

MINISTERIAL DECISION

LII/D/562 CRITICAL MINERALS FOR ENERGY TRANSITIONS

PANAMA CITY, PANAMA
15/12/2022

THE LII MEETING OF MINISTERS

WHEREAS:

THAT pursuant to the provisions of subparagraph n) of Article 3 of the Lima Agreement, the Organization has to, among its objectives and functions, promote among the Member States technical cooperation, exchange and dissemination of scientific, legal and contractual information as well as propitiate the development and diffusion of technologies in the activities related to energy.

THAT the United Nations General Assembly approved the 2030 Agenda for sustainable development on September 25, 2015, which places special emphasis on initiatives that contribute to universal access, efficient and rational use of energy and diversification of the energy matrix;

THAT the OLADE Member Countries are committed to promoting Objective 7 of this 2030 Agenda for sustainable development and its goal of doubling the rate of improvement in energy efficiency by 2030;

THAT the fight against the adverse effects of climate change and the compliance with the commitments of the Paris Agreement, within the framework of the United Nations Framework Convention on Climate Change, are priorities for the OLADE member countries;

THAT the Latin American and Caribbean region has a high potential for the generation of renewable energy and has achieved important advances in the introduction of these resources in its energy matrix;

THAT energy transitions towards low-carbon energy systems will require new basic inputs necessary for the production of renewable energy equipment, such as aluminum, copper, cobalt, nickel, lithium, chromium, zinc, vanadium, rare-earth elements¹, among others;

THAT Article 3, paragraph f) of the Lima Agreement, signed on November 2, 1973, establishes among the objectives and functions of OLADE *"To promote the industrialization of energy resources and the expansion of industries that make possible the production of energy;"*

¹ Rare earths are a family of 17 elements comprising 15 elements in the lanthanide group (from lanthanum to lutetium), plus scandium and yttrium. Based on atomic weight, among the lanthanide groups the six lighter elements are classified as the light rare earth elements (LREE) and the other nine elements as heavy rare earth elements (HREE). Rare earths are contained in the same deposit, whose composition varies widely by deposit. Typically, extracted deposits have LREEs such as a large proportion of cerium and lanthanum and a modest amount of magnetic rare earths, plus a small fraction of HREE.

To separate the individual elements, the mineral concentrate is fed at high temperature from concentrated acids to release the rare earths they contain and remove radioactive elements (e.g., thorium, uranium). While each rare earth element is used in different applications, four elements - neodymium, dysprosium, praseodymium and terbium - are of particular importance to the clean energy sector. One of the main uses is permanent magnets for motors.

Source: The role of critical minerals in clean energy transitions, International Energy Agency (2021, p. 153).

THAT Latin America and the Caribbean have important mineral resources needed for energy transitions and their sustainable use can be a driving force for the region's economies;

In exercise of its powers:

DECIDES:

ARTICLE ONE. - Instruct the Permanent Secretariat of OLADE to initiate the study and analysis of the situation of critical minerals necessary for the processes of energy transitions towards low-carbon energy systems in Latin America and the Caribbean, taking into account the national circumstances and capabilities of each member country, as well as the endowment of their productive factors and the environmental, economical and social impact that their exploration and exploitation entails.

ARTICLE TWO. - Urge the National Coordinators of the OLADE Member Countries to provide the Organization with the corresponding support for the fulfillment of the mandate contained in Article One, including the timely collection and delivery of the information requested by the Permanent Secretariat for such purposes.

ARTICLE THREE. - Call upon the Permanent Secretariat of OLADE to deepen, in coordination with the International Energy Agency and other related international agencies interested in the subject, different ways, mechanisms and sources of financing for the fulfillment of the mandate contained in Article One.

ARTICLE FOUR. - Provide ministerial support to the Permanent Secretariat of OLADE for the development and implementation of actions aimed at deepening the entire value chain, including the sustainable exploration, exploitation, processing and commercialization of critical minerals for energy transitions in Latin America and the Caribbean, thus strengthening local capacity building in this area.



Erick Pérez

Vice Minister of Hydrocarbons

**MINISTRY OF PEOPLE'S POWER OF PETROLEUM OF THE BOLIVARIAN
REPUBLIC OF VENEZUELA**

PRESIDENT OF THE MEETING OF MINISTERS OF OLADE



Flavia Royon

Energy Secretary

**Energy Secretariat -Ministry of
Economy of the Republic of
Argentina**



Alfonso Blanco

**Executive Secretary
OLADE**