



DEPARTMENT OF
SUSTAINABLE
DEVELOPMENT



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SPECIAL EDITION FOR THE OAS GENERAL ASSEMBLY IN PANAMA

Energy for Sustainable Development in the Americas

In light of growing concerns related to the development and use of energy, the 37th OAS General Assembly to be held in Panama from June 3-5, 2007 will gather Ministers of Foreign Affairs in the region to address the issue of *Energy for Sustainable Development* as a central theme. A number of concerns are likely to dominate their discussions and will likely be reflected in the Declaration they will adopt at the end of the Assembly.

Modern energy - including electricity to light our homes and power our businesses; heat and steam for cooking and industrial applications; and gasoline, diesel and biofuels to fuel our cars, trucks and airplanes - is an essential ingredient to maintain and grow the economies of the 21st century. All countries in the Americas face increasing challenges to provide secure, reliable and affordable energy to all segments of their population. The considerable fluctuation in petroleum prices - primarily oil and gas - poses a risk to the economic and social development of the countries in the Americas. The challenges are particularly serious for the smaller and poorer nations. Further, the link between fossil fuels use and its environmental impacts, including climate change and local pollution, are increasingly evident. However, there are many emerging solutions that may be pursued including through the effective use of innovative technologies and services, policies, financing, and hemispheric cooperation.

Economic and social development entails an increase in energy demand, which in turn requires energy importing countries to continually review their energy options and diversify their energy sources. Aware of the effects of an unbalanced energy demand and supply situation, the governments of the region have, for several decades, been establishing energy integration agreements with different approaches. In some cases, private investments for the exploitation of alternative energy sources have been stimulated. In others, integration agreements involving state-owned companies have been fostered. In every case, the underlying principle of these agreements has always been to achieve an equilibrium in the supply and demand of energy in the region.



Efforts to address the many challenges facing the energy sector may be enhanced through **regional cooperation and integration**. As the region seeks to attract investment capital and infrastructure development, there are many advantages to be derived from harmonizing policy and regulatory frameworks, integrating power grids and pipelines, and exchanging natural, and human resources. The Americas is a region endowed with abundant natural resources for energy production. For example, Venezuela is the 7th largest producer of oil in the world; and Canada is the world's 5th largest producer of natural gas. The United States holds the largest reserves of coal in the world, while Colombia is Latin America's top exporter of that product. Therefore, the existence of energy resources is not necessarily the key challenge to the region's energy security; rather it is the efficient development, exploitation and management of these resources, together with the region's ability to effectively allocate or trade these resources in an equitable, timely, and cost effective manner.

Considerable progress has been achieved during the past decades with the extension of power grids throughout the region, including many cross-border interconnections such as the Central American

LATIN AMERICA AND CARIBBEAN REGION

Source	Total Primary Energy Supply (%)
Crude Oil	53.53
Gas	19.78
Biomass	17.63
Hydro	10.25
Coal	4.45
Nuclear	1.03
Renewable Sources	0.41
Petroleum Products	-7.08
Total	100.00

IEA 2004 Energy Balances for Latin America

Power Grid (SIEPAC - Sistema de Interconexión Eléctrica para los Países de América Central). However, more than 50 million people in the Americas still lack access to reliable electricity. As a result, increasing *access to modern energy services* to the entire population is a key priority that is linked to poverty alleviation and the promotion of democracy. According to a report released in 2004 by the International Energy Agency, access to modern energy services is an indispensable element of sustainable human development. It contributes not only to economic growth and household incomes, but also to the improved quality of life that comes with better education and health services. Without adequate access to modern, commercial energy, poor countries can be trapped in a vicious circle of poverty, social instability, and underdevelopment. Fortunately, there are a variety of solutions that may be pursued to extend electricity services to those currently unelectrified. In particular, distributed energy technologies, including renewable energy systems such as solar and wind power, offer alternatives for reaching remote, isolated communities.

The growing concerns regarding the relationship between fossil fuel emissions and climate change, along with the increased costs and instability of fossil fuel prices, are generating greater interest in the use of *renewable energy and energy efficiency technologies and systems*. Renewable energy alternatives, particularly hydropower, have been an important part of the energy mix in the Americas for many years. However, the Americas is a hemisphere with a wide diversity of renewable natural resources - such as solar, wind, geothermal, ocean, and biomass - which may be converted into clean energy in the form of electricity and/or liquid transportation fuels such as

Region	Electrification rate (%)	Population with no access to electricity (millions)	Population with access to electricity (millions)
South America	89.97	29.4	329.45
Central America and Mexico	74.73	14.2	128.2
Caribbean	81.52	7	25.2
Total		50.6	482.85

IEA World Energy Outlook 2004



ethanol and bio-diesel. It is equally important that all sectors of the Americas work to improve the efficiency of their energy consumption - as one watt of electricity saved is equivalent to one watt of electricity "not generated." Energy efficiency involves the productivity of energy use patterns and may be enhanced by using advanced energy efficient generation technologies, more efficient machinery, vehicles and appliances, and by reducing energy waste.

The Organization of American States (OAS), through the Department of Sustainable Development (DSD), supports the efforts of its Member States to develop sustainable energy policies and plans and to implement measures that foster greater use of clean, conventional energy and commercially-viable renewable energy. In this area, the DSD supports pilot projects, offers technical assistance, and helps to identify new sources of financing. In addition, the DSD aids initiatives to engage energy sector leaders in dialogue in order to strengthen cooperation and integration efforts between and among countries of the region. The OAS has been at the center of the discussion regarding sustainable energy development and use for many years, seeking to improve the efficiency of energy systems and to diversify the mix of resources and technologies used in energy generation.

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Latin American Energy Organization: www.olade.org.ec

International Energy Agency: www.iea.org
**Economic Commission for Latin America
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