



# CHILE- PORTUGAL LITHIUM: LOCAL CONDITIONS TO OPERATE

Andres Sanabia  
Coordinator Mining Regions and Cities Initiative OECD  
15 January



# OECD Mining Regions and Cities Initiative

*Improve development outcomes and well-being in regions and cities specialised in mining:*



**1. Global toolkit with evidence and good practices** to benchmark across economic, environmental, and social metrics.



**2. Case studies** that deliver regional specific support to implement better regional development policies



**3. Annual mining regions conference and peer-review activities** to enable knowledge sharing.





# Territorial concentration of minerals creates opportunities and challenges for host communities



High Salaries, jobs, local revenues



Community and technology infrastructure



Support green technologies, phasing out fossil fuels.



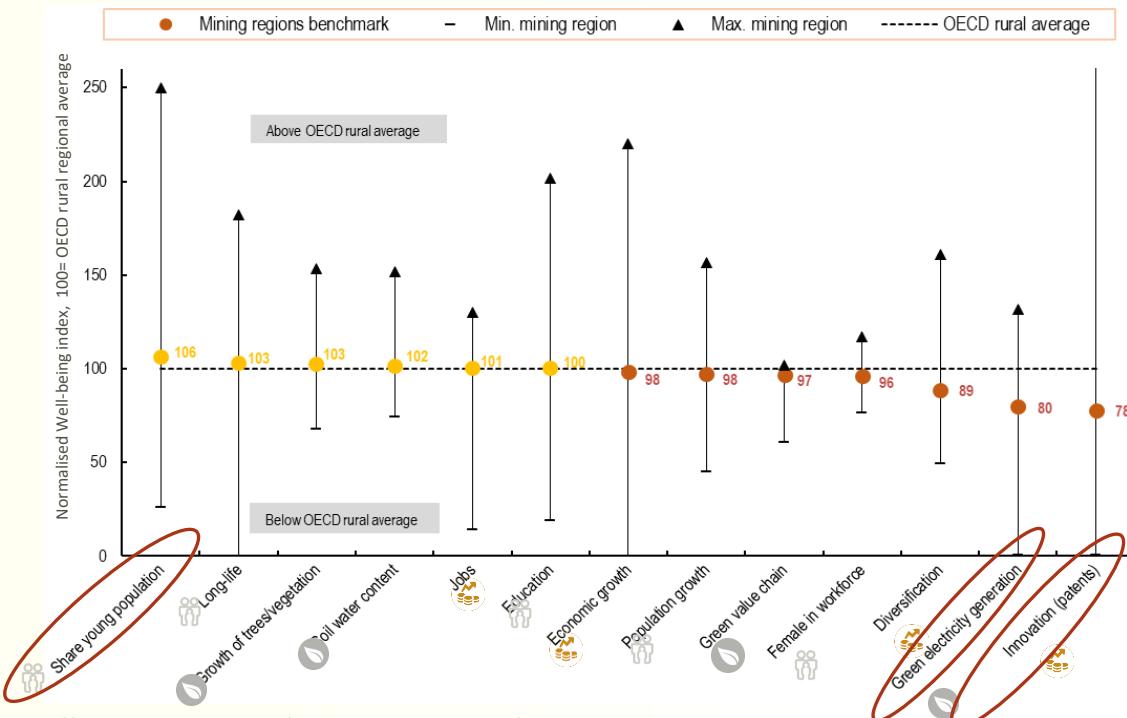
Lock-in effects, income inequalities, volatility, .

Gender imbalance, FIFO externalities, labor shortage in other activities.

Land use and biodiversity change, water pressure



# Measuring for better policies. Data toolkit on well-being in mining regions



Higher income and similar unemployment rates, but lower employment growth and innovation.



Younger and well educated, but with lower population growth and women participation in the workforce



Greater growth of green land cover and lower risks of drought from water depletion, but greater GHG emissions per capita and CO2 emitted from electricity generation

<https://oecd-main.shinyapps.io/mining-regions-wellbeing/>

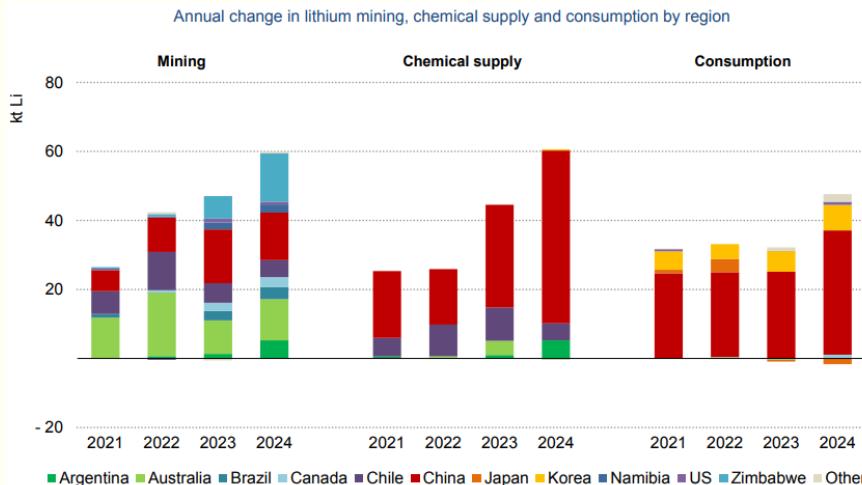
# The context of Lithium in Chile and Portugal





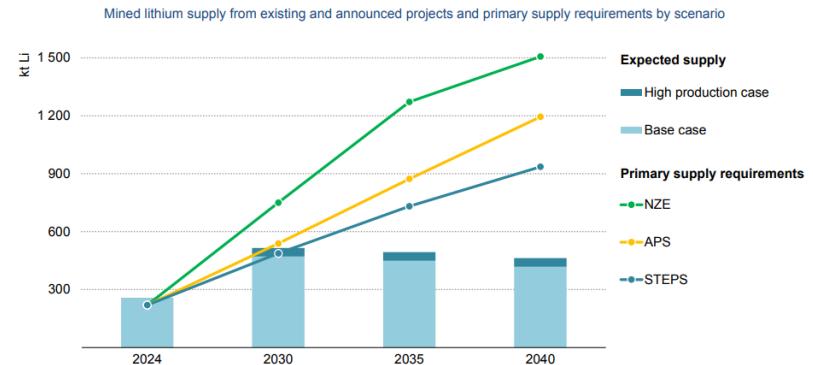
# Despite growing supply, future lithium supply remains below projected demand growth

Supply growth in lithium, amid concentration of downstream.



EV and storage batteries dominate lithium consumption; consumer geography diversifies.

Mined Lithium supply from existing and announced projects vs primary supply requirements by scenario

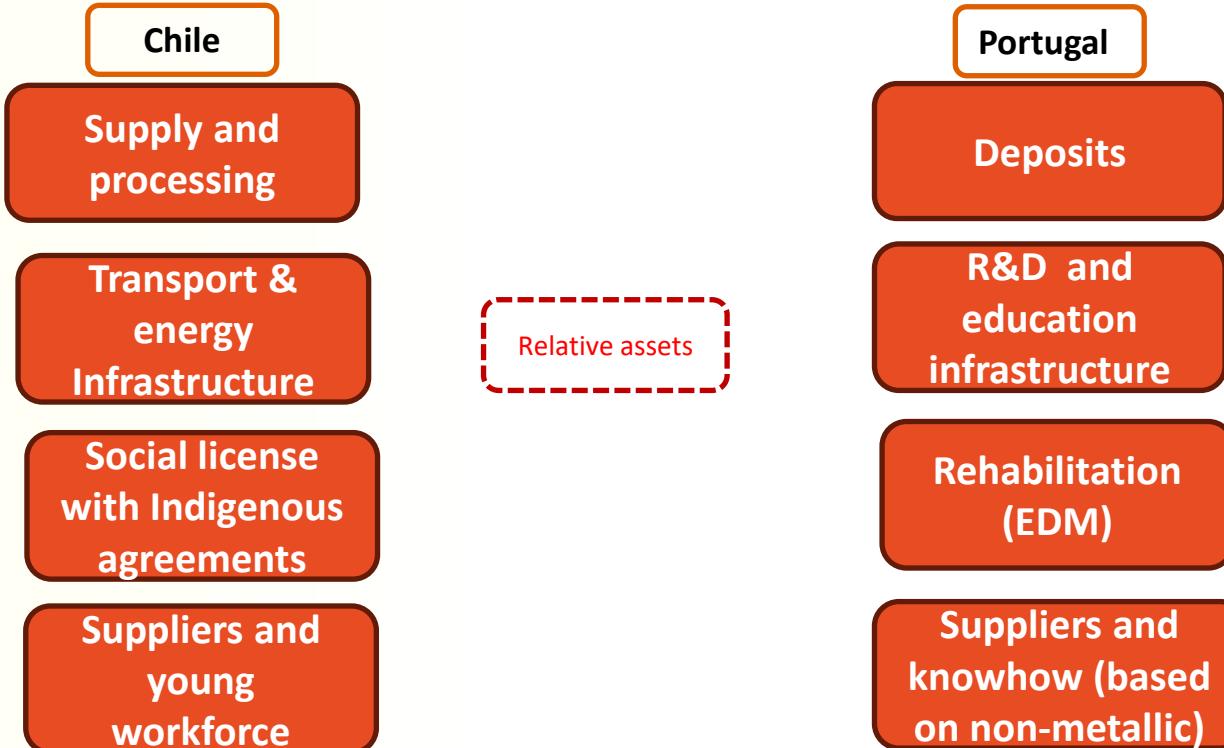


Notes: Based on raw material output covering extraction of lithium from hard rock ore, clays and brines. Primary supply requirements are calculated as "total demand net of secondary supply", also accounting for losses during refining operations. See the Overview section for definitions of the base and high production cases.

Notes: Mt = million tonnes; EVs = electric vehicles. Includes most of the minerals used in various clean energy technologies but does not include steel and aluminium.  
STEPS= Stated Policies Scenario; APS= Announced Pledges Scenario [world's collective ambition, as it stands today]; NZE= Net Zero Emissions [cap global warming to 1.5 °C]  
Source: IEA (2025), Global Critical Minerals Outlook 2025 – Analysis.



# Chile and Portugal regional mining ecosystems with distinctive assets for lithium- Chile leading the way.





# Priority actions at the local level.

Chile

Income  
inequality

Low  
diversification

Access to some  
public services

Pressure on  
continental  
water

Portugal

Social license

Permitting  
process

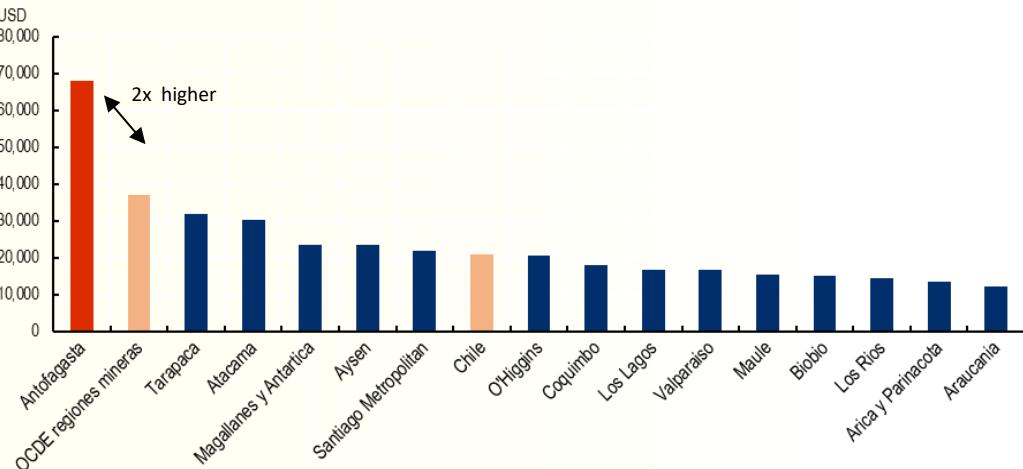
Skills supply for  
the sector

Transport  
infrastructure for  
some projects

Relative  
priorities



# Economics



Source: OECD (2023), *Mining Regions and Cities in the Region of Antofagasta, Chile: Towards a Regional Mining Strategy*, <https://doi.org/10.1787/336e2d2f-en>;

OECD (2025), *Enhancing Regional Mining Ecosystems in the European Union: Securing the Green Transition and Supply of Mineral Raw Materials*, <https://doi.org/10.1787/97ba1224-en>

## Median earnings of the employees (2021)



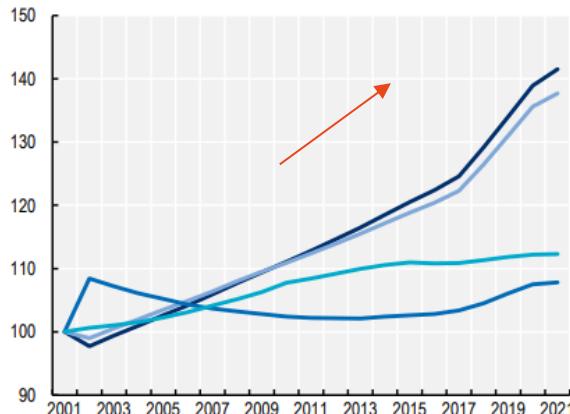


# Demographics.

## Population growth.

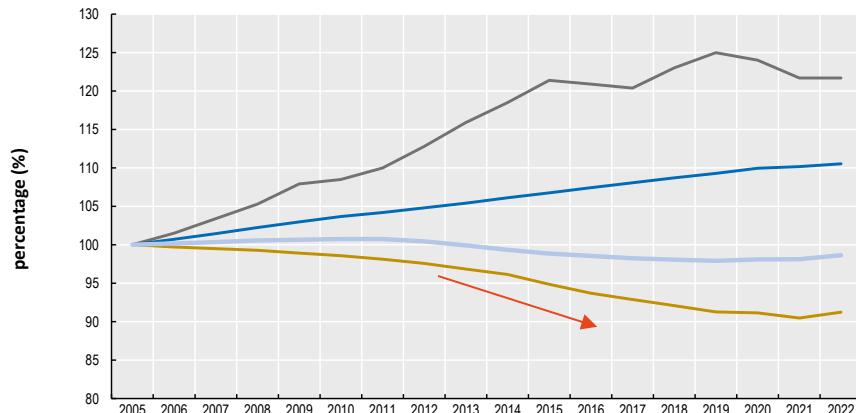
### Antofagasta

Antofagasta - TL3  
Tocopilla - TL3  
El Loa - TL3  
OECD Benchmark - TL3



### Alentejo

Alentejo  
OECD mining regions  
OECD average  
Portugal



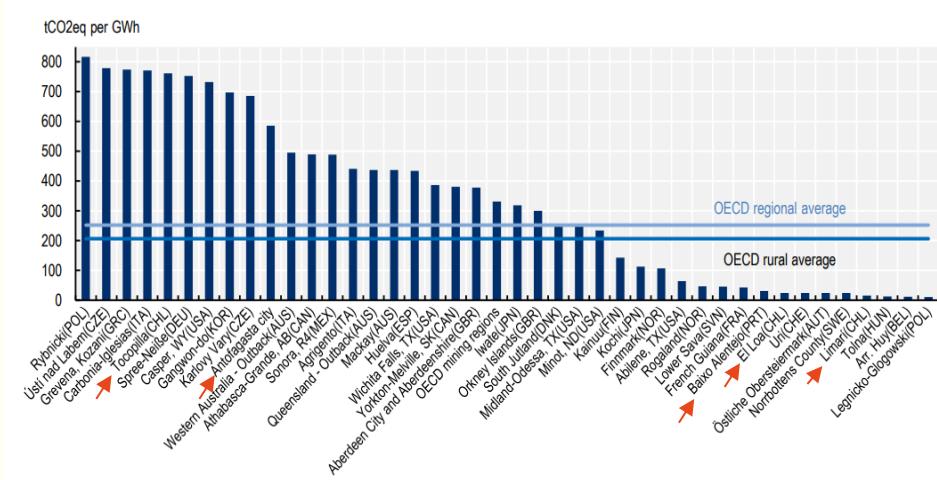
Source: OECD (2023), *Mining Regions and Cities in the Region of Antofagasta, Chile: Towards a Regional Mining Strategy*, <https://doi.org/10.1787/336e2d2f-en>.

OECD (2025), *Enhancing Regional Mining Ecosystems in the European Union: Securing the Green Transition and Supply of Mineral Raw Materials*, <https://doi.org/10.1787/97ba1224-en>



# Environment

## CO2 emissions from electricity generation, 2019.

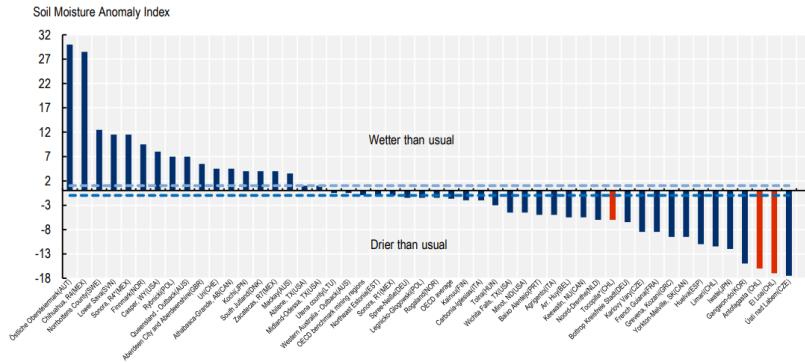


Source: OECD (2023), *Mining Regions and Cities in the Region of Antofagasta, Chile: Towards a Regional Mining Strategy*, <https://doi.org/10.1787/336e2d2f-en>;

OECD (2025), Enhancing Regional Mining Ecosystems in the European Union: Securing the Green Transition and Supply of Mineral Raw Materials, <https://doi.org/10.1787/97ba1224-en>

## Anomalies in soil water content 2018-2019.

Anomaly during 2018-19 vs. average conditions during 1981-2010





# Focus on social license



# Challenges in EU regions

Perception from historic environmental impacts

Lack in community engagement within decision-process

Lack of info on benefits of mining for development

Limited standardization of community engagement (exploration phase)

Misinformation on environmental impacts



# Actions recommended: Communications, engagement and monitoring

## Community participation in mining decision

- I. Involve stakeholders in mining related policy making .
- II. Guidelines for company interaction with communities (exploration)
- III. Strengthen benefit-sharing agreements, with capacity to municipalities.
- IV. Involve early on local actors in mine closure planning.

Savannah's information office in the town

## Communication on mining/ institutions

- I. Promote workshops & knowledge-sharing activities about mining and ESG practices.
- II. Better advertise discussions/ town meetings on projects
- III. Communication of mining remediation projects
- IV. Involvement of a public institution in exploration discussions.

Antofagasta's Regional mining strategy

Companies support:  
-Future Code (BHP)  
-Desing of water plants (SQM)

## Help strengthen the environmental monitoring

- I. Promote community-led environmental monitoring.
- II. Encourage public access to environmental performance data (& cumulative impact studies).

Albermarle & SQM's community-led monitoring



# Antofagasta's mining strategy





# Models of Indigenous engagement across OECD countries

## Information & consultation

- Indigenous Peoples are informed/consulted but have little influence over decisions
- **Mechanisms:** Environmental impact assessments, comment periods, liaison officers
- **Typically adopted in:** European and Latin American countries

## Benefit sharing agreements

- Agreements to transfer financial or social benefits to Indigenous communities
- **Mechanisms:** Impact benefit agreements, royalty sharing, employment quotas
- **Typically adopted in:** Australia, Canada, New Zealand, to a lesser extent Europe

## Equity ownership

- Indigenous groups co-own assets, hold equity, or share project governance authority
- **Mechanisms:** Joint ventures, Indigenous development corps, co-management boards
- **Typically adopted in:** Canada and some instances in Australia

# Thank you



andres.sanabria@oecd.org

<https://www.oecd.org/fr/regional/mining-regions-cities.htm>

Twitter: @OECD\_local

LinkedIn: [www.linkedin.com/company/oecd-local](https://www.linkedin.com/company/oecd-local)

Website: [www.oecd.org/cfe](https://www.oecd.org/cfe)

Blog: [oecd cogito.blog](https://oecd cogito.blog)

