

**Fifth Hemispheric Energy Ministers Meeting
Mexico City, Mexico
March 9, 2001**

Mexico Declaration

**Energy: A Crucial Factor for Integration and
Sustainable Development in the Hemisphere”**

The Ministers and Heads of Delegation of the energy sector of the countries that form the Summit of the Americas process met on March 9, 2001 in Mexico City to evaluate the progress achieved in the energy sector under the framework of the hemispheric integration process, and to define actions that support integration and sustainable development in the Hemisphere.

We recognize that the progress countries have made in cooperation and market liberalization, as part of their national strategies, provides a solid base for strengthening the process of hemispheric integration.

Furthermore, we support the efforts carried out by the Hemispheric Energy Initiative to stimulate dialogue and cooperation in such priority areas as the role of energy in sustainable development, and to identify and promote actions that have fostered regional and subregional interconnections through the development of energy sector projects, and we encourage greater efforts in these areas.

To solidify this progress, we agreed on the need to create and consolidate transparent and stable regulatory frameworks in order to establish a favorable climate for compatible development of the Hemisphere's energy sector.

The objectives of the Fifth Meeting were the following:

- Strengthen the ministerial dialogue;
- Evaluate the progress of the Hemispheric Energy Initiative and exchange ideas about its future direction;
- Receive and take note of the Steering Committee Report to the Fifth Hemispheric Energy Ministers Meeting, in accordance with the mandate from New Orleans; and
- Agree on the Message from the Energy Ministers to the Heads of State and Government who will meet at the Third Summit of the Americas to be held in Quebec City, Canada from April 20th to 22nd, 2001.

We conducted an open and comprehensive dialogue regarding the most important issues on the region's energy agenda.

We analyzed the evolution of the international petroleum market and its outlook for the future, and agreed that market stability is a decisive factor in the region's economic growth and development, given that market volatility can negatively impact our economies.

With respect to natural gas, we recognized its value as an environmentally sound energy source and agreed that investment in natural gas transport infrastructure has contributed to the increased use of natural gas in the region, creating a positive impact on the economies of the participating countries and on regional and subregional integration efforts.

We also agreed to support efforts to integrate oil pipelines between neighboring countries when proven economically viable.

With respect to coal, we recognized its role in the energy supply mix of the region and the need for the application of technologies that help reduce its environmental impacts.

With respect to the power industry, we recognized the challenges and opportunities in providing a secure and sufficient supply of energy to satisfy growing electricity demand in the region. We agreed that reliable supply is necessary to support sustainable development in our countries. We also agreed to promote and strengthen crossborder interconnections, in order to benefit from the resulting synergies.

We exchanged experiences related to the restructuring of the electricity sector in our countries and agreed that effective regulation and its application are key factors for successful reform. We recognized the fundamental role of the private sector in this process and the benefits that result from cooperation between governments and the private sector in this important area, for the development and well being of our societies.

We agreed on the need to promote the efficient use of traditional energy sources and foster the development and intensive use of renewable energy sources, taking into account the enormous resource potential available in the region.

We acknowledged the important contribution the energy sector has had and should continue to have in supporting efforts that address environmental issues, including climate change. As such, we recognized the role of access to and transfer of technology in addressing this challenge.

In order to achieve the objectives of the Hemispheric Energy Initiative, we decided to reinforce its strategy by redefining the subject areas of the Ad Hoc Working Groups, in order to reflect the principal challenges currently facing the Hemisphere's energy sector: energy and social development; energy and the environment; energy and integration; and energy and regulation.

We reaffirmed the importance of the Ad Hoc Working Groups as a way to identify common problems and propose specific cooperative activities to advance the Initiative's goals. As a result, we instructed the HEI Steering Committee to guide and review the activities of the Ad Hoc Working Groups so that they are carried out efficiently.

In order to create a favorable climate for advancing the objectives of hemispheric energy integration and encouraging the participation of all actors in the energy sector, we instructed the Steering Committee to develop and implement a work plan that defines cooperation activities which facilitate the elimination of barriers thus fostering the development of concrete projects. We also asked the Steering Committee to identify the technical, human resources and investment requirements necessary to achieve these stated objectives.

We underscored the need to promote access to financing for sustainable energy projects, and recognized the establishment of the Hemispheric Sustainable Energy Fund to meet this challenge, in response to the mandate from the Fourth Hemispheric Energy Ministers Meeting in New Orleans in 1999.

We recognized the valuable effort carried out by the Coordinating Secretariat to facilitate the work of the Hemispheric Energy Initiative. We agreed on the utility of evaluating the options for institutionalizing this process and directed the Steering Committee to convene an Ad Hoc Working Group within ninety (90) days to evaluate options and present concrete proposals to the next Ministers Meeting, in order to facilitate a decision on the issue.

Furthermore, we welcomed the outcomes achieved within the framework of the Energy Business Forum of the Americas of the HEI that was held on March 8, 2001 in Mexico City. This forum allowed for an exchange of ideas on petroleum, natural gas, electricity and renewable energy sources with the private sector, in order to facilitate the development of the energy sector in the region.

Given the valuable contribution of the private sector to the hemispheric energy integration process, we encourage businesses in the Americas to form a business network to facilitate a dialogue between businesses in the region and an exchange of ideas with governments in the region, as agreed to at the Fourth Hemispheric Energy Ministers Meeting in New Orleans.

We offer the following message to Heads of State at the Third Summit of the Americas to be held April 20 to 22, 2001 in Quebec City, Canada:

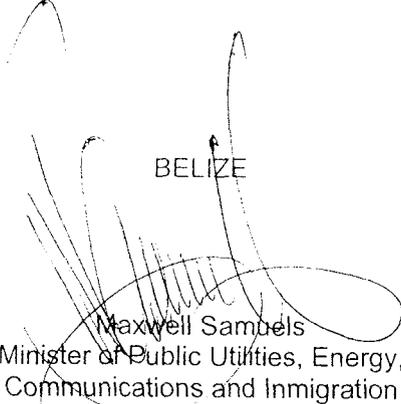
We recognize the importance of energy to the region's economic prosperity, to improved quality of life and to our environmental well-being and we commit to fostering energy integration, enhancing regulatory frameworks and their application, while promoting sustainable development. We also recognize that in pursuing regional integration of energy markets, issues such as market reform, transparency and market stability, regulatory reform, trade liberalization, and the enhanced availability of energy will be addressed. We reaffirm our commitment to advancing environmental stewardship in the area of energy by advancing policies, practices, transference of and access to technologies which are economically efficient and take the environmental impacts of energy development and use into account. We endorse and support the Hemispheric Energy Initiative's work in these areas.

We express our gratitude to the government and people of the Mexican United States for their kind hospitality and highly efficient organization of the event. We state to agree with the contents of this Declaration, in witness whereof we sign it in Mexico City on the ninth day of March, 2001.

ARGENTINA

Mónica Servant
Adviser for the Secretariat of
Energy and Mines

BELIZE



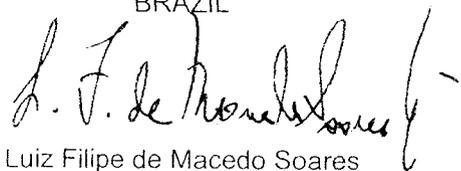
Maxwell Sambels
Minister of Public Utilities, Energy,
Communications and Immigration

BOLIVIA



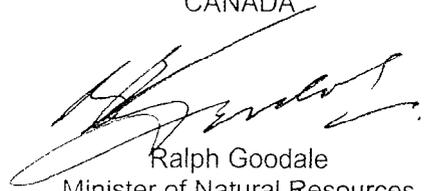
Carlos Alberto Contreras
Deputy Minister of Energy and
Hydrocarbons

BRAZIL



Luiz Filipe de Macedo Soares
Ambassador of Brazil to Mexico

CANADA



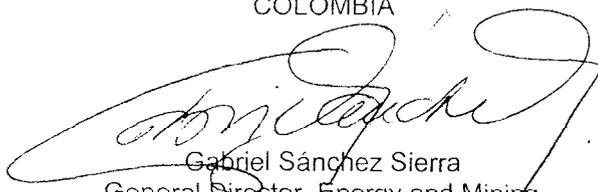
Ralph Goodale
Minister of Natural Resources

CHILE



Vivianne Blantot Soza
Executive Secretary,
National Energy Commission

COLOMBIA



Gabriel Sánchez Sierra
General Director, Energy and Mining
Planning Unit

COSTA RICA



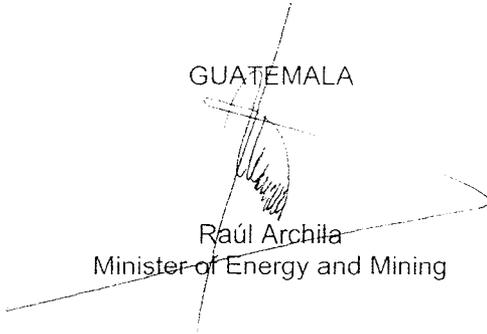
Rafael Segueira Ramirez
Ambassador of Costa Rica to
Mexico

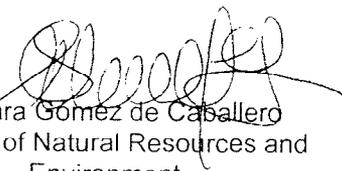
ECUADOR

Pablo Andrés Terán
Minister of Energy and Mines

EL SALVADOR

Eduardo Calix López
Ambassador of El Salvador to
Mexico

GUATEMALA

Raúl Archila
Minister of Energy and Mining

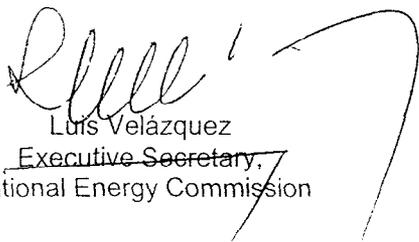
HONDURAS

Xiomara Gómez de Caballero
Minister of Natural Resources and
Environment

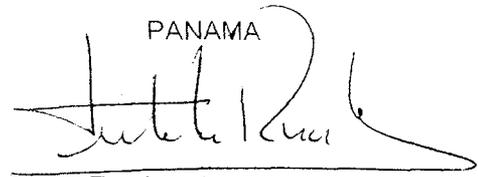
JAMAICA

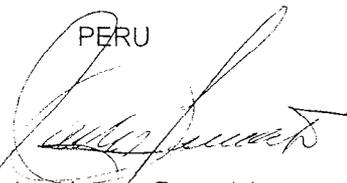
Godfrey Perkins
Permanent Secretary, Ministry of
Mining and Energy

MEXICO

Ernesto Martens Rebolledo
Secretary of Energy

NICARAGUA

Luis Velázquez
Executive Secretary,
National Energy Commission

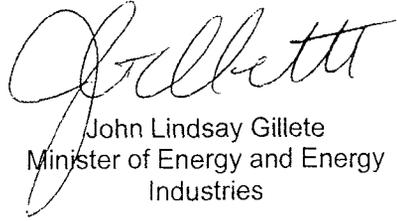
PANAMA

Temístocles Rosas
Deputy Minister of Trade and
Industry

PERU

Carlos Herrera Descalzi
Minister of Energy and Mining

SAINT KITTS AND NEVIS

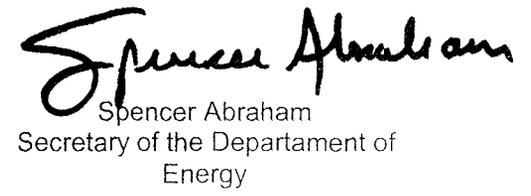
Rupert E. Herbert
Minister of Communications, Works
and Public Utilities

TRINIDAD AND TOBAGO



John Lindsay Gillete
Minister of Energy and Energy
Industries

UNITED STATES OF AMERICA



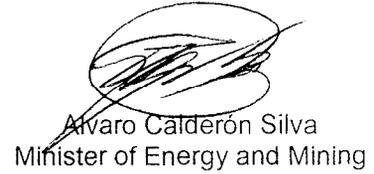
Spencer Abraham
Secretary of the Department of
Energy

URUGUAY



Mario Curbelo Mederos
Deputy Minister of Industry, Energy
and Mining

VENEZUELA



Alvaro Calderón Silva
Minister of Energy and Mining