Critical Raw Materials in Argentina and Brazil

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Critical Raw Materials in Argentina and Brazil: Between Climate Rhetoric and Mining Policy; by Lenin Navas

In just a few weeks, Brazil will host leaders from across the globe for the 30th UN Climate Change Conference (COP30). The summit will take place in the small city of Belém, in the heart of the Amazon, as President Luiz Inácio Lula da Silva seeks to demonstrate Brazil's commitment to environmental protection and the fight against climate change.

Yet a shadow looms over the gathering. Unlike the optimism that surrounded the Paris Climate Agreement nine years ago, today's world is drifting away from sustainability priorities as geopolitics and conflict take center stage. Even though many leaders still talk about green priorities, their policies often tell a different story prioritizing national interests over the protection of the planet.

Mining of critical raw materials (CRMs) clearly illustrates this contradiction. Demand for copper, lithium, nickel, and other materials essential for batteries, solar panels, electric vehicles and other technologies of the green transition is rapidly increasing. But the process of extracting these minerals is environmentally destructive, driving pollution, biodiversity loss, and contributing to climate change.

Logically, one might expect that governments with strong environmental commitments would have stricter, more sustainable mining policies than those that reject any responsibility towards the planet, but this is not always the case. This article will compare two countries: Brazil, under Lula's environmentally friendly discourse, with Argentina, under Javier Milei's pro-growth, anti-SDG narrative, to analyse the differences about how each country approaches mining inside their territory. The result of this work is that despite their ideological opposition, both governments in practice prioritize economic gains over environmental protection. Their cases highlight the widening gap between discourse and action in climate policy at a time when geopolitical competition increasingly shapes global priorities.

1. The focus on Critical Raw Materials

Critical Raw Materials, and particularly those that are vital for the energy transition, have gained salience in the last years. In 2023, at COP 29 in Dubai, UN General Secretary Antonio Guterres unveiled the UN Panel on Critical Energy Transition Minerals, to bring members of the industry, civil society and governments together to create principles that would guide the extraction of raw materials necessary for the energy transition. As Guterres stressed "the extraction of critical minerals for the clean energy revolution – from wind farms to solar panels and battery manufacturing – must be done in a sustainable, fair and just way".

The urgency of this call is clear. The International Energy Agency projects lithium demand to grow fivefold by 2040, while demand for nickel and graphite is expected to double. At the same time, the UN International Resource Panel estimates that material extraction, including minerals, biomass, and fossil fuels, accounts for 55% of global greenhouse gas emissions and 90% of land-related biodiversity loss. This highlights the paradox: building clean energy systems requires massive extraction that threatens the very ecosystems the transition seeks to protect.

Ideally, international cooperation could help align mining with sustainability in order to create standards and good practices that minimize the

damage of extractive industries on the environment, while establishing mechanisms for responsible processing and recycling. In reality, however, states are competing to increase their control over supply chains, from extraction to refining, manufacturing, and recycling. This explains recent U.S. measures to boost domestic mining and China's decade-long strategy to dominate global the international value chain of these materials for feed its local industry. Around the world, governments are prioritizing the economic and geopolitical advantages of securing critical minerals, even if it means tolerating environmentally damaging practices.

2. The Brazilian Environmental Pedigree

Given this context, COP 30 has become an opportunity for the Brazilian government to showcase its environmental credentials, especially at a moment when major green powers such as the EU and the United States are retreating from strong climate commitments. The choice of Belém as the venue stresses this ambition: located in the heart of the Amazon, the city symbolizes global biodiversity and the ecological services provided by the rainforest, offering a stage where decision-makers can engage directly with one of the world's most critical environmental regions.

This symbolic move has been accompanied by public statements signaling the government's environmental direction. At the BRICS Environment and Global Health session this year, President Lula declared: "It is urgent to promote a just and planned transition to end the use of fossil fuels and achieve zero deforestation." Similarly, the COP 30 President, Ambassador André Corrêa do Lago, has spoken in favour of the Sustainable Development Goals (SDGs), noting: "The more ubiquitous our fight against climate change becomes, the more we need to incorporate synergies between climate, biodiversity, desertification, and our Sustainable Development Goals (SDGs)."

This rhetoric also serves to differentiate Lula's administration from that of former President Jair Bolsonaro, who consistently prioritized economic growth over environmental protection. Bolsonaro and his allies openly questioned climate science, calling it an ideological manipulation. In 2019, his Foreign Minister Ernesto Araújo declared that "There is no climate change catastrophe" having previously described the climate crisis as a plot by "cultural Marxists." Bolsonaro himself rejected satellite data from Brazil's National Institute for Space Research (INPE) that showed an 88% increase in Amazon deforestation during the first six months of his presidency, claiming: "With all the deforestation that you have been accusing us of today and in the past, the Amazon would have already disappeared!" Against this backdrop, Lula's pro-sustainability discourse represents a sharp departure from Bolsonaro's environmental stance, rebranding Brazil as a climate leader.

3. Argentina's Climate Scepticism

A very different trajectory can be observed in Argentina under President Javier Milei. Since his presidential campaign, Milei has positioned himself as a climate skeptic, dismissing both climate science and pro-environment policies under the governance of the SDGs. During the 2023 presidential debate, he downplayed climate change, stating: "In the history of the Earth, there is a cycle of temperatures," and rejected the SDGs as a product of "cultural Marxism." For Milei, the free market is the best solution to environmental challenges. As he argued: "If water becomes scarce, it stops being worthless and then a business starts, and you'll see how pollution ends."

Once in power, Milei moved quickly to cut Argentina's environmental institutions. He abolished the Ministry of Environment, reducing it to an under-secretariat. Its first head, Ana Lamas, echoed Milei's views, declaring that climate change is "natural and cyclical (...) it has little to do with industrialisation and human beings." Milei also reinforced this ideological framing on the international stage, as he claimed during a speech delivered in Davos 2024: "Another conflict presented by socialists is that of humans against nature, claiming that we human beings damage a planet which should be protected at all costs, even going as far as advocating for population control mechanisms or the abortion agenda."

These statements reveal the ideological foundations of the current government's stance: environmentalism is conflated with other progressive causes, such as abortion rights, LGBTQ advocacy, and feminism, under a larger critique of "globalist," "woke," or "socialist" agendas. Just as Lula's government employs climate discourse to distance itself from Bolsonaro, Milei's administration uses climate scepticism to draw a clear line between itself and what it portrays as the ideological legacy of its predecessors and opponents. In this sense, the environment functions less as a policy field and more as a symbolic battleground.

4. From discourse to practice

The ideological and rhetorical differences between Milei and Lula's governments would suggest diverging mining policies. Given mining's nature as a potentially highly profitable but environmentally damaging activity, one could expect a more permissive regulatory environment in Argentina, whose government prioritises economic development and free market mechanisms, and stricter environmental controls in Brazil under Lula's left-leaning administration. However, this is not the case.

In Argentina, there is a clear alignment between discourse and policy. The Large Investment Incentive Regime (RIGI), established in 2024, provides fiscal and regulatory benefits to investment projects in strategic sectors, including energy, technology, fossil fuels, tourism, and mining. Among other measures, the RIGI reduces corporate taxes by 10%, liberalizes exports, and creates a 30-year regulatory framework for selected

projects. It is expected to attract around $33 billion in investments for nearly 70 mining projects across the country.

The new regulatory framework has already delivered results in the mining industry. Particularly in the lithium sector, where Argentina counts with important reserves in the so-called "Lithium Triangle". There has already been important investments, with Rio Tinto committing $2.5 billion for a project to extract lithium for batteries in Salta. Argentina is currently the world's fastest-growing producer of battery-grade lithium and is expanding into copper mining, with investments from companies like Glencore and First Quantum. These developments are a direct result of deregulation measures taken by the government in addition to RIGI, aimed at reducing bureaucratic hurdles and accelerating mining growth.

Critics argue, however, that this rapid expansion weakens social and environmental protections. Local communities often have not been consulted, raising concerns about the absence of a "social license" to operate. In addition, proposed reforms, such as changes to the Glaciers Law, would open previously protected areas like Patagonia's periglacial zones to mining, creating further environmental alarm.

Brazil under Lula presents a different dynamic. Despite his environmentally friendly rhetoric, actual policies reveal a government trying to expand mining activities. In 2025, Lula's administration launched the National Sovereignty Policy for Strategic Minerals, aimed at mapping and exploiting Brazil's mineral resources. This announcement coincided with the approval of the so-called "Devastation Bill" in Congress, which drastically reduces environmental safeguards. Under the bill, mining projects could receive environmental licenses simply by filling out an online form, without impact assessments or consultation with affected communities. Although initially supported by members of Lula's government, who are trying to build a coalition for the 2026 elections, including Agriculture Minister Carlos Fávaro, Lula partially vetoed the legislation after strong pressure from civil society. The environmentally friendly rhetoric of Lula's government, however, does not make the actual policies of his government a lot greener than the ones of Argentina. Beneath the rhetoric, the Brazilian government has promoted the creation of fossil fuels and mining projects in the country that threaten the environment and communities. Although it should be noted that Lula has taken a much firmer stance when it comes to environmental protection than during years of Bolsonaro's presidency (2019-2023).

Still, mining expansion continues. The National Bank for Social and Economic Development (BNDES) recently announced $815 million in financing for the development of critical mineral supply chains, including lithium, nickel, graphite, silicon, and rare earths, the latter among the most environmentally damaging materials. The Brazilian and U.S. governments are already discussing investments in rare earths, with a $150 million project underway backed by U.S. and British investors as part of an endeavour backed by the US government.

Meanwhile, the social and environmental impacts of mining are already evident in places like Jequitinhonha Valley (known as "Lithium Valley"), which holds 85% of Brazil's lithium reserves. Since 2023, residents have reported seismic waves linked to Sigma Lithium's Greentech plant, together with worsening water scarcity and air pollution, which are beginning to affect the inhabitants health.

5. Conclusion: Rhetoric and Policy

From an ideological point of view, few neighboring countries could appear more different than Argentina under Javier Milei and Brazil under Lula da Silva. Lula, a trade unionist, has long been a symbol of the democratic left in Latin America, while Milei, a liberal economist, represents a resurgence of free-market orthodoxy. Their rhetoric on the environment reflects this divide: Lula champions international cooperation on climate change, while Milei dismisses global warming as "cultural Marxism."

However, when rhetoric turns into policy, the gap narrows considerably. In Argentina, Milei's government has openly promoted mining investments, particularly in lithium, by lowering taxes, simplifying regulations, and offering long-term stability for international companies. While these measures have stimulated growth, they have excluded local communities and weakened environmental protections.

Brazil tells a parallel story. Despite Lula's veto of parts of the "Devastation Bill" and the attempts to find compromises to protect the environment, his administration has advanced mining interests through strategic mineral policies, state-backed financing, and partnerships with foreign governments. The expansion of lithium and rare earth mining is proceeding, often at the expense of local communities such as those in Jequitinhonha Valley.

In the end, the comparison between Lula and Milei shows that ideology matters less than material interests when it comes to critical raw materials. Both governments, despite their rhetorical distance, converge on the same priority: expanding mining to capture the economic and geopolitical benefits of the energy transition. The paradox is that while these minerals are indispensable for building a sustainable future, their extraction risks undermining the very goals leaders proclaim at climate summits. Whether international cooperation can reconcile the demand for minerals with the principles of justice, sustainability, and community participation will determine if the energy transition truly becomes a green transition