



NEWSLETTER

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LITHIUM: THE WHITE GOLD DRIVING THE SUSTAINABLE FUTURE OF LATIN AMERICA AND THE CARIBBEAN

A strategic region in the green revolution

Lithium is an essential mineral for the transition to clean energy and has placed Latin America and the Caribbean at the center of the global stage. The lithium brine reserves in Argentina, Bolivia, and Chile are located in the area known as the "Lithium Triangle," which holds nearly 60% of the world's reserves of this valuable resource, making it a strategic pillar for the planet's energy future. There is also potential in countries like Mexico and Brazil, although with rock extraction (pegmatitic granite minerals).

As global demand for lithium continues to rise, driven by the revolution in storage and electromobility, Latin America and the Caribbean are emerging as key players in this scenario. The ability to manage their abundant lithium resources will not only determine their position in the international market but also their capacity to drive sustainable and equitable development locally.

Some countries in the region stand out as leaders in production and models of transition, such as Chile, the world's second-largest producer of lithium, which has been a key player in the global market. However, the country is undergoing a transformation in its extractive model, shifting from private concentration to public-private cooperation. This change aims not only to diversify investment and management sources but also to ensure a better distribution of the benefits derived from lithium exploitation. The transition to this mixed model is promoting greater state participation in strategic sectors without discouraging private investment.

In the case of Argentina, lithium production reached record levels in 2023, increasing by more than 30% compared to the previous year, positioning it as the fourth-largest producer worldwide. The country has adopted a federal extractive model, where each province has autonomy to negotiate licenses, costs, and investments related to lithium production. This approach has allowed for significant growth in the mining sector, attracting investments from various private companies. The decentralization in resource management has encouraged dynamic development tailored to the specificities of each region, boosting economic growth and job creation.

Bolivia holds the largest exploitable lithium reserves in the world, and there is still great potential to increase the production of this mineral. The development of Bolivia's lithium extractive industry is proposed under a state-run model, reflecting a strategy aimed at maintaining control and benefits within the country, ensuring that revenues generated from lithium exploitation translate into internal social and economic development. The challenge for Bolivia lies in developing the necessary infrastructure and technical capacity to sustain competitive production in the global market.

While the region has significant potential, it also faces important challenges. These include the need to develop adequate infrastructure, strengthen regulatory frameworks, promote investment, research and technological development, and ensure sustainable practices that respect the environment and local communities.

OLADE PARTICIPATES IN REGIONAL COORDINATION MEETING ON INTEGRATED ANALYSIS OF CLIMATE, LAND, ENERGY AND WATER USE (CLEW)



During a week of intense discussions and collaboration, countries and organizations from Latin America and the Caribbean met in Montevideo to participate in the first Regional Coordination Meeting on the Integrated Analysis of Climate, Land, Energy and Water Use (CLEW). The meeting, led by OLADE's Director of Studies, Projects and Information, Fitzgerald Cantero, marked a milestone in regional cooperation to address the crucial energy and environmental challenges facing the region.

Cantero, representing OLADE, presented a detailed vision of the organization's role in the energy transitions of Latin America and the Caribbean (LAC). He highlighted key initiatives in which OLADE is involved, such as the regional clean hydrogen certification CETHILAC, the Useful Energy Balances (BEU), the Methane Emissions Observatory of Latin America and the Caribbean (OEMLAC), among others. In addition, he highlighted the importance of statistical studies, particularly prospective analyses, and underlined the training tools and platforms, such as capevLAC, that OLADE offers to strengthen technical capacity in the region.

The meeting ended with a unanimous agreement on an agenda that promotes continued collaboration and knowledge sharing in key areas related to climate, energy and water. This initiative reflects the commitment of participating countries and regional bodies, such as OLADE, to address the challenges of climate change and energy sustainability with an integrated and coordinated approach.

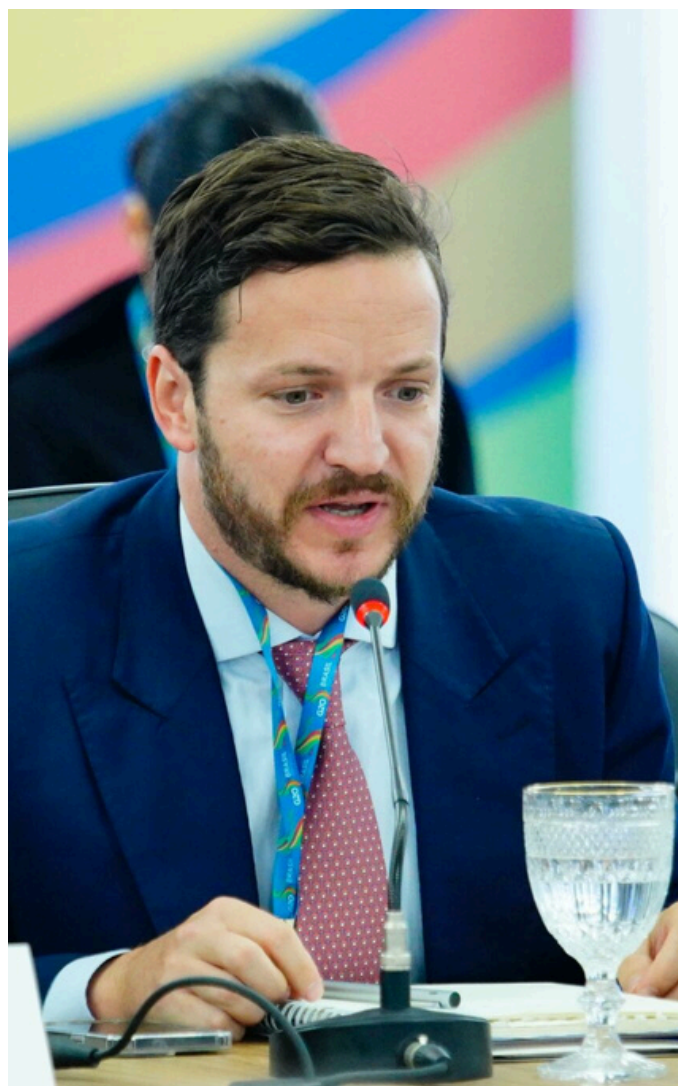
G20 Working Group Highlights the Need for Energy Transition Cooperation

A crucial meeting of the G20 Energy Transitions Working Group recently highlighted the importance of international cooperation in driving environmental sustainability and energy independence around the world. Under the leadership of OLADE's Chief of Staff, Guido Maiulini, representatives from G20 member countries met to address the challenges and opportunities in the transition to cleaner and more sustainable energy sources.

The meeting focused on several crucial aspects to advance in this transition. Emphasis was placed on the need to improve access to financing for energy transitions, especially in emerging economies, as well as the importance of energy planning and the design of policies and tools that facilitate financing for clean energy. In addition, the social dimension of these transitions was addressed, recognizing the challenges that must be faced to ensure that they are carried out in a fair, inclusive and balanced manner for all communities.

The Working Group, coordinated by Brazil's Ministry of Mines and Energy in collaboration with that country's Ministry of Foreign Affairs, aims to promote coordinated political action among G20 countries. It seeks to share information and experiences, as well as identify concrete measures to accelerate and maximize the benefits of global energy transitions.

This meeting underlines the importance of international collaboration and policy coordination in the fight against climate change and the promotion of a more sustainable and resilient energy future for all.



OLADE'S EXECUTIVE SECRETARY PARTICIPATED IN THE 26TH WORLD ENERGY CONGRESS IN ROTTERDAM



The 26th World Energy Congress, held in Rotterdam, Netherlands, from April 22 to April 25, 2024. This prestigious event brought together over 7,000 participants, including energy experts, policymakers, industry leaders, and stakeholders from across the globe. Recognized as the foremost gathering in the energy sector, the Congress was dedicated to facilitating high-level discussions and collaborations aimed at promoting global energy transitions.

As part of this event, OLADE's Executive Secretary, Andrés Rebolledo, took part in several notable activities, including his role as a speaker on the panel "Abundance of Renewables: Managing the Evolving Energy Trilemma in Latin America and the Caribbean."

Additionally, as part of the event, OLADE organized a side event during the World Energy Congress, titled "The Second Phase of Energy Transitions in Latin America and the Caribbean – Challenges and Opportunities." This event fostered a rich exchange on key aspects and objectives related to the integration of renewable energies, decarbonization of emissions-intensive sectors of the economy, new energy storage solutions and energy vectors, as well as efforts in circular economy and sustainable practices.

OLADE's active participation in these events demonstrates the organization's ongoing commitment to advancing sustainable energy policies and practices in Latin America and the Caribbean.



OLADE AND ICAP JOIN FORCES TO STRENGTHEN THE ENERGY SECTOR IN LATIN AMERICA AND THE CARIBBEAN

The Latin American Energy Organization (OLADE) and the Central American Institute of Public Administration (ICAP), as part of the Central American Integration System (SICA), have sealed a powerful alliance aimed at promoting sustainable, resilient and equitable development in Latin America and the Caribbean (LAC) through the strengthening of the energy sector.

The agreement, signed by the Director of ICAP, Osvaldo de la Guardia, from Costa Rica, and the Executive Secretary of OLADE, Andrés Rebolledo, from Ecuador, marks the beginning of a strategic collaboration that will encompass the formulation of strategies, the development of projects, research, academic training, capacity building and other activities aimed at improving regulation and public policies in the energy sector.

The Executive Secretary of OLADE, Andrés Rebolledo, highlighted the importance of this alliance in a region that is undergoing significant transformations and that requires constant support in technological, regulatory and public policy terms. Mr. Rebolledo expressed his enthusiasm for the establishment of a permanent work agenda that will benefit OLADE's 27 member countries, assuring that this collaboration will be fundamental to address current and future energy challenges in the region.

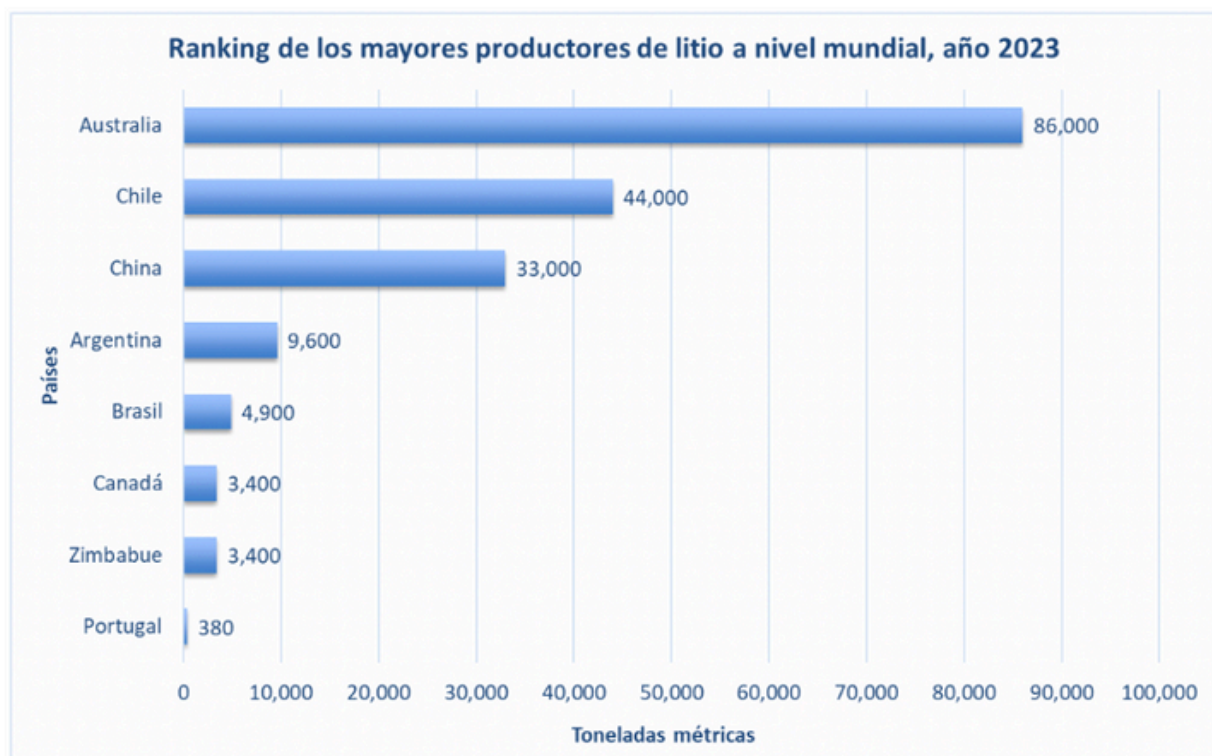
This strategic alliance between OLADE and ICAP represents a significant step forward in the search for joint solutions to promote a more efficient, inclusive and sustainable energy sector in Latin America and the Caribbean.

THE LITHIUM TRIANGLE

The so-called Lithium Triangle is formed by the South American countries that hold nearly 60% of the world's lithium reserves. These countries are Argentina, Bolivia, and Chile. In terms of production, Chile is the largest producer in the Latin America and Caribbean region and the second largest in the world after Australia, with 44,000 metric tons produced during 2023. The productive model of the lithium extractive industry has historically been characterized by significant concentration in private hands. However, this model is transitioning towards public-private cooperation.

For its part, Argentina produced 9,600 metric tons of lithium in 2023, placing it fourth worldwide, with a federal extractive model. This means that each province is responsible for negotiating the licenses, costs, and investments associated with the production of this resource. Based on these policies, the country's mining development has grown significantly, attracting investments from various private companies.

Finally, Bolivia, despite having the largest exploitable lithium reserves in the world, has not yet launched its lithium extractive industry. According to current regulations, it would be developed under an entirely state-run model.



Fuente: OLADE, Elaboración propia.