



12 October 2020

IEA-OLADE Ministerial Roundtable
**“Insights for defining Latin America’s regional energy agenda
in a Post-Covid-19 era”**

Co-Chairs’ Summary

On 7 October 2020, Latin American ministers and authorities representing around two-thirds of the continent’s energy consumption, including Energy Ministers of Brazil, Colombia, Ecuador, Guatemala, Honduras and Panama as well as high-level authorities from regional organizations met at a virtual roundtable with IEA Governing Board representatives. The event served to take stock of the impact of Covid-19 on the region’s energy sector and share views on how to maintain course towards a secure, resilient and sustainable recovery.

With economic growth expected to shrink by 9% on average and extreme poverty to increase by 18 million, the fallout from the pandemic has been felt across the continent. In terms of energy, the pandemic has created new challenges. Countries reported postponed auctions and investments, and called for regional cooperation to ensure future sustainability and resilience of the sector. But many also saw opportunity in the current crisis. Looking ahead to a Post-Covid-19 era, the roundtable revealed consistent support among countries for a longer term regional energy agenda, which maintains and amplifies the existing momentum for energy transitions.

Key conclusions

- The Covid-19 pandemic forces governments and decision makers to rethink their energy strategies.
- The energy sector can be a motor for the economic recovery; the job creation potential has been shown in the IEA Sustainable Recovery Plan.
- Implementation of recovery plans needs to take into account the realities of the different subregions: the Caribbean faces different challenges than Central America or the Southern Cone.
- Given Latin America’s resource base, hydrocarbons will continue to play an important role in the region’s next phase of economic development. In particular,

natural gas can play a key role as a transition fuel to accelerate the deployment of variable renewables and sustainable gases.

- International energy integration represents a huge potential for economies of scale, improved resilience to variability, and attractiveness of markets for investments.
- Public-Private partnerships can be an important vehicle for mobilizing the required investments in infrastructure.
- The regulatory framework needs to be modernized to leverage the potential of new technologies and innovation.
- Decision-makers should take into account the needs of the most vulnerable populations. Universal access to modern energy services can allow for a better integration of marginalized sectors of society into the economy. Clean energy deployment can be a motor for job creation.
- Existing gender gaps are unsustainable and do not reflect society: the energy sector needs a greater inclusion of women, as more gender balance leads to more productivity and effective decision-making.
- Regional and international dialogue and cooperation will be crucial to achieve a sustainable and resilient recovery from Covid-19.

Conclusions by session

Electricity – Ministers stressed the importance of not losing momentum in the development of Latin America’s renewable energy potential for ‘non-conventional’ renewables (solar and wind, as well as tidal and geothermal energy). Renewables were identified as a source of job creation, but also a way of further diversifying the region’s energy mix, which is already relatively clean thanks to high shares of hydropower. Participants highlighted hydrogen as an important longer-term option for the region, which would allow further utilization of the region’s renewable energy resources. They called for a regional approach and international collaboration on the issue. Investments in transmission networks, including international interconnections, were mentioned repeatedly as a crucial element for future resilience of the networks and security of supply. Many participants underlined the importance of regional cooperation, integration and trade, not only to improve the attractiveness for investments, but also to use the region’s vast potential for renewables more efficiently. A call was also made to continue reforming and updating market designs



and regulatory frameworks to foster new technologies and to address socio-environmental demands.

Oil and Gas – Participants noted that the disruption to oil and gas markets created a negative shock in exports and fiscal revenues in some key producer economies in the region. The sector is slowly recovering and will continue to play an important role in the region’s economy due to its abundant hydrocarbon resources. In particular, natural gas will play a key role in the region’s energy transitions and can help accelerate the deployment of intermittent renewables by ensuring security of electric supply. Hydrogen and other sustainable gases (such as biomethane) provide an opportunity for further decarbonisation, leveraging existing gas infrastructure and demand. Some governments have implemented measures to mitigate the impact of Covid-19 on vulnerable households with tariff freezes, the suspension of service cuts and taxation measures. Participants also highlighted the importance of the private sector to ensure continued investments to develop resources, especially at a time where governments lack resources for investment. In this regard, participants highlighted the importance of government policies to set the rules and adequate policy and regulatory frameworks to enable strong private sector investments. Improved investment frameworks could also enable better regional integration across the continent, allowing for optimization of resources and reduced costs which could support a fairer and equal transition.

Inclusiveness – Participants discussed the motto of “Leaving no one behind” in relation to electricity access and gender gaps. With regard to access, project delays related to Covid-19 and the financial hit to distribution companies have made progress with energy access more challenging. Off-grid systems, microgrids and distributed renewable energy generation solutions were highlighted as a potential solution for rural and isolated areas. All speakers mentioned the importance of having a modern power grid (both transmission and distribution) in this regard. We note that the Roundtable’s lack of gender balance is a clear reflection of the region’s energy sector, where significant gender gaps remain. In this regard, speakers stressed the importance of education and training to encourage more female participation in the sector, including at the highest level. Universal access to modern energy services can also allow more women to join the region’s workforce, creating more opportunities.



The outcomes of this ministerial roundtable will be shared with key decision-makers, international financial institutions, business leaders including at the 50th OLADE Ministerial Meeting on 19 November. The outcomes will also help guide and inform the IEA's increasing efforts in Latin America, including helping to inform key decision-makers from governments, companies, investors and organizations.

As the co-chairs of this event, we would like to thank all participants for their active engagement and constructive contributions.

List of participants

Co-hosts and keynote speaker

- Dr. Fatih Birol, Executive Director, **International Energy Agency**
- Mr. Alfonso Blanco, Executive Secretary, **Latin American Energy Organization**
- Mr. Mauricio J. Claver-Carone, President, Inter-American Development Bank (**IDB**) – video message

High-level authorities

- H.E. Hon. Prime Minister Brigadier Mark Philips, **Guyana**
- H.E. Bento Albuquerque, Minister of Mines and Energy, **Brazil**
- H.E. Juan Carlos Jobet, Minister of Energy, **Chile** – video message
- H.E. Diego Mesa Puyo, Minister of Mines and Energy, **Colombia**
- H.E. René Ortíz Durán, Minister of Energy and Non-Renewable Natural Resources, **Ecuador**
- H.E. Alberto Pimentel Mata, Minister of Energy and Mines, **Guatemala**
- Mr. Leonardo Deras, Secretary of State for Energy (acting), **Honduras**
- Dr. Jorge Rivera Staff, Secretary of Energy, **Panama**
- Dr. Javier Papa, Undersecretary for Energy Planning (acting), Secretariat of Energy, **Argentina**
- Mr. Ryan Cobb, Director of Energy, Ministry of Public Service, Energy and Public Utilities, **Belize**
- Mr. Rolando Castro, Viceminister of Energy, Ministry of Environment and Energy, **Costa Rica**

Regional organizations

- Mr. André Pepitone da Nóbrega, President, **Ibero-American Association of Energy Regulators (ARIAE)**
- Mr. Kazutomo Irie, President, **Asia Pacific Energy Research Centre (APERC)**
- Mr. Miguel Moyano, Executive Secretary, **Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean (ARPEL)**
- Mr. Tulio Alves, Executive Director, **Commission for Regional Energy Integration (CIER)**



IEA Governing Board representatives

- Ms Ursula Borak, Deputy Director General, for International Energy Affairs, Fossil Fuels and Nuclear Energy, Federal Ministry of Economic Affairs and Energy, **Germany**
- Mr Hidechika Koizumi, Director for International Affairs Division, Ministry of Economy, Trade and Industry, **Japan**
- Mr Juan Bautista Sanchez-Peñuela, Deputy Director General for Hydrocarbons, Ministry for an Ecological Transition, **Spain**
- Mr Theodore Garrish, Assistant Secretary for International Affairs, Department of Energy, **US**
- Amb. Virginia E. Palmer, Principal Deputy Assistant Secretary, Bureau of Energy Resources, Department of State, **US**