

No. 14670

MULTILATERAL

Agreement establishing the Latin American Energy Organization (OLADE) (*Agreement of Lima*). Concluded at Lima on 2 November 1973

*Authentic texts: Spanish, English, Portuguese and French.
Registered by Ecuador on 23 March 1976.*

MULTILATÉRAL

Accord qui établit l'Organisation latino-américaine d'énergie (OLADE) [*Accord de Lima*]. Conclu à Lima le 2 novembre 1973

*Textes authentiques : espagnol, anglais, portugais et français.
Enregistré par l'Équateur le 23 mars 1976.*

AGREEMENT¹ ESTABLISHING THE LATIN AMERICAN ENERGY ORGANIZATION

The Governments of the countries signing this document:

Bearing in mind that at the First Latin American Informal Consultative Meeting of Ministers of Energy and Petroleum held in Caracas, Venezuela, from August 21-24, 1972, it was proposed to formulate a plan for the establishment of a Latin American Energy Organization;

Taking into consideration that at the Second Latin American Consultative Meeting of Ministers of Energy and Petroleum held in Quito, Ecuador, from April 2-6, 1973, it was agreed to recommend to the Governments of the Region the establishment of the Latin American Energy Organization;

Taking into consideration that the Latin American peoples have the full and indisputable right to defend, safeguard, and utilize the natural resources within their territories, in the manner deemed by each as most appropriate for its interests, and in accordance with international law, whether these be energy, mineral, or agricultural resources, as well as fishing and other resources within the maritime jurisdiction and other waters of the said countries; and to defend themselves individually or collectively from all kinds of pressures brought to bear against any of them in their just struggle to exercise fully their sovereign rights;

Considering the possibility of utilizing the natural resources and particularly energy resources as an additional factor in regional integration, and of establishing adequate machinery to cope with the imbalances in their economies produced by the industrialized market economy countries;

Reaffirming the need to coordinate action through the Latin American Energy Organization to attain the objective of defending in the face of actions, sanctions or coercions, the measures that these countries have adopted or may adopt in the exercise of their sovereignty, aimed at the preservation of their natural resources and especially their energy resources;

¹ Came into force on 18 December 1974 in respect of the following States, i.e., 30 days after the date of deposit with the Ministry of Foreign Affairs of the Government of Ecuador of the twelfth instrument of ratification, in accordance with article 37:

<i>Date of deposit of the instrument of ratification</i>		<i>Date of deposit of the instrument of ratification</i>	
<i>State</i>		<i>State</i>	
Ecuador	18 January 1974	Peru	21 June 1974
Jamaica	13 February 1974	Chile	26 June 1974
Trinidad and Tobago	28 February 1974	Dominican Republic	9 August 1974
Guyana	13 March 1974	Cuba	16 September 1974
Bolivia	9 April 1974	Uruguay	9 November 1974
Brazil	10 June 1974	Honduras	18 November 1974
<i>Date of deposit of the instrument of ratification or adherence (a)</i>		<i>Date of deposit of the instrument of ratification or adherence (a)</i>	
<i>State</i>		<i>State</i>	
Barbados	10 November 1975a	Mexico	21 February 1975
Colombia	8 March 1976	Panama	7 January 1975
Costa Rica	23 September 1975	Paraguay	13 October 1975

Recognizing the need to coordinate the action of the Latin American countries to develop their energy resources and deal jointly with the various problems relating to their efficient and rational utilization, in order to ensure independent economic and social development;

Decide to establish the Latin American Energy Organization and to conclude an Agreement for this purpose, to which end they have designated their respective Plenipotentiaries, to wit:

- His Excellency the President of the Republic of Argentina
- His Excellency the President of the Republic of Bolivia
- His Excellency the President of the Federative Republic of Brazil
- His Excellency the President of the Republic of Colombia
- His Excellency the President of the Republic of Costa Rica
- His Excellency the President of the Republic of Cuba
- His Excellency the President of the Government Military Junta of the Republic of Chile
- His Excellency the President of the Dominican Republic
- His Excellency the President of the Republic of Ecuador
- His Excellency the President of the Republic of El Salvador
- His Excellency the President of the Republic of Guatemala
- His Excellency the President of the Republic of Guyana
- His Excellency the President of the Republic of Honduras
- His Excellency the President of the United Mexican States
- Their Excellencies the Members of the National Government Junta of Nicaragua
- His Excellency the President of the Republic of Panama
- His Excellency the President of the Republic of Paraguay
- His Excellency the President of the Revolutionary Armed Forces Government of Peru
- His Excellency the Prime Minister of Trinidad and Tobago
- His Excellency the President of the Eastern Republic of Uruguay
- His Excellency the President of the Republic of Venezuela

Who, having deposited the instruments of their Full Powers, which have been found in good and proper order,

Agree to:

Chapter I. NAME AND PURPOSE

Article 1. To establish a regional body which shall be called the “Latin American Energy Organization” (hereinafter referred to as the Organization or OLADE), with headquarters in the city of Quito, Ecuador.

Article 2. The Organization is an instrument for cooperation, coordination, and consultation, with its own juridical identity, whose fundamental purpose is the integration, protection, conservation, rational utilization, marketing, and defence of the energy resources of the Region.

Chapter II. OBJECTIVES AND FUNCTIONS

Article 3. The Organization shall have the following objectives and functions:

- a) To promote solidarity of action among the Member Countries in order to utilize fully and defend the natural resources of each country and of the region as a whole, using such resources in the way in which each country—exercising its indisputable sovereign rights—deems most suitable for its national interests; and for individual or collective defence against all actions, sanctions or coercion that may be applied against any one of them, as a result of any measures they may have adopted to safeguard and utilize such resources in implementing their plans for economic and social development;
- b) To promote, by joint effort, independent development of the energy resources and capacities of the Member States;
- c) To promote an effective and rational policy for the exploration, exploitation, processing, and marketing of the energy resources of the Member States;
- d) To ensure proper conservation of the energy resources of the Region through their rational utilization;
- e) To promote and coordinate direct negotiations between the Member States, tending to ensure a stable and adequate supply of the energy required for the integral development of the Member States;
- f) To stimulate the industrialization of energy resources and the expansion of industries to make production of energy possible;
- g) To encourage among the Members the implementation of energy projects of common interest;
- h) To contribute, at the request of all the parties directly involved, to understanding and cooperation among the Member States, in order to facilitate proper utilization of their shared natural energy resources and avoid any appreciable detrimental effects;
- i) To promote the creation of a financial body for carrying out energy and energy-related projects in the Region;
- j) To devise such ways and means as will ensure the landlocked countries of the area, in situations not governed by treaties or conventions, free passage and the use of different means for transporting energy resources, as well as related facilities, through the territories of the Member States;
- k) To encourage the development of means for maritime, river and overland transport and the conveyance of energy resources belonging to the countries of the Region, promoting their coordination and supplementation so as to achieve optimum utilization of these resources;
- l) To promote the creation of a Latin American energy market, initiating this effort by developing a price policy which will help to ensure a just participa-

tion of the Member Countries in the advantages to be derived from the development of the energy sector;

- m) To encourage the formulation and development of common energy policies as a factor of regional integration;
- n) To foster, among Member States, technical cooperation and exchange and dissemination of scientific, juridical and contractual information, and to facilitate the development and transfer of technology in energy-related activities; and
- o) To promote among the Member States the adoption of effective measures to prevent environmental pollution due to the exploitation, transportation, storage, and utilization of the energy resources of the Region and to recommend the measures deemed necessary to prevent environmental pollution caused by the exploitation, transportation, storage, and utilization of the energy resources within the Region, in areas not under the jurisdiction of the Member States.

Chapter III. MEMBERSHIP

Article 4. The States that sign this Agreement and ratify it in accordance with their respective legislative provisions shall be Members of this Organization.

Article 5. Any other State so requesting it may become a Member of the Organization, provided that it fulfils the requirements of being a sovereign and independent state, of being located within Latin American territory, and of having deposited the corresponding instrument of adherence in accordance with the internal procedures of its country and expresses its willingness to fulfil the obligations issuing from this Agreement.

Article 6. Any Member State of the Organization may denounce this Agreement at any time. Its rights and obligations to the Organization shall cease thirty days after the instrument of denunciation has been deposited with the Permanent Secretariat.

Article 7. In the event that a State which has ceased to be a member of the Organization requests readmission, this shall be granted if the respective application is approved by the Meeting of Ministers, its readmission becoming effective when it deposits the instrument of adherence with the Permanent Secretariat and fulfils the obligations arising from this Agreement.

Chapter IV. STRUCTURE

Article 8. The Organization comprises the following bodies:

- a) The Meeting of Ministers;
- b) The Council of Experts;
- c) The Permanent Secretariat; and
- d) Such other bodies as the Meeting of Ministers may establish.

Article 9. The Meeting of Ministers shall be composed of the Ministers or Secretaries of State responsible for matters relating to energy.

In the event that they should be unable to attend a Meeting, the Ministers may be represented by delegates appointed for that purpose, with the same voting rights.

The Ministers or Secretaries of State may attend the Meeting accompanied by Experts and Advisers.

Article 10. The Meeting of Ministers, as the highest authority of the Organization, shall have the following functions:

- a) To formulate the general policy of the Organization and to approve the necessary regulations for fulfilling its objectives;
- b) To recommend policy alternatives for overcoming unfavourable situations affecting the Member States;
- c) To approve the Work Programme of the Organization and to analyze and evaluate the results of its activities;
- d) To consider the Annual Budget of the Organization, to determine the contributions of Member States subject to prior approval by the said States and to approve the Annual Report and Balance Sheet and annual financial statements;
- e) To approve and amend the Internal Regulations;
- f) To elect the President and Vice-President of the Meeting of Ministers;
- g) To appoint and remove the Executive Secretary of the Permanent Secretariat, in accordance with this Agreement and the respective Regulations;
- h) To consider the reports and recommendations of the Council of Experts and the Permanent Secretariat;
- i) To ensure that applications for membership by new Members meet the requirements provided for under Article 5 of this Agreement;
- j) To designate the place of the next Meeting of Ministers and to set the date thereof; and
- k) To examine and resolve any other matter of common interest regarding regional energy, in accordance with the objectives of this Agreement.

Article 11. Each Member State has the right to one vote in the Meeting of Ministers.

Article 12. The Meeting of Ministers shall have a quorum of at least two-thirds of the Member States.

Article 13. The Meeting of Ministers shall hold two ordinary meetings annually on the dates specified in the Regulations. It shall also hold extraordinary meetings when convened by the Executive Secretary in the following cases: 1) When the Meeting of Ministers itself shall so decide; 2) When requested by one of the Member States and approved by at least two-thirds¹ of the Member States; and 3) When requested by a Member State on the basis of the provisions of paragraph a) of Article 3.

Article 14. The decisions of the Meeting of Ministers shall be adopted by an affirmative vote of at least two-thirds of the Member States.

¹ Should read "one-third" (information provided by the Government of Ecuador).

Article 15. The President of the Meeting of Ministers shall hold office until the next ordinary meeting, and shall preside at any extraordinary meetings that may be held in the interim.

Article 16. The Council of Experts shall comprise the Delegates appointed by the Member States.

Article 17. The Council of Experts shall hold two ordinary meetings every year, as a Preparatory Committee for the Meeting of Ministers, and extraordinary meetings whenever summoned by the Permanent Secretariat at the request of at least one-third of the Member States.

Article 18. The Council of Experts shall have the following functions:

- a) To advise on the activities of the Executive Secretariat and any other body of the Organization, in accordance with the Regulations that the Meeting of Ministers may adopt;
- b) To submit the Agenda, provisional work programmes, studies, and projects to be considered by the Meeting of Ministers;
- c) To conduct the studies and perform the activities entrusted to it by the Meeting of Ministers; and
- d) Any other functions assigned to it by the Meeting of Ministers.

Article 19. The Permanent Secretariat is the Executive Body of the Organization, shall be headed by the Executive Secretary, and shall have the required technical and administrative personnel, in accordance with the budget approved by the Meeting of Ministers.

Article 20. The Permanent Secretariat shall be headed by an Executive Secretary, and shall have the following functions:

- a) To implement decisions entrusted to it by the Meeting of Ministers;
- b) To administer the affairs of the Organization in accordance with the policy established by the Meeting of Ministers;
- c) To prepare the Internal Regulations and submit them for the consideration of the Meeting of Ministers;
- d) To provide the Governments of the Member States with the reports prepared by the Meeting of Ministers, the Council of Experts and other established bodies, as well as any other document issued by the Organization;
- e) To prepare the Agenda, documents and provisional work programmes for the Meetings of the Council of Experts;
- f) To prepare the draft Programme—Budget, Annual Report, Balance Sheet and Financial Statements and submit them for consideration by the Meeting of Ministers subject to previous study by the Council of Experts;
- g) To make recommendations to the Meeting of Ministers and the Council of Experts on matters of interest to the Organization;
- h) To encourage studies on the incidence of energy resources, especially hydrocarbons, in the economic and social development of the Member States, as well as any other studies relating to the objectives of the Organization;

- i) To keep an inventory of the energy resources, requirements, legislation, and programmes of the Member States;
- j) To convene groups and panels of experts it considers necessary for the implementation of its work programmes and of the activities entrusted to it by the Meeting of Ministers;
- k) To collect information from the Member States and bodies within and outside the Region, relative to the objectives of the Organization;
- l) To convoke the Meeting of Ministers and the Council of Experts;
- m) To collect the contributions of the Member States and control the assets of the Organization; and
- n) To carry out any other duty entrusted to it by the Meeting of Ministers.

Article 21. The Executive Secretary shall be a citizen of one of the Member States and shall reside at the headquarters of the Organization. He shall be elected for a period of three years, and shall be eligible for re-election only once. The election shall take place three months after nominations of candidates by Member States and after a comparative study of the qualifications of the candidates has been made. The minimum qualifications required for the office of Executive Secretary shall be as follows:

- a) A degree in law, engineering, economics, science, administration, or any other discipline related to energy, conferred by a recognized university;
- b) Experience in matters relating to energy, to have held responsible executive or administrative positions, and to possess a knowledge of at least two of the working languages of the Organization.

Article 22. The Executive Secretary shall be responsible for fulfilling the functions of the Permanent Secretariat, shall act as Secretary of the Meeting of Ministers and of the Council of Experts, and shall act as the legal and institutional representative of the Organization. He shall also have the power to appoint and remove the technical and administrative personnel of the Permanent Secretariat, in accordance with the provisions of the Internal Regulations of the said Organization, and to ensure the geographic and equitable distribution of the personnel.

Article 23. Every Member of OLADE pledges himself to respect the exclusively international nature of the responsibilities of the Executive Secretary and of his staff, and he shall in no way try to exert any influence on them in the performance of their obligations.

In the performance of his duties, neither the Executive Secretary nor his staff shall seek or accept any direction or guidance by any Government, whether it be a Member of the Organization or not; neither will they accept any direction or guidance by any other official entity outside the Organization. In their capacity as officials of the said Organization, they shall not perform any act that may be prejudicial to the Organization.

Article 24. Every Member State shall seek to establish the internal machinery for coordinating and performing the activities of the Organization.

Chapter V. ASSETS AND FINANCIAL RESOURCES

Article 25. The net assets of the Organization shall consist of acquisitions by gift or purchase less liabilities.

Article 26. The financial resources of the Organization shall consist of i) the ordinary annual contributions approved by the Meeting of Ministers and ii) the Special Contributions agreed upon by the Meeting of Ministers in accordance with the provisions of paragraph *d*) of Article 10, as well as the donations, bequests and other contributions, that it may receive in accordance with the appropriate regulations.

Article 27. Any Member State in arrears in its financial contributions to the Organization shall lose its privileges in the Meeting of Ministers, provided that the amount due is equal to or greater than its assessed contribution for the previous year. The Meeting of Ministers may, nevertheless, permit such a Member the right to vote in the event that the non-payment was due to circumstances beyond its control.

Chapter VI. JURIDICAL PERSONALITY, IMMUNITIES AND PRIVILEGES

Article 28. The Organization, as a legal entity, may enter into any contract, appear in suits and, in general, undertake all of the activities necessary for the accomplishment of its objectives.

Article 29. In the discharge of their functions, the Ministers and Delegates of the Member States and the Officials and Advisers shall enjoy the diplomatic immunities and privileges accorded to international organizations.

Article 30. The Organization and the host State shall conclude an Agreement on Immunities and Privileges.

Chapter VII. OFFICIAL LANGUAGES

Article 31. The official languages of the Organization shall be Spanish, English, Portuguese, and French, and all documents shall be simultaneously distributed in all the official languages.

Chapter VIII. GENERAL PROVISIONS

Article 32. The Organization shall be based on the principle of the sovereign equality of all Member States, which shall fulfil the obligations undertaken by them upon the ratification of this Agreement, that they may all enjoy the rights and benefits thereof.

Article 33. OLADE will utilize the cooperation of the bodies already created or to be created, in the Latin American area, specializing in some field of energy.

Article 34. This Agreement shall be subject to ratification by the Signatory States, and the respective instruments of ratification shall be deposited with the

Ministry of Foreign Affairs of the Government of the Republic of Ecuador, which shall notify the Foreign Offices of the other Member States.

Article 35. No reservation may be made to this Agreement at the time of signing, ratification, or adherence.

Article 36. Amendments to this Agreement shall be adopted at a Meeting of Ministers convened for the purpose, and shall become effective once they have been ratified by all the Member States.

Article 37. The present Agreement shall come into force between the ratifying States thirty days after the twelfth instrument of ratification shall have been deposited.

This Agreement shall be known as the Agreement of Lima.

IN WITNESS WHEREOF the Plenipotentiary Representatives of their respective Governments, subscribe to the present Agreement, in the City of Lima, Peru, on the second day of the month of November in the year nineteen hundred and seventy-three, in four copies in the English, French, Portuguese and Spanish languages, all four texts being equally valid. The Government of the Republic of Peru will be the depository of this Agreement, and will send certified copies of the same to the Governments of the signatory and adhering countries.

[Signed]

By the Government of the Argentine Republic
His Excellency Mr. Herminio Roberto Sbarra
[Secretary of State for Energy]¹

[Signed]

By the Government of the Republic of Bolivia
His Excellency Mr. Carlos Miranda
[Director-General for Hydrocarbons and Energy]

[Signed]

By the Government of the Federative Republic of Brazil
His Excellency Mr. Benjamin Mario Baptista
[Secretary-General of the State Bureau of Mining and Energy]

[Signed]

By the Government of the Republic of Colombia
His Excellency Mr. Gerardo Silva Valderrama
[Minister of Mining and Petroleum]

¹ The titles between brackets appear only in the authentic Spanish, Portuguese and French texts and have been added here by the Secretariat. — Les titres entre crochets ne figurent que dans les textes authentiques espagnol, portugais et français et ont été ajoutés ici par le Secrétariat.

[Signed]

By The Government of the Republic of Costa Rica
His Excellency Mr. Julio Ortiz López
[Ambassador to the Republic of Peru]

[Signed]

By the Government of the Republic of Cuba
His Excellency Commander Pedro Miret Prieto
[Deputy Prime Minister for Basic Industry]

[Signed]

By the Government of the Republic of Chile
His Excellency General Arturo Yovane Zúñiga
[Minister for Mining]

[Signed]

By the Government of the Republic of Ecuador
His Excellency Captain Gustavo Jarrín Ampudia
[Minister of Natural and Energy Resources]

[Signed]

By the Government of the Republic of El Salvador
His Excellency Mr. Oscar Pineda Castro
[Deputy Minister of the Economy of Guatemala]

[Signed]

By the Government of the Republic of Guatemala
His Excellency Mr. Oscar Pineda Castro
[Deputy Minister of the Economy]

[Signed]

By the Government of the Republic of Guyana
His Excellency Mr. Hubert O. Jack
[Minister of Energy and Natural Resources]

[Signed]

By the Government of the Republic of Honduras
His Excellency Colonel Armando Velásquez Cerrato
[Ambassador to the Republic of Peru]

[Signed]

By the Government of Jamaica
His Excellency Mr. Allan Isaacs
[Minister of Mining and Natural Resources]

[Signed]

By the Government of the United Mexican States
His Excellency Mr. Horacio Flores de la Peña
[Secretary for the National Heritage]

[Signed]

By the Government of the Republic of Nicaragua
His Excellency Mr. José L. Sandino
[Ambassador to the Republic of Peru]

[Signed]

By the Government of the Republic of Panama
His Excellency Dr. Jorge Luis Quirós
[Director-General of Mineral Resources]

[Signed]

By the Government of the Republic of Paraguay
His Excellency Dr. Fermín Dos Santos Silva
[Ambassador to the Republic of Peru]

[Signed]

By the Government of the Republic of Peru
His Excellency General Jorge Fernández Maldonado Solari
[Minister of Energy and Mining]

[Signed]

By the Government of the Dominican Republic
His Excellency Dr. Ciro A. Dargam Cruz
[Ambassador to the Republic of Peru]

[Signed]

By the Government of Trinidad and Tobago
His Excellency Mr. Wilfred Naimool
[Ambassador to the Republic of Venezuela]

[Signed]

By the Government of the Eastern Republic of Uruguay
His Excellency Dr. Julio César Lupinacci
[Ambassador Extraordinary and Plenipotentiary]

[Signed]

By the Government of the Republic of Venezuela
His Excellency Mr. Hugo Pérez La Salvia
[Minister of Mining and Hydrocarbons]
