

MINISTERIAL DECISION

LV/D/580

DIALOGUE PROCESS FOR REGIONAL REGULATORY CONVERGENCE

SANTIAGO, CHILE

3/10/2025

THE LV MEETING OF MINISTERS

CONSIDERING:

The Lima Agreement, in its preamble, considers the use of energy resources as a factor for regional integration; acknowledges the need to coordinate the actions of the countries of Latin America and the Caribbean to develop their energy resources and jointly address the various challenges related to their efficient and rational use in order to ensure independent economic and social development; and establishes OLADE as an organization for cooperation, coordination, and advisory support, aimed at promoting energy integration based on solidarity in actions for the independent development of energy resources, with special emphasis on their protection, conservation, rational use, commercialization, and defense.

In accordance with the provisions set forth in items b), c), e), g), h), l), m), and n) of Article 3 of the Lima Agreement, OLADE's objectives and functions include: joining efforts to promote the independent development of the energy resources and capabilities of the Member States; promoting effective and rational policies for the exploration, exploitation, transformation, and commercialization of the energy resources of the Member States; promoting and coordinating direct negotiations among the Member States aimed at ensuring a stable and sufficient energy supply for their integral development; encouraging the execution of energy projects of common interest; contributing, at the request of all directly involved parties, to mutual understanding and cooperation among the Member States to enable the adequate use of their shared natural energy resources and to avoid significant harm; promoting the creation of a Latin American energy market; fostering the development of common energy policies as a factor of regional integration; and encouraging technical cooperation among the Member States, the exchange and dissemination of scientific, legal, and contractual information, and the development and dissemination of technologies related to energy activities.

THAT pursuant to item c) of Article 10 of the Lima Agreement, the Meeting of Ministers, as the highest authority of the Organization, is empowered to approve the Organization's Work Program, and to review and evaluate the results of the activities carried out in its execution

THAT in the Montevideo Ministerial Declaration, issued during the LIII Meeting of Ministers of OLADE held on November 9, 2023, reaffirmed the Ministers of Energy of Latin America and the Caribbean States' recognition of cooperation, energy integration, and complementarity as regional priorities in the context of energy transitions. It emphasized the importance of strengthening these priorities with a focus on interconnection, while acknowledging the structural differences, national agendas, and strategies defined by each OLADE Member State, in accordance with their levels of development, and availability of energy, technological, and financial resources, among other elements established in their national policies and plans.

THAT the current Management Program of the Executive Secretariat, under Strategic Pillar No. 1: "Energy Complementarity and Regional Integration," focuses on supporting OLADE Member

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States in developing policies that foster resource complementarity and promote energy integration initiatives through the launch of a dialogue and analysis on the advantages of joint action in the international energy market. Among its specific objectives, it includes the development of a project agenda aimed at advancing the integration of regional energy networks, and the launch of a dialogue on joint energy procurement in the global market, based on preferential trade and intraregional financing mechanisms.

THAT through Ministerial Decision LIV/D/573, adopted on October 31, 2024, the Meeting of Ministers instructed the Permanent Secretariat of OLADE to provide technical assistance and institutional support for the strengthening and redesign of existing initiatives in the region, as well as for the creation of new mechanisms and platforms for interconnection, complementarity, integration, and energy development in Latin America and the Caribbean. It also called for the promotion of studies and projects to identify and address the barriers affecting progress in regional energy integration in Latin America and the Caribbean.

THAT the process of energy integration in Latin America and the Caribbean has made significant progress through the design and implementation of cooperation, coordination, complementarity, and interconnection initiatives at the bilateral and subregional levels. These initiatives are based on treaties and other international agreements that have laid the groundwork for the establishment of exchanges, transactions, linkages, and synergies in the regional energy sector.

THAT on October 31, 2024, within the framework of the LIV Meeting of Ministers of OLADE, Ministerial Decision No. LIV/D/57 was approved, by which the Member States of OLADE recognized that the insular Caribbean countries, within the framework of the energy transition processes, face particular challenges in their energy sector, different from those of continental territories, in terms of vulnerability to climate change, barriers to integration, interconnection and energy complementarity, and availability of energy resources; and instructed the Permanent Secretariat of OLADE to carry out studies that identify and analyze the possibilities of this subregion in terms of energy integration and complementarity.

THAT in order to guarantee the achievement of the objectives envisaged in the framework of the energy transition, it is necessary to accelerate the process of regional energy integration in Latin America and the Caribbean, consolidating the results achieved at the bilateral and subregional levels, and determining the bases that should govern it in the future, with emphasis on the coordination of national policies, regulatory harmonization and the institutional support necessary to guarantee the operability of exchanges, transactions, the development of infrastructure and technologies, the establishment of mechanisms for the resolution of conflicts among other requirements necessary to achieve higher levels of energy coordination and complementation in Latin America and the Caribbean.

In exercise of its powers:

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[Signature]

DECIDES:

ARTICLE ONE: TO INSTRUCT the Permanent Secretariat to move forward with convening a diplomatic conference aimed at initiating a dialogue process that may lead to the creation of a legal instrument to promote regulatory interoperability and convergence in the energy sector of Latin America and the Caribbean, with a view to progressively achieving higher levels of regional integration.

ARTICLE TWO: TO REQUEST that the Permanent Secretariat of OLADE, in convening and conducting the diplomatic conference referred to in the preceding article, assess the subregional perspective, considering the successful experiences and good practices in energy regulation, standards, and integration that are operational in Central America and South America, and that it take into account the specific geographical characteristics and resource endowment of the Caribbean islands and their real possibilities for participating in energy integration and interconnection projects and initiatives.

ARTICLE THREE: TO INSTRUCT the Permanent Secretariat of OLADE to provide the Member States of OLADE with the support and technical assistance required during the dialogue process referred to in Article One of this Ministerial Decision.

ARTICLE FOUR: TO INSTRUCT the Permanent Secretariat of OLADE to seek the technical and financial resources needed for the implementation of the mandate contained in Article One of this Ministerial Decision.

ARTICLE FIVE: TO URGE the National Coordination of the OLADE Member Countries to provide OLADE's Permanent Secretariat with the information and support required for the implementation of the mandate contained in this Ministerial Decision.



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