

# Developing new resources

## INTERVIEW WITH DR ANTONIO ISA CONDE

MINISTER OF ENERGY AND MINES, DOMINICAN REPUBLIC



**ANTONIO ISA CONDE** holds a doctorate in Law and undertook postgraduate studies in Administration and Banking at the University of Rome. He has been an activist in student movements, civil society organisations and business associations. Dr Isa Conde was Executive Director of the State Sugar Council in 1996, and was President of the Public Enterprise Reform Commission from 1997-2000. He assumed his current role on 29 April 2015.

Since taking up his post at the Dominican Republic's revamped Ministry of Energy and Mines in May 2015, Dr Antonio Isa Conde has been busy creating a series of overarching policies, and notably, working on plans that could lead to the development of an oil and gas industry for the first time in his country's history.

"We now have a better idea than ever regarding our hydrocarbon potential. We have enough initial information to potentially re-launch the policy of exploration and production of hydrocarbons in the Dominican Republic," Dr Isa Conde says.

This has been made possible after the ministry collated and digitised geophysical information dating back to the 1960s. "We have digitised thousands of maps, drawings, seismic profiles, well logs, files, reports, and magnetic tapes. Schlumberger-Sureco, a regional subsidiary of Schlumberger, the leading oil services provider worldwide, is working with the Dominican government to create the first National Hydrocarbons Database," he says, adding that there has been considerable interest from multinationals.

The idea is to tender pre-formulated standard contracts, taking into account the best development and investment plans. To address this, the ministry is preparing model contracts and the terms of reference of the bidding process to award blocks.

### Mining sector to be overhauled

Meanwhile, the Ministry of Energy and Mines has been working on a major overhaul of the mining sector, focusing on imposing much stricter environmental standards and greater transparency in negotiating contracts.

"Until now, mining in the DR has been managed like a ship adrift: instead we intend to develop it with the island's fragile environment in mind, as well as the needs of local communities. We live on an island whose ecosystem has been severely impacted, and our reality is very different to that of countries such as Chile, Argentina and Peru, which have seen remarkable development in extractive mining," he says, adding that all mining exploration and concessions in the country are being carefully studied, and that a Land Use Law is required.

The Ministry estimates that the country sits atop US\$60 billion in mineral and metal reserves, including as much as 40 million ounces of gold. The Pueblo

Viejo project, run by Barrick Gold and Goldcorp, is estimated to hold 25.3 million ounces of gold, as well as substantial reserves of silver, copper and zinc.

But decades of mismanagement at many of the country's mines that has led to major environmental damage has turned public opinion against further development of the sector.

In February, the Dominican Republic became the 50th country to join the London-based Extractive Industries Transparency Initiative (EITI), the global coalition of governments, industry and civil society that seeks to promote transparency and accountability in the exploitation of mineral resources, oil and gas.

### A new era for electricity?

At the same time, proposed electric sector reforms, known as the Pacto Eléctrico promise to address a sector that has long been a drag on economic growth. The idea is to complement diversification efforts that have seen a bigger role for natural gas, along with plans to harness renewables, biomass, as well as the longer-term potential from domestic hydrocarbon production. The role of the state, the private sector, and public-private partnerships are among the more controversial areas of the Pacto Eléctrico, and balancing them will require deft management by all involved in order to bring the pact to fruition. Creating the conditions for operational efficiency while recovering costs incurred remains a significant hurdle for both the public and private sectors.

Like many nations in the region, the Dominican Republic is attempting to reduce its reliance on imported petroleum products by switching to natural gas. As one of the earliest and most successful adopters, the Dominican case has become a model for the region. Since the inauguration of the AES Andres LNG Terminal in 2003, natural gas use has grown from virtually nothing to comprise over 30 per cent of the country's electricity supply today.

On the back of its natural gas infrastructure, the Dominican government aspires to become a regional energy hub, distributing natural gas to the greater Caribbean and Central America. Proponents argue that by taking advantage of the AES LNG infrastructure, this hub-and-spoke model would overcome many of the hurdles of cost and scale that have made switching to natural gas difficult for nations in the region. **E**