

ORGANIZATION OF AMERICAN STATES



ADDRESS BY

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ASSISTANT SECRETARY-GENERAL***

AT THE

PRIVATE SECTOR FORUM ON SUSTAINBLE ENERGY

Panama City, Panama, May 31, 2007

His Excellency Alejandro Ferrer, Minister of Trade and Industry of the Republic of Panama;

Mr. Enrique de Obarrio, Chair of the Organizing Committee of the IV Private Sector Forum and Vice President of the Private Sector of the Americas;

Distinguished Heads of Delegations;

Members of the Diplomatic Corps including Minister of Foreign Affairs of Trinidad and Tobago Arnold Piggott;

Mr. Stanley Motta, President of COPA Airlines;

Mr. Antonio Fletcher, Chair of the Panamanian Association of Business Executives;

Distinguished members of the Private Sector of the Americas; Staff members of the OAS; Ladies and Gentlemen;

I am pleased and honored to join you on the first day of the 4th Private Sector Forum which is being held in the margins of the 37th Regular Session of the OAS General Assembly. I begin by expressing my appreciation to the Private Sector Forum for selecting the principal theme of this year's General Assembly as the central topic for your discussions.

By selecting this topic, the government of Panama has provided a unique and important opportunity for all the countries of this Hemisphere to meet at different levels – governmental, non-governmental, private sector – to discuss this critical issue of sustainable energy which affects every aspect of our lives. And for this we have to congratulate H.E. President Martin Torrijos, and his Minister of Foreign Affairs and First Vice President, H.E. Samuel Lewis Navarro.

Our discussions today are taking place at a time of unprecedented debate over the prospects of a sustainable future for the global energy sector. Of course, this debate is as old as the fossils that form petroleum; but I cannot recall in recent times any earlier phase of the debate that has matched the intensity of this current phase.

Recently, virtually every edition of the major newspapers of the Hemisphere and virtually every TV newscast have carried some story about emerging developments in the energy sector, about the needs of our communities, about the challenges countries face, and about required future developments

Hardly a day has gone by without some new revelation, either about spikes in energy prices, instability in some major oil producing countries, blackouts, oil spills, protests over nuclear fuel plants, about global warming or rising sea levels.

For the most part, the cumulative effect of this media focus on energy has been heightened awareness and increased anxiety, not only about the

future of conventional energy sources but also about the quality of our lives now and in the future.

The current energy challenges being experienced by countries, whether developed or developing, has prompted almost universal recognition that current production and consumption patterns are unsustainable. A business-as-usual approach will leave behind a decayed planet with polluted air, vanishing coastal settlements, rampant floods, lengthy periods of drought and storms, and hurricanes of increasing frequency and ferocity.

As with so many periods of marked change in global public policy, it is the confluence of a range of deep-seated and complex issues that has created the “tipping point” and ushered in the new focus and efforts to create new approaches to energy use, innovation and conservation.

The “doom and gloom” forecasts about the imminent decline of the global petroleum economy or the “End of Oil” – to quote the title for a recent book by Paul Roberts – has been replaced by fervent discussions about a New Energy Order.

This New Energy Order is still taking shape, but its foundation is clearly about Sustainable Energy. It is about clean energy that does not create hazards to human health and the health of the environment; it is about making effective use of sustainable energy sources such as wind, solar and geothermal energy; it is about accelerated research and development of new technologies in the production and use of vehicles that cause less energy to

be consumed and less harmful gases to be released into our atmosphere; and it is also about redesigning and retrofitting our homes and businesses to make greater use of natural lighting and energy sources.

I am particularly encouraged by efforts among countries in the Americas to share their successes in the areas of clean energy.

For example, Brazil and the United States have recently signed an agreement on biofuels. This agreement establishes a framework whereby the world's two largest biofuels producers (and consumers) will build on their experiences. It is expected that the agreement will also benefit the wider region, as the best practices generated in Brazil and the US regarding ethanol and bio-diesel could be widely transferred through the establishment of a program of cooperation, bringing together many countries and multilateral partners including the Inter-American Development Bank (IDB) and the OAS.

Ladies and Gentlemen,

Clearly we have no choice. Jointly we can create new opportunities by using our strategic resources to the benefit of all in the Americas. In this regard, I call for support to the smallest and most vulnerable economies to alleviate the deleterious impact of high energy costs on development efforts.

One of the countries expected to benefit from the US-Brazil agreement is Haiti, where trade and investment are key components of the vision of President René Préval for job creation, business development, economic growth and poverty reduction. The development of an ethanol

industry in Haiti obviously has exciting implications for the socio-economic development of that country.

I would therefore be grateful if you would permit me to make a promotional pitch for a Trade and Investment Forum being arranged by the OAS, in collaboration with the IDB and the Government of Haiti. This Forum is provisionally scheduled for October 22-23, 2007, in Port-au-Prince. Please save the date, as we will be having a special panel on energy.

Ladies and Gentlemen,

The private sector has been at the heart of the emerging New Energy Order. It is deeply heartening to note the growing commitment of producers, large and small alike, towards a sustainable energy future. Some major industry consumers including airlines are getting in on the act.

For example, Virgin Atlantic Airways recently announced its intention to use biofuels in its aeroplanes and Delta Airlines has launched a plan to give passengers the option of doing something tangible to counter-balance the global-warming effects of flying. The plan as I understand it is to give passengers the option of donating an additional US\$5.50 per domestic round-trip ticket, directly to The Conservation Fund, which plants trees to offset carbon emission from flights.

As you know, flying is one of the fastest increasing causes of global warming due to the carbon emitted. I am pleased to inform you that, with regard to this meeting, the OAS, through its affiliate the Pan American

Development Foundation, has neutralized your carbon emissions associated with your travel to Panama, by purchasing carbon credits produced by a biomass energy project in Brazil.

The project tackles deforestation which is undoubtedly one of the most important ecological threats in our region by converting from the consumption of native wood to renewable biomass residues as an energy source for small ceramic producers in a remote region in Brazil.

I wholeheartedly commend this initiative to you and I urge you in turn to adopt similar practices in respect of your own corporate travel.

It is also encouraging to note the growing number of private companies that are investing in energy efficiency initiatives, such as constructing and renovating buildings with energy-saving features; co-generation or combined heat and power; and efficient lighting and fuel switching. Hybrid cars are now more prominent in car showrooms as well as on our streets. Banks are also getting in on the act and have expanded their lending portfolios for renewable energy projects.

Some may argue that this growing environmental consciousness on the part of the private sector is being driven by a less than altruistic purpose: that of reducing energy impacts on the “bottom line”. After all, energy costs are the fastest rising overhead cost of any business.

Indeed, there is now a burgeoning “sustainable business” alliance that is committed to the ideal of the “Triple Bottom Line” that addresses the

contribution of energy efficiency to profitability, competitiveness and market share without compromising energy resources for future generations.

Happily, more and more Governments too are embracing these challenges. A growing number of countries is attempting to link energy services to a broader set of development issues such as poverty reduction, gender equality, environmental sustainability and climate change.

But let there be no illusions about the magnitude of the challenge that lies before us. A secure energy future will require not only a considerable amount of time and resources, but also a fundamental change in our way *of* life and in our approach *to* life.

A significant challenge will come from the 2 billion people, nearly 50 million of whom live in Latin America and the Caribbean, who today are without electricity and who yearn to turn on a light switch or a car's ignition for the first time. It is projected that by the Year 2030, global energy demand will increase by 51%.

The challenge for corporations, governments and citizens alike is to reduce the general demand for energy whilst meeting the specific demands of existing and new consumers more reliably, more efficiently and with less pollution than we do today. It may well be argued that this is the specific responsibility of the private sector, but we are all responsible because we are all energy consumers.

This Forum provides one means of advancing partnerships between business leaders and governments and we will bring its conclusions and recommendations to the attention of the General Assembly beginning on Sunday.

The Declaration of Panama on Energy for Sustainable Development, which Ministers will issue next week, underscores the commitment of the OAS and the countries of the region to work together over the long term to work toward a future aimed at the responsible and sustainable development and consumption of energy.

One concrete result, I hope, would be a meeting, within the year, of Ministers of Energy and which would include the participation of the private sector to support broad-based partnerships and coordinated actions.

Ladies and Gentlemen,

I regard your presence here today as a signal of your own commitment to develop partnerships and to work with the OAS to contribute to a New Energy Order that is effective and sustainable.

The OAS sees the New Energy Order as offering great promise for achieving a New World Order – one with less poverty, greater prosperity, greater social equity and a cleaner and healthier environment for all. We are committed to doing all that is possible to advance the progress of this Hemisphere towards a sustainable energy future. I call on you, CEOs and senior private sector executives – entrepreneurs, innovators, forward

thinkers – to consider your efforts as a strategic investment in the search for cleaner, effective, renewable, and more energy efficient technologies.

This in the interest of yourselves, your businesses, but above all, to the benefit of your children and neighborhoods. To the survival of current and future generations.

I thank you.