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ECONOMIC COMMISSION FOR LATIN AMERICA
Subregional Office for the Caribbean



THE ECONOMIC COMMISSION FOR LATIN AMERICA
AND
ITS ACTIVITIES IN THE FIELD OF ENERGY

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Introduction

ECLA's regional (i.e., Latin American) activities derive from the mandate of the United Nations Economic and Social Council as stated in the Terms of Reference of the Commission.^{1/} This is the case of energy as with the other areas of economic and social activity the Commission must concern itself with, inter alia:

- a) investigation and studies of problems;
- b) formulation and development of co-ordinated policies;
- c) collection, evaluation and dissemination of relevant information;
- d) undertaking activities aimed at "seeking solutions" to problems.

These activities in energy, as in other spheres of economic and social activity, are oriented to the regional level and thus implies the necessity for co-operation and co-ordination of activities with other organizations.

At the subregional level there is the ECLA Caribbean Office, operational Secretariat to the Caribbean Development and Co-operation Committee (CDCC) and the ECLA Mexico Office which deals mainly with Central America. . . . Quite naturally the subregional offices operate under the same general mandates as Headquarters. In addition, the CDCC's subregional mandates^{2/} specifically refer to co-operation, collaboration and co-ordination of activities with named regional and subregional organizations, as well as with the United Nations system.

CEPAL's Recent Activities in Energy

Involvement of ECLA directly in energy activities since 1973/1974 fits squarely into No.2 of the Terms of Reference of the Commission^{3/} which mandates "seeking of solutions of problems arising ...from economic mal-

^{1/} See Terms of Reference and Rules of Procedure of the Economic Commission for Latin America (E/CN.12/850/Rev.1), Santiago, Chile, 1980.

^{2/} Constituent Declaration and Functions and Rules of Procedure of the Caribbean Development and Co-operation Committee (E/CEPAL/1022).

^{3/} See footnote 1.

adjustment ... with a view to co-operation of Latin American countries to achieve world-wide recovery". In this context it should be noted that ECLA has been involved in energy activities within its spheres of competence for years preceding the so-called energy crisis. Its work then was in the areas of hydro-power, electric utilities in general and petroleum. Activities have been stepped up, however, since 1974.

ECLA's work in this period included studies of the Latin American petroleum economy - historical trends in supply and demand, projections of these aggregates into the future, effects of the rapid rise in oil prices, etc. A list of selected ECLA publications are attached as Annex III.

Another major area of activity of CEPAL in the field of energy in recent years was the regional preparations for the United Nations Conference in New and Renewable Sources of Energy (UNCNRSE). As most participants at this Seminar know, the Conference which took place between 10-21 August 1981 had a fairly lengthy preparatory process. The UN General Assembly mandated development of an action programme containing concrete operational measures for subregional, regional and international co-operation. Consequently, the preparatory process involved not only country activities but also activities at the wider geographical levels. Participants would also know that the Executive Secretary of ECLA (also Under Secretary-General of the United Nations) became Secretary-General of the UNCNRSE during the latter half of the Conference preparatory phase. The choice was particularly appropriate because of the Secretary's personal interest in energy problems and his direct involvement in UN energy activities after the "crisis".

The co-operative role of the Commission is underlined in its activities in the field of new and renewable sources of energy. The Latin American regional preparatory meeting, Mexico City, March 1981, was convened jointly by ECLA and OLADE and the Regional Plan of Action which emerged from the Mexico meeting reflected a common Latin American position and the joint efforts of the two organizations.

Comments on Regional Plan

The regional components of the Nairobi Action Plan got great emphasis in the Conference Report, the co-operative actions begun earlier were endorsed and support was given to strengthening the role of institutions as the link between international and country activities. In this context the strength-

ening of co-operation and collaboration between ECLA and OLADE as required by the resolution^{4/} on energy adopted at the 19th Session of ECLA in Montevideo, Uruguay in May 1981 is particularly apropos.

Co-ordination between ECLA and OLADE had been specifically mandated at the Regional Preparatory Meeting and following this cue other United Nations Organizations and Agencies were specifically requested to co-ordinate implementation of their energy activities within Latin America with OLADE. Concretely, such co-ordination and co-operation is expected to revolve around implementation of the "PLACE", the Latin American Energy Co-operation Programme.

Details of the ECLA Work Programme in Energy for 1982/1983

The programme recognizes that natural resources (specifically energy in this context) is gaining recognition as a development base and that exercise of the sovereign rights of countries in the management of energy "is a key element in sustaining and guaranteeing... social and economic development". ECLA's Work Programme for 1982/1983 in energy makes explicit references to links to OLADE and takes into account work already underway in that organization. For example, a study of energy demand in Latin America will be discussed at an OLADE seminar planned for 1983.

The Programme 1982/1983

1. Study of selected problems in Energy Planning in Latin America
 - to structure policies in response to the specific problems
2. Evolution of the Energy Sector in Latin America
 - trends and prospects
 - assist bodies involved in projecting investment in energy and design energy policies at national and regional levels
3. Study of Solar Energy Resources in Latin America
 - involves analysis of economic prospects of solar energy
 - this is oriented to the United Nations Conference on New and Renewable Sources of Energy

^{4/} See Annex II.

(UNCNRSE) and, designed prior to the Conference, was made subjected to change in orientation if warranted by developments at the Conference

4. Demand for Energy in Latin America (referred to above) the results are expected to be useful in determining future policy options and activities
5. Impact of the Increased Oil Prices on the Economy of Latin American countries
 - essentially annual monitoring of relevant aggregates. In-depth analyses were done for few countries in the recent past and the current picture incorporated in the Annual Economic Survey of Latin America.

The Mexico Subregional Office of ECLA also has an energy work programme which is related to the countries of Central America.

The ECLA/Port of Spain Programme

This Office is a Subregional Office of ECLA. It is also the effective Secretariat of the Caribbean Development and Co-operation Committee (CDCC). The CDCC acts as a co-ordinating body in agreed-upon activities and serves as an advisory and consultative body to the Executive Secretary of CEPAL. The ECLA/Port of Spain Work Programme therefore contains two elements, activities originating at CDCC level and those in support of the wider ECLA Work Programme. CDCC places great emphasis on self-reliance and horizontal co-operation as well as on co-ordination of activities. For example, in energy, CDCC has urged the Secretariat to continue "to co-ordinate regional efforts in close collaboration with OLADE and the appropriate United Nations bodies."^{5/}

The Programme 1982

1. Co-operation and co-ordination with United Nations bodies in Energy Data Collection.
2. Convening a meeting of an Energy Planning Working Group.

^{5/} See Report of the Fifth Session of the CDCC (E/CEPAL/CDCC/68/Rev.2).

3. Promotion of activities under Technical Co-operation Among Developing Countries (TCDC) i.e. Horizontal Co-operation.
4. Participation in the energy work programme of CEPAL, especially monitoring the energy situation generally and in particular, the impact of oil prices on oil importing developing countries.

The Caribbean Council for Science and Technology (CCST)

The CCST is a co-ordinating group for Science and Technology in the CDCC subregion formed under the aegis of the ECLA Caribbean Office, which Office also serves as interim Secretariat to the CCST. Statutes having been duly ratified, the First Plenary Session of CCST was held in Barbados from 27 June to 2 July 1981.

Of the eight working groups created by the CCST, one deals specifically with the subject of energy. In addition, the work programme of the CCST includes a project in the field of energy titled "Study of the consequences of the development of energy crops on food supplies in the region". The aim of this study is to provide information to assist governments in decision-making and to strengthen co-operation and co-ordination of energy activities in the subregion. Direct assistance will be provided to the CCST by the ECLA Caribbean Office in implementing this study.

ECLA Financing

ECLA has two major sources of funds:

- a) UN Regular Budget
- b) Extra-budgetary sources

The UN Regular Budget provided from contributions of member states finances the on-going, more routine activities - the basic studies, the seminar training activities, collection and dissemination of information, etc. This source of funds has come under severe restraint "zero growth" during the last programme budget period, a condition continuing during the present 1982-1983 biennium.

Extra-budgetary sources refer to the funding provided by multilateral and bilateral funding agencies in support of some of ECLA's programmes. The traditional sources of these funds are experiencing some difficulties

in maintaining the level of the flows. However, surpluses accruing to non-traditional sources can and do provide resources to which the Commission can gain access. Indeed an increasing share of resources are coming from this source.

There is no question of the support of ECLA and ECLA/Port of Spain for subregional programmes in its areas of competence. The mandates exist; the historical experience is one of support and co-operation and the current and future plans all contemplate active support.

What is lacking are adequate levels of finances. But we are looking always for ways and means to increase co-ordination of activities. In the present circumstances we have to find ways of doing that more efficiently.

RESOLUTIONS ADOPTED AT THE EIGHTEENTH
SESSION OF THE COMMISSION
(La Paz, Bolivia, 18-26 April 1979)

Resolution
408 (XVIII) ENERGY

The Economic Commission for Latin America,

Considering

- (a) that the implementation of the New International Economic Order by all countries in the world is one of the fundamental bases for solving the serious problems of the developing countries, and particularly those of Latin America,
- (b) that Heads of State of the region have proclaimed that as regards hydrocarbons, their better distribution and the possible reinforcement of their exploration, exploitation and integrated development should be affected within the framework of the New International Economic Order, as a basis for active peace with development for mankind,
- (c) that all the Latin American countries depend largely on hydrocarbon energy products to supply their energy needs,
- (d) that the achievement of the development targets which these countries have set themselves calls for growing consumption of energy,
- (e) that Latin America should aim at self-sufficiency in energy supply, in the light of the development plans of the countries,
- (f) that the region possesses energy resources other than hydrocarbons which in many cases have not been utilized owing to the absence of appropriate technologies and the lack of adequate financing,
- (g) that the use of non-conventional sources of energy, such as solar and wind power, has not been disseminated in a form consonant with energy needs,

Recommends the CEPAL Secretariat to:

- (a) maintain contacts of co-operation and joint study with the bodies of the region specializing in the energy field, taking account of the national development plans of the countries, with priority for the needs of energy-deficit countries,

(b) carry out the necessary studies to determine the energy situation in the region and provide its co-operation to the countries which so require it in the design and planning of their national energy policies,

2. Requests the Executive Secretary to study the financial implications of setting up an Intergovernmental Committee on Human Settlements, and the possibilities of financing it,

3. Urges the member governments to send to the sessions of the Commission, or of the Committee which may deal with the subject, at least one expert in this field to provide the necessary technical support to their delegations.

Resolution

413 (XVIII) STUDY FOR LATIN AMERICAN COUNTRIES WHICH ARE
IMPORTERS OF ENERGY RESOURCES

The Economic Commission for Latin America,

Considering that:

- (a) The majority of Latin American countries are importers of hydrocarbon energy products;
- (b) The prices of imports of such products have recorded substantial rises in the last five years, with the consequent impact on the economies of the developing importing countries;
- (c) The impact of this phenomenon on the economies of some countries of the region will have an adverse effect on the achievement of the development objectives they have set themselves;
- (d) In taking corrective measures regarding the prices and availability of hydrocarbon products in the Latin American countries, governments are frequently hindered by the lack of reliable, up-to-date information;

Recognizing the legitimate right of the countries which produce hydrocarbons to demand a fair price for a non-renewable natural resource,

Rejecting the currently prevailing oligopolistic marketing practices,

Taking into account the fact that within the context of the New International Economic Order all countries must make a world-wide effort to exploit, distribute and consume energy products equitably and fairly and study solutions to the problems which face all the developing countries, but especially those of the region,

Taking into account also the fact that the terms of reference of CEPAL include the function of making or sponsoring such investigation and studies of economic and technological problems within the majority of the territories of Latin America as the Commission deems appropriate,

1. Instructs the CEPAL Secretariat, in co-operation with specialized agencies in the region:

- (a) to include in its notes for the annual Economic Survey of Latin America, starting in the current year, a detailed analysis of the impact of the rise in the commercial prices of hydrocarbon energy products on the principal economic variables in the Latin American importing countries;

(b) to carry out, for those countries, a study containing proposals for alternative machinery to cope with this impact, including the use of other sources, and the adoption of joint measures aimed at improving the marketing of such hydrocarbon energy products;

(c) to study the feasibility of establishing as rapidly as possible a regional information system to collect and transmit automatically to the different countries data on stocks, demand, supply, transport and prices of hydrocarbon products from different sources, as well as available alternative technologies;

2. Takes note of the positive efforts being made in the joint UNDP/World Bank programme in Latin American countries, with funds provided by the Fund for assistance to developing countries established by the member States of OPEC, to identify and implement projects for the use of non-conventional energy sources which progressively reduce the almost complete dependence on hydrocarbons;

3. Urges CEPAL to offer its support to that initiative and to exhort both the agencies carrying out the programme and the contributors of resources to redouble their efforts in that direction.

RESOLUTION ADOPTED AT
CEPAL 19TH SESSION
(Montevideo, May 1981)

ENERGY

The Economic Commission for Latin America,

Considering the serious effects which a shortage of certain sources of energy could have on the countries of the region, despite their present efforts to reduce and rationalize their energy consumption and avoid the wastage of non-renewable energy resources,

Further considering that such a shortage is already to be noted in different degrees and forms in many countries of Latin America; that the energy currently available is one of the factors which may significantly condition the development capacity of the societies of Latin America and the Caribbean; and that in addition to the shortage observed, the growing cost of energy could make it difficult to ensure the necessary supply of energy resources, above all in the context of growing world inflation,

Bearing in mind that the Latin American countries, with due respect for the principle of the full and permanent sovereignty of each State over their national resources and all their economic activities, have reiterated their desire to secure the rational utilization of their energy resources.

Taking account of the efforts of some countries of the region, within the limits of their possibilities, to help the less advanced oil-importing countries to obtain stable supplies and financing facilities.

Recognizing that the countries of Latin America are striving to find solutions which will enable them to make a gradual, progressive, integral, orderly and just transition from a system based principally on the use of conventional energy sources to one which includes adequate use of non-conventional sources,

Recalling that the international community entrusted the United Nations General Assembly with the holding of a Conference on New and Renewable Sources of Energy, with the object of formulating measures to promote joint action to make full use of the potential of these energy sources,

Taking account of the results and recommendations of the Regional Intergovernmental Preparatory Meeting (held in Mexico City from 16 to 20 March 1981 under the auspices of CEPAL and OLADE) for the United Nations Conference on New and Renewable Sources of Energy,

1. Notes with satisfaction the report of the Regional Intergovernmental Preparatory Meeting for the United Nations Conference on New and Renewable Sources of Energy and endorses it;

2. Decides that:

(a) the CEPAL Secretariat, in close co-ordination with OLADE and the pertinent bodies of the United Nations system, should continue to provide support to those countries of the region which request it in the identification of measures to relieve problems deriving from the energy shortage and in the formulation of policies and plans in this field;

(b) the CEPAL Secretariat should carry out similarly co-ordinated studies so that the region can have timely and updated information on available energy resources and on regional and world supply and demand in the energy market, especially regarding alternative uses of energy sources as fuels or raw materials, technological and economic aspects, and the need for conservation;

(c) the CEPAL system should give full support to the Secretariat of OLADE in the formulation and execution of the Latin American Energy Co-operation Programme, which should include specific aspects such as financial machinery and other means for its implementation, and whose preparation was entrusted to the Organization by the Extraordinary Meeting of Ministers held in March 1981;

(d) the CEPAL system, in close co-ordination and collaboration with the Secretariat of OLADE, should carry out the support studies needed to enable the countries to initiate action to implement the Regional Plan of Action on New and Renewable Sources of Energy and the recommendations emerging from the Nairobi Conference, especially as regards ways of minimizing the cost of the changes needed to use new and renewable sources of energy with a view to the future development of the countries of the region;

3. Urges the countries of the region to send representatives of the highest level to the United Nations Conference on New and Renewable Sources of Energy.

Selected List of Recent ECLA Publications on Energy

Calderon, Hernan, Roitman, Benito - Formulación de proyectos agropecuarios, extractivos, de transporte y energeticos.

Del Valle, A. - Nuevos problemas de la planificación energetica en América Latina. CEPAL. (E/CEPAL/PROY.2./R.31.)

Iglesias, Enrique V. - CEPAL Review (Santiago) 10: 7-19 April 1980 Energy Challenge. (E/CEPAL/G.1110)

Mullen, J.W. - Santiago de Chile, CEPAL, 1978. Cuadernos de la CEPAL. Energy in Latin America: the historical record.

Mullen, J.W. - World Oil Prices: prospects and implications for energy policy-makers in Latin America's oil-deficit countries, Santiago, CEPAL, 1978 (Cuadernos de la CEPAL).

Sachs, Ignacy - 1980 CEPAL Review (Santiago) (12): 103-110 Dec. 1980. Development strategies with moderate energy requirements; problems and approaches. (E/CEPAL/G.1130.)

Informe técnico sobre la estadística ambiental: La energía
E/CEPAL/R.211 UNSO/ENV./TR.1. Restricted
Impacto del incremento del precio de los hidrocarburos sobre las economías del Istmo Centroamericano. (CEPAL/MEX/1036/Rev.1.)

UN ECLA Office for the Caribbean. Caribbean Development and Co-operation Committee - Meeting of Experts of CBCC Countries on Strategy for the Third Development Decade - Bridgetown, Barbados 19-21 May 1980. Energy and natural resources in the Caribbean in the 1980's. 1980 - 14p (CDCC/DD/80/3/Add 1.)

UN CEPAL. Comité de Cooperación Económica del Istmo Centroamericano de Electrificación y Recursos Hidráulicos. Grupo Regional de Energía Geotérmica (GREG) Primera Reunión, San Salvador, El Salvador, 14 y 15 febrero de 1978. Geothermal electric power development 1980-2000: preliminary proposals -1978 (CCE/SC.5/GREG/11D1.5).

UN ECLA Office for the Caribbean -- CDCC Fifth Session. Kingston, Jamaica, 4-10 June 1980. The United Nations Conference on New and Renewable Sources of Energy: Its relevance for CDCC member states 1980. (E/CEPAL/CDCC/67).

UN ECLA Office for the Caribbean -- CDCC Latin American Institute for Social and Economic Planning. Second meeting of Planning Officials in the Caribbean, 29 May - 2 June 1980, Kingston, Jamaica. Planning the Energy Sector by Trevor M.A. Farrell. 1980 (CDCC/PO/WP/80/7).

UNEP/CEPAL -- Meeting of Government Nominated Experts to review the Draft Action Plan for the Wider Caribbean Region, Caracas, Venezuela, 28 January-1 February, 1980. Overview on energy and environment in the Caribbean area -- prepared with the co-operation of UNIDO. (E/CEPAL/PROY.3/L.INF.9).

United Nations Conference on New and Renewable Sources of Energy - Information Note. (CEPAL/CARIB/8018).

CDCC Fifth Session - Kingston, Jamaica, 4-10 June 1980. Energy Resources in CDCC Member Countries. (E/CEPAL/CDCC/65).

Caribbean Production and Consumption of Energy. (CEPAL/CARIB 78/7).

Report of Caribbean Interagency Meeting on Preparations for the UN Conference on New and Renewable Sources of Energy, 10-12/12/80, Barbados. (E/CEPAL/CARIB/NRSE/3).

New and Renewable Sources of Energy of interest to Caribbean countries and potentially attractive applications - Draft Working Document. (E/CEPAL/CARIB/NRSE/2).

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