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REGIONAL GOVERNMENTS PROMOTE RENEWABLE ENERGY SOURCES & INTEGRATION PROJECTS FOR SUSTAINABLE DEVELOPMENT

In early August, representatives of 34 countries from around the hemisphere met in Santa Cruz, Bolivia, to promote the use of renewable sources of energy and to coordinate energy production and consumption in the region. The conference discussions were aimed at hammering out an agenda for the next Summit of the Americas, which will be held in Bolivia Dec. 7-8. The upcoming summit will focus on promoting clean and renewable energy sources as a basis for sustainable development in the region.

At the December 1994 Summit of the Americas in Miami--which brought together the heads of state of 34 countries in the hemisphere for the first time in nearly three decades--the presidents and prime ministers adopted a series of economic and social accords, the most important of which was to create a hemispherewide free-trade zone by the year 2005 (see [*Chronicle of Latin American Economic Affairs, 12/15/94*](#)). As an essential step toward economic integration, the governments also agreed to pool their energy resources to ensure that all countries in the hemisphere have access to adequate and clean supplies of fuel to permit sustained growth and development.

Given this presidential mandate, the ministers of energy and representatives from state institutes in North and South America met on two occasions in 1995 to begin discussing regional energy development. On October 30-31 of last year, representatives participated in the first Hemispheric Symposium on Energy in Washington, D.C. The symposium was followed by a three-day conference of energy ministers and representatives in Ecuador Nov. 9-11.

At the Ecuador conference, which was sponsored by the 26-member Organizacion Latinoamericana de Energia (OLADE), the participating governments agreed in principle to construct integrated electric grids throughout the hemisphere in the short to medium term. They also agreed to promote development projects that exploit clean and renewable energy resources, particularly the use of hydroelectric plants, solar energy, and natural gas in place of the highly contaminating fossil fuels that are currently used in the region.

The Ecuador conference paved the way for the latest meeting of energy ministers and representatives, held July 31-Aug. 2 in Bolivia. At the gathering, the participants reviewed eight energy-related themes:

- * investment promotion in the energy sector;
- * use of clean technology;
- * an integrated regulatory system in the hemisphere;
- * promotion of energy efficiency;
- * the use of natural gas to replace other fossil fuels;
- * planning and implementation of joint energy projects;
- * petroleum production and consumption; and
- * rural electricity programs.

Although the participants agreed on recommendations for energy development, the overriding conclusion of the conference was that the promotion of clean and renewable sources of energy is urgent for economic and social progress.

"From now on, energy development must be based on clean and efficient resources, which we consider an essential prerequisite for sustainable development in the hemisphere," reads a

declaration signed by the participants at the close of the conference. "All efforts to satisfy energy demand must be based on minimizing the costs to the environment to guarantee the livelihood of current and future generations."

Indeed, speakers at the conference stressed that environmental protection must constitute the hallmark for energy development in the region.

"Through our actions now, we are defining the future that will be inherited by our children's children," said Bolivian President Gonzalo Sanchez de Lozada, who inaugurated the conference. "God always forgives; human beings, sometimes; but nature, never."

Bolivia hopes to play a central role in energy integration in the hemisphere. At the conference, the Sanchez de Lozada administration proposed to make Bolivia the principal conduit for natural gas distribution in the Southern Cone.

According to Bolivia's Ministry of Energy, the government has done enough drilling to verify 5.2 billion cubic feet of gas, which means that the country's natural gas reserves surpass Bolivian crude oil reserves by a 4-to-1 ratio. As a result, Bolivia is already supplying natural gas to Argentina and some other neighbors, and it is now completing contracts to construct immense pipelines to pump natural gas from Bolivia to Brazil, Paraguay, and Chile.

Before the end of this year, construction will begin on a 3,500 km pipeline that will link Bolivia's gas fields in the eastern department of Santa Cruz with Brazil's six southern states. Once completed, the pipeline will be the longest in Latin America, eventually allowing Bolivia to supply more than 16 million cubic meters of natural gas per day to Brazil (see Chronicle, 08/25/94, 10/20/94, 11/10/94, and 02/02/95).

In addition, the Sanchez de Lozada administration is now negotiating contracts with Peru and Argentina that will permit Bolivia to use its pipelines to sell natural gas from those countries to Brazil and to other nations in the Southern Cone.

Similar integrated energy projects will form the backbone of the recommendations that the ministers will place on the agenda for the next presidential summit in December. In particular, the ministers will emphasize the need for bilateral and multilateral energy integration schemes that allow countries with abundant resources to meet the energy demands of their neighbors.

"Only by developing greater sources of cheap, clean, and non polluting energy will it be possible to promote sustainable development," said OLADE executive secretary Francisco Gutierrez. "Those countries that have abundant hydroelectric resources, for example, have to take advantage of them to generate enough energy for their own development and for the development of their neighbors. The Latin American and Caribbean countries have a huge surplus of energy reserves relative to consumption, but we need an aggressive, integrated strategy to coordinate supply and demand."

The energy ministers plan to meet again in Argentina in mid-September to hammer out proposals for the presidential summit. The specific recommendations will likely include an agreement to urge multilateral lending institutions to make funding energy-integration projects a "development priority."

In addition, the ministers will recommend that regional governments make the commitment to promote energy development in rural areas, where OLADE estimates that there is a 45% deficiency rate, compared with 30% in urban areas.

"The supply of energy in rural areas is an unpostponable necessity given its impact on sustainable human development, poverty alleviation, employment generation, and environmental protection," reads the ministerial declaration approved at the latest conference in August.

(Sources: Reuter, 11/11/95, 08/01/96, 08/02/96, 08/05/96; Inter Press Service, 08/03/96, 08/05/96; Agence France-Presse, 10/30/95, 10/31/95, 11/02/95, 11/09/95, 12/07/95, 12/26/95, 03/06/96, 06/23/96, 07/20/96, 07/28/96, 07/30/96, 07/31/96, 08/01-03/96, 08/05/96, 08/08/96, 08/13/96)