended source of water for the site (Luminaria). This ordinance made in August of 2025 reflects the promotion of localized governance and public accountability, which can be envisioned to the broader environmental scrutiny present in Uruguay and the rest of Latin America. Public engagement and state/local authority are crucial for the regulation and understanding of extensive water usage from facilities like data centers.

The core ideas and policy mechanisms of this ordinance can be politically and legally feasible in Uruguay and the rest of Latin America. Cities in Southern Uruguay can extend policy to regulate large industrial water usage and energy impacts. As Uruguay currently regulates through water rights permitting, environmental impact assessment requirements, consistently updates standards, and enforces drought emergency restrictions, Uruguay has the trajectory and political feasibility to regulate water-usage from exhaustive data-centers. Uruguay should prioritize tailored regulatory frameworks, as Tucson has, for particular high-usage industries and firms.

Conclusion:

It is evident that the expansion of AI data centers in Latin America reveals a critical tension between technological development and environmental sustainability. While governments champion these projects as vehicles of economic growth, the case of Uruguay demonstrates that their environmental costs harm local communities while the world reaps its benefits; whether it be water scarcity, rising carbon emissions, and strain on energy systems. In the absence of comprehensive regulatory intervention, AI infrastructure risks reproducing extractive patterns that prioritize foreign investment over human well-being.

Sustainable AI development is not impossible, but it requires tangible and enforceable government mechanisms. Policies such as Community Benefit Agreements, rigorous Environmental Impact Assessments (EIA), wastewater cooling systems, and localized water-use regulations, such as those implemented in Tucson, offer practical models for accountability. Moreso, whether or not Uruguay should participate in the AI development ecosystem is not the question that should be asked. Instead, it is the following: ‘Under what conditions should Uruguay and Latin American countries be participating in the AI development ecosystem, and how can those systems be reformed to center local communities?’. Ultimately, a just and sustainable digital future requires that environmental protection, public oversight, and community welfare remain critical to technological advancement.

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