

MINISTERIAL DECISION

LII/D/564

VULNERABILITY OF LATIN AMERICA AND THE CARIBBEAN DUE TO THE IMPACTS OF THE GLOBAL ENERGY CRISIS

PANAMA CITY, PANAMA

15/12/2022

THE LII MEETING OF MINISTERS

WHEREAS:

THAT in accordance with the provisions of Article 3, paragraphs a) and e) of the Lima Agreement, the objectives and functions of the Organization include promoting solidarity among the Member Countries for the use of national and regional natural resources; and promoting and coordinating direct negotiations among the Member States to ensure a stable and sufficient supply of the energy necessary for their integral development.

THAT Sustainable Development Goal SDG 7 aimed at ensuring access to affordable, secure, sustainable and modern energy for all, considers that access to modern and sustainable energy sources is essential not only for addressing climate change, but also for countries' economic growth.

THAT the global energy situation is undergoing a period of tension as a result of the events unfolding in Eastern Europe, which have brought back legitimate concerns about the security of energy supplies at the global and regional level; **THAT** due to the aforementioned, there was considerable volatility in the prices of all fossil fuels throughout 2022, which has had a notorious impact on the importing countries of these energy sources in our region, especially in the Caribbean;

THAT the countries of Latin America and the Caribbean must face two important challenges: multiplying efforts to minimize the negative impacts of the aforementioned volatility, which implies a fiscal impact, and at the same time continuing their efforts to accelerate their energy transitions towards energy systems that produce fewer carbon gas emissions;

THAT the fight against the adverse effects of climate change and the compliance with the commitments of the Paris Agreement, within the framework of the United Nations Framework Convention on Climate Change, are priorities for the OLADE member countries;



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}THAT in the fight against the adverse effects of climate change, developed countries should provide financial resources to assist developing countries with respect to both mitigation and adaptation in accordance with their obligations under the UNFCCC and the Paris Agreement;

THAT during the first half of 2022 OLADE has developed a seminar on fuel price volatility focused on the causes and consequences for Latin America and the Caribbean;

THAT OLADE has worked together with the IDB in studies on vulnerability to climate change in hydroelectric production systems in Central America and their adaptation systems in the period 2012-2014, continuing the study for the Andean countries in the period 2017-2019;

THAT OLADE has worked with the support from AECID in a study on the Incidence of climate change in energy planning: Screening for global evaluation of the vulnerability and climate risks of the energy system of Latin America and the Caribbean (screEN-LAC) in the period 2019- 2021.

In exercise of its powers:

DECIDES:

ARTICLE ONE. – Recognize the impact that the global energy situation and the volatility of fuel prices have on the economies of Latin America and the Caribbean, especially those countries dependent on fuel imports and specifically the Caribbean countries, most of which must resort to imported energy sources at international prices subject to geopolitical variables that in many cases affect their macroeconomic stability.

ARTICLE TWO. - Urge the Permanent Secretariat of OLADE to continue developing tasks aimed at identifying and proposing actions to minimize the impact of the volatility of fuel prices on the economies of Latin America and the Caribbean and on the affordability of their consumers without affecting the security of supply.



ARTICLE THREE. – Request the Permanent Secretariat of OLADE to continue expanding the voice of the region in international energy forums in terms of Latin America and the Caribbean being a region of peace, with abundant natural resources and adequate conditions for the development of investments in clean energy sources to continue decarbonizing the energy matrix.



Erick Pérez

Vice Minister of Hydrocarbons

**MINISTRY OF PEOPLE'S POWER OF PETROLEUM OF THE
BOLIVARIAN REPUBLIC OF VENEZUELA
PRESIDENT OF THE MEETING OF MINISTERS OF OLADE**



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