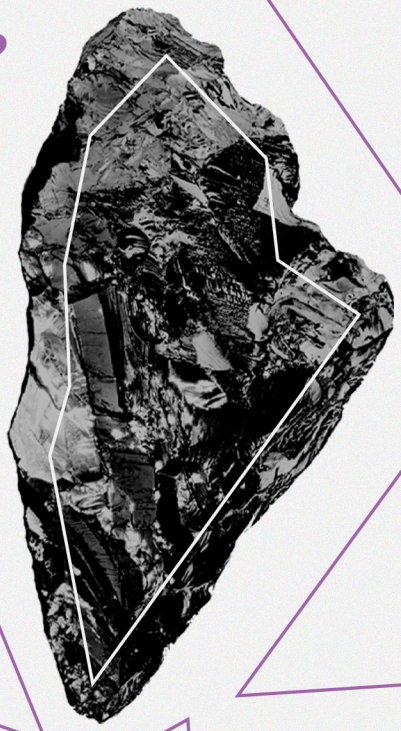
The Global Trade Architecture and The Rush for Critical Minerals



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POLICY BRIEF

Introduction

The global rush for critical minerals, driven by the demand for renewable energy technologies, has intensified competition among major powers seeking to secure control over emerging "green" value chains. In their bid to reduce their dependence on China and capture greater value within their own markets, advanced economies such as the US and the EU are pressuring poorer but resource-rich countries into trade deals that enable large-scale mineral extraction and export.

The upcoming 30th United Nations Climate Change Conference and the 14th World Trade Organisation Ministerial Conference are expected to tackle issues on critical minerals and the intersection of climate and trade policies. This policy brief contributes to that discussion by examining how Northern-led trade regimes, increasingly framed as strategic partnerships, enable large-scale extraction of critical minerals from the Global South under the guise of advancing a "green" or "just" transition. It also presents policy options to promote more equitable, sustainable, and development-oriented approaches to trade and resource governance.

"Just" Transition, Unequal Gains

Global efforts to shift away from fossil fuels are intensifying the race for critical raw minerals (CRMs) such as nickel, cobalt, copper, and rare earth elements. These minerals are essential to manufacture electric vehicles (EV), wind turbines, and other low-carbon technologies. While this transition is often presented as "green" or "just," it is increasingly shaped by strategic competition and economic self-interest, rather than social or ecological justice (Rinehart, 2025).

Advanced economies, led by the United States (US) and the European Union (EU), seek to secure mineral supply chains to maintain dominance in emerging green industries. Meanwhile, China has become the leading global producer and processor of rare earth elements, lithium, cobalt, and other critical materials. Its state-led industrial policies and early investments in refining and manufacturing have restructured global value chains, and spurred Western economies to adopt policies aimed at reducing dependence on China and reclaiming industrial hegemony (Sachs, 2023).

The competition to control extraction, processing, and clean technology production determines who captures value in the global green economy. At present, a small group of transnational corporations (TNCs) such as Google, Apple, Meta, and Tesla, and industrialised states, notably the US, EU, and China, dominate every stage of the supply chain.

For instance, Tesla, a US-based multinational electric vehicle company owned by billionaire Elon Musk, signed a USD 5 billion agreement with Indonesia in 2022 to secure a stable supply of nickel, a critical material for rechargeable electric vehicle batteries (Hunter, 2024). The company also entered into a USD 4.3 billion agreement with LG Energy Solution (LGES), which has established multiple partnerships and collaborations across the Global South, particularly in Southeast Asia, South America, and India. These initiatives focus on producing lithium iron phosphate (LFP) batteries in Michigan and supporting the development of Tesla's energy storage systems, scheduled for implementation between 2027 and 2030, with an option to extend the partnership until 2037 (Zadeh, 2025).

This concentration reproduces a familiar division of labor where developing countries in the Global South export raw materials, while high-income economies in the Global North and its TNCs capture profits through high-value manufacturing and technology.

Against the backdrop of inequitable global division of labor, the US and EU also continue to utilise trade agreements and neoliberal conditionalities that open the door to the unhampered extraction and export of more unprocessed CRMs.

Trade as a Tool of Control

Historically, the US and EU have relied on a trade model based on importing cheap raw materials from the Global South and exporting high-value goods, which is the same structure that entrenches economic dependency in the Global South.

Today's "just transition" framework continues this pattern. More recently, both the US and the EU have developed and implemented extensive trade policy to secure access to critical minerals while diversifying supply away from

China. Policies such as the US Minerals Security Partnership and the EU Critical Raw Materials Act (CRMA) are central to these strategies.

In the United States, the Inflation Reduction Act (IRA) had linked eligibility for clean vehicle incentives to the use of critical minerals extracted or processed either domestically or in countries with which the US maintains a free trade agreement, while gradually introducing exclusions for "foreign entities of concern" (e.g., China, Iran, North Korea, and Russia) in relation to battery components and minerals. These incentives, however, were terminated in 2025 under the One Big Beautiful Act (OBBA) introduced by the Trump administration.

Despite this reversal, Washington continues to lead initiatives to assert control over the critical minerals value chain.

The Minerals Security Partnership (MSP) is a plurilateral initiative to establish US' control over critical mineral projects across the globe, in cooperation with like-minded industries and governments, majority in the global North, such as Australia, Canada, Estonia, Finland, France, Germany, India, Italy, Japan, Norway, the Republic of Korea, Sweden, the United Kingdom, and the European Union (US Department of State, n.d.).

Under MSP, 10 mining projects are underway and 30 more under review, including investments of USD 20 million for cobalt sulfate refining in Canada, USD 40 million for a graphite mine in Tanzania, USD 3.4 million for rare earth feasibility studies in Angola, and USD 8 million for nickel and cobalt in Australia. The initiative continues to expand, with Ecuador joining the MSP forum in August 2024 (Baskaran & Schwartz, 2025).

The most recent addition to the US' policy arsenal is the 2025 "Quad Critical Minerals Initiative", a joint commitment by the US, Japan, Australia, and India aimed at securing and diversifying supply chains for critical minerals and related industries and countering China's dominant position in the market. If operationalised, the initiative will mobilise joint investments in mining, processing, and strategic stockpiling, prioritising projects with Quad countries and allies to secure supply chain and resilience.

Similarly, the EU works with a trade policy, Critical Raw Minerals Act (CRMA), which took effect in April 2024 and seals EU's objective to secure supply of critical minerals (European Union, 2024). The Act seeks to explore

partnerships on raw materials aligned with its Global Gateway strategies, with Argentina, Australia, Canada, Chile, the Democratic Republic of the Congo, Greenland, Kazakhstan, Namibia, Norway, Rwanda, Serbia, Ukraine, Uzbekistan and Zambia (European Commission, 2023).

The CRMA enables the EU to designate strategic mining, processing, or recycling projects and grant them regulatory exemptions, potentially weakening environmental safeguards. While companies are formally required to demonstrate the sustainability of their operations, compliance can be demonstrated through industry certification schemes that often lack transparency, accountability, and independence, increasing the risk of overlooked social and environmental impacts.

These trading policies aim to guarantee stable supplies for Northern domestic industries by establishing "secure" and "sustainable" partnerships with resource-rich countries. But, these frameworks often risk replicating neoliberal trade arrangements that deregulate and liberalise mining sectors, prohibit export restrictions, and prioritise investor protection. Such provisions limit the policy space of producer countries to pursue value-adding strategies, such as in imposing export taxes, mandating local processing, or requiring state participation and/or intervention in corporate mining ventures.

Relatedly, CRMs are also framed as strategic defense resources. The North Atlantic Treaty Organisation (NATO) released a list of 12 defence-critical raw materials essential for the allied defence industry, namely aluminium, beryllium, cobalt, gallium, germanium, graphite, lithium, manganese, platinum, titanium, tungsten, and rare earth elements. These materials are deemed important in producing aircraft and missiles, battle tanks and corvettes, hulls of submarines, and superalloys used in jet engines (NATO, 2024). This linkage emphasises that the current wave of trade and industrial measures is designed less for a sustainable transition and more for strategic dominance and control over the global green value chain.

Strategic Partnerships and the New Trade Architecture

To further strengthen the resilience of the US and EU's critical mineral supply chain, Strategic Partnerships Arrangements (SPAs) have become key instruments.

SPAs operate outside the World Trade Organisation (WTO) and traditional free trade agreements (FTA). They enable advanced economies to pursue economic and geopolitical goals with minimal transparency or accountability. They also bypass multilateral oversight and allow for rapid, bilateral deals with both allied and resource-rich developing countries in the Global South (Sasmal, 2024).

Most SPAs take the form of Memoranda of Understanding (MoUs) that follow a standardised template outlining objectives, principles, and cooperation areas, such as research, capacity building, and ESG (environmental, social, and governance) standards. However, the uniformity of these documents suggests that local contexts and national development priorities are rarely considered (Gonzalez and Verbeek, 2024).

SPAs are also non-binding and lack clear enforcement provisions. Implementation typically depends on voluntary working groups or existing cooperation agreements, while civil society, trade unions, and Indigenous Peoples are often excluded from consultation or grievance mechanisms, thus leaving a limited space for monitoring or public accountability (Gonzalez and Verbeek, 2024).

Below is a map tracing the spread of mineral-focused trade deals, arrangements, and partnerships between US and EU and its client states in the Global South:

Box 1: Small Group Collaboration

The US and EU are increasingly turning to "small group" collaborations outside the WTO and formal FTAs, most notably to secure supply chains, diversify sources away from China, and lock in access to resource-rich regions, particularly in the Global South.

- **Indo-Pacific Economic Framework for Prosperity (IPEF) - Critical Minerals Dialogue**
  Operating under the US-led IPEF, 14 member countries such as Australia, Brunei, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, Vietnam, and the United

States, began discussions to collectively assess CRM resource maps, regulations, technological needs, and recycling technologies. These efforts are aimed at strengthening IPEF's critical mineral supply and reducing reliance on China in the value chain (Nair, 2024).

- **Sustainable Critical Mineral Alliance**
  Launched by Canada, Australia, France, Germany, the UK, the US, and more recently Sweden, the alliance seeks to reinforce and complement existing efforts to establish "sustainable and resilient" critical mineral supply chains (Mining Technology, 2024).

- **Quad Critical Minerals Initiative**
  On July 2, 2025, the US, Japan, India, and Australia announced the Quad Critical Minerals Initiative to collaborate on CRM supply and value chains, explicitly positioned to counter China. Details remain scarce, but initial efforts are expected to focus on the Indo-Pacific, potentially building on the IPEF Critical Minerals Dialogue (The Guardian, 2025).

- **Lobito Corridor Project**
  The Lobito Corridor Project, under the US–EU Partnership for Global Infrastructure (PGI), is promoted as Africa's first open-access transcontinental rail link. It connects Lobito (Angola), Katanga (DRC), and Zambia's Copperbelt to so-called global markets. Beyond the promises of connectivity and "development," the project represents a major US-led push to secure access to Africa's mineral wealth and again, curb Chinese dominance. This arrangement also operates with massive loans from the US International Development Finance Corporation (USD 250 million in February 2024 and USD 553 million at COP29), marking US's largest effort in Africa's extractive sectors in decades (Way, 2024).

  The signing of the Strategic Partnership with DRC and Zambia took place on the margins of the 2023 Global Gateway Forum in Brussels in October 2023. It is expected to contribute to a global effort to mobilise resources for the development of the "Lobito Corridor" and the Zambia-Lobito rail line in southern and central Africa. The works entail the construction of approximately 550 km of rail line in Zambia and the 260 km of main feeder roads within the corridor connecting the copper belt in the host countries to the port of Lobito in Angola and global markets. Besides Angola, Zambia and DRC, other partners include the African Development Bank, the United States and the Africa Finance Corporation (AFC). However, as highlighted above, the MOU is not accessible and the negotiations were conducted in total opacity, without any consultation with local NGOs and information on social and environmental impact assessments. While infrastructure provides essential services to the society, it can also create harmful social and environmental impacts and leave an unsustainable burden of debt.

Box 2: SPAs

I. Deals in Africa

- **Critical Minerals for Security Peace Deal (US–Congo–Rwanda)**
  The US brokered the Critical Minerals for Security Peace Deal between the Democratic Republic of Congo (DRC) and Rwanda, granting US access to cobalt and tantalum—resources crucial to its industrial and military needs (Dizolele, 2025).

- **US-Congo-Zambia MoU on EV Battery Supply Chains**
  Signed on December 13, 2022, this MoU commits the US to support "joint development" between the DRC and Zambia for an EV battery supply chain. Plans include precursor plants in both countries and technical assistance, but primarily serve US industrial demand rather than local industrialisation (U.S Department of State, 2023).

- **UK-South Africa Minerals Partnership**
  The UK and South Africa issued a joint statement committing to exploration, development, and processing of platinum, palladium, iridium, and manganese. The deal emphasises opening the door for British private sector firms and investment flows into South Africa's mining sector (Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy, 2022).

- **UK-Zambia Green Growth Compact**
  Renewed in 2021, the UK–Zambia Green Growth Compact updates earlier commitments and pledges GBP 3.17 billion in British private investment and GBP 500 million in government-backed funding. The UK highlighted Zambia's copper, cobalt, manganese, and nickel as central to its diversification strategy (Reuters, 2023).

- **UK-Nigeria Joint Technical Working Group on Mining**
  The UK and Nigeria established a technical working group focused on mining development, framed as technical assistance and capacity building, but effectively positioning UK firms in Nigeria's mining sector (Adebayo, 2024).

II. Deals in Latin America and the Caribbean

- **EU-Mercosur Partnership Agreement**
  The EU-Mercosur deal functions as a de facto FTA, reducing tariffs on critical raw materials and prohibiting export taxes and monopolies (European Commission, 2025). It opens the door for European

investment in CRM processing industries but prevents Mercosur countries (Argentina, Brasil, Paraguay and Uruguay) from using pricing or trade restrictions to build domestic industries, reinforcing dependency.

- **France-Argentina MoU on Critical Minerals**
  Signed in August 2024, France and Argentina elevated mining to a "strategic priority" in their bilateral relations (Buenos Aires Times, 2025). While framed as dialogue for the energy transition, the agreement effectively secures French access to Argentina's lithium and mineral reserves.

- **Chile's Multiple Agreements**
  Chile's network of agreements with the US, EU, Japan, South Korea, and Australia systematically lowers tariffs on CRMs like lithium, copper, and cobalt. These agreements go beyond WTO rules by prohibiting export taxes, limiting Chile's policy space for protecting its industries or promoting domestic processing. The updated EU–Chile Advanced Framework Agreement further cements EU access to Chile's lithium, copper, and hydrogen resources under rules that ban export monopolies and enforce domestic-equivalent pricing (Baršauskaitė et al., 2025).

- **EU-Chile Interim Trade Agreement**
  Ratified in November 2024, this is the EU's first trade deal with a dedicated chapter on energy and raw materials (European Commission, 2023). It further liberalises access to Chile's CRMs under the banner of the green transition.

- **US-Peru MoU on Critical Minerals**
  The US and Peru signed MoUs to expand cooperation in mineral governance, investment, and supply chains (U.S. Department of State, 2024). This partnership will also purportedly allow better access to the US-led Minerals Security Partnership.

III. Deals in Asia

- **US-Philippines MoU on Mineral Development**
  In 2023, a strategic partnership via a US-funded program in the Philippines was launched. The fund amounting to USD 5 million, aimed at funding the development of the Philippines' Critical Mineral Sector. This partnership came into force amid the Philippine government's ambition to become a major hub in the 'clean' energy sector by taking hold of its mineral supply, and the US using this ambition to launch its imperialistic interest in controlling the global mineral supply chain.

- **EU-Philippines Trade and Mineral Cooperation**
  In 2024, the EU and the Philippines resumed a FTA that purportedly aims to prioritise sustainable development notably through abolition of obstacles to digital trade and trade in energy and raw materials for digital and green transitions. This FTA seeks to streamline the extraction and exploitation of natural resources available in the Philippines, specifically its major reserves of critical minerals, such as nickel, copper, and chromite needed for the manufacture of green technologies (European Commission, 2024).

- **EU-Indonesia CEPA**
  The EU-Indonesia CEPA grants EU investors expanded access to EV, CRM, and digital sectors. Its "Energy and Raw Materials" chapter pushes for the elimination of export monopolies, third-party access, and cost-reflective tariffs, while excluding meaningful human rights or environmental safeguards (Medina, 2025). Minerals are notably absent from the EU's Deforestation Regulation, thus allowing imports without accountability.

- **US-Vietnam Minerals Agreement**
  In September 2023, the US and Vietnam signed a USD 4.15 billion deal for energy and mineral projects, including deep processing. US and Korean research partnerships further embed Vietnam into Northern supply chains, while Vietnam remains pressured to open its rare earth reserves to foreign concessions (Kennedy, 2025).

- **EU-Vietnam CRM Cooperation**
  Following the EU-Vietnam FTA, EU President Ursula von der Leyen is looking into strengthening EU-Viet cooperation in exploration of CETMs with an incoming visit to Vietnam this year. The investment protection agreement in the FTA is yet to be ratified by nine EU member states (Corlin, 2025).

- **EU-Malaysia Trade Talks**
  As EU and Malaysia are resuming negotiations for a comprehensive and modern FTA, the EU is looking into bolstering cooperation with Malaysia on manufacturing and green energy.

- **US-Uzbekistan CRM Agreements**
  In April 2024, the Uzbek government announced that agreements were signed on cooperation in the field of critical minerals, agreements were reached on investments in exploration and production of minerals, construction of high-power grinding complexes (HPGR), attraction of innovative technologies and creation of added value for critical raw materials, and advanced training of Uzbek specialists.

Social and Environmental Impacts

The global rush for critical minerals and the inequitable, Northern-led trading system reduce the capacity of developing countries to come up with national industrialisation strategies and determine the direction of their own economic transitions. They are disadvantaged with less control over their resources and remain at the extractive periphery of the green economy (Blakemore and Ryan, 2023).

For instance, in 2021, the EU submitted a complaint to the WTO to oppose Indonesia's export ban on nickel ore, as this affected EU steelmakers and more broadly, the global market prices. The WTO dispute panel granted the EU's complaint. Indonesia contended that the export ban was to protect its resources needed to boost the Indonesian economy, yet still was not given the chance to appeal with the non-functioning of the WTO Appellate Body (Gonzalez and Verbeek, 2024).

Across the Global South, governments are pursuing deeper economic deregulation, revising mining and environmental laws to attract investment in critical minerals, and removing requirements for public hearings, environmental impact assessments, and community consent. These legal rollbacks are presented as "streamlining" or "facilitating green growth," but they effectively dismantle social and environmental safeguards that protect people and ecosystems. Economic deregulation also enables private corporations to operate with minimal accountability, while sidelining Indigenous Peoples, local communities, and workers from decision-making processes that directly affect their lands and livelihoods.

In the top producing countries in the Global South, such as Peru, Serbia, Indonesia, DRC, Zimbabwe, among others, 334 incidents of violence or protest linked to extracting CRMs were recorded from 2021 to 2023. According to Global Witness analysis (2024), social unrest and protests are intensifying, along with the worsening extraction and production of transition minerals.

Along with the increasing number of protests and reprisals, are the rising cases of human rights violations. In Bolivia, where lithium mining is prominent, corporate interests are consistently prioritised, while the rights of local communities are repeatedly undermined, if not outright stripped away. Community consent prior to establishing a mining site is, at best, vaguely

acknowledged. In documented cases, so-called "consultations" have amounted to offering a handful of short-term jobs, like six-month contracts for driving or doing laundry for incoming mining personnel. Other accounts describe a single information session, where participation forms are casually handed out and signed by community members (Quiroz, 2025). These performative gestures are then used to claim that consultation took place, and hence consent.

Between 2010 and 2024, Africa accounted for 178 reported cases of abuse in the Global Transition Minerals Tracker. In 2024, reported cases rose to 45 from 26, with nearly half linked to cobalt and copper mines in the DRC. Abuses included violations of workers' rights, disregard for community consent, environmental harm, and attacks on human rights defenders. DRC recorded the highest number of allegations at 91, followed by Zambia with 36, and local communities were the most affected, followed by workers (African Mining Market, 2025).

For instance, in Zambia, part of Africa's so-called copperbelt, mine workers are arbitrarily apprehended and arrested after protesting against worsening work conditions and unfair and delayed wages (Global Witness, 2024).

The Democratic Republic of Congo has also recently filed a lawsuit against the US-based technology company Apple, accusing it of being complicit in the trade of conflict minerals. Congo is a major supplier of tin, tantalum, and tungsten, known as the 3T minerals, which are essential components in electronics such as computers and smartphones. Some of these mineral mines are controlled by armed groups enmeshed in longer histories of conflict. According to the United Nations, some of these groups have committed serious human rights violations. Lawyers representing the Congolese government argue that Apple uses minerals illegally extracted from Congo and laundered through international supply chains, making the company complicit in these crimes (Business and Human Rights Centre, 2024).

Relatedly, Indigenous Peoples' rights are trampled in the name of extraction and production of CRMs. About 54% of CRMs are extracted and mined on or near Indigenous Peoples' territories. This expansive extraction is coupled with rights violations, especially to Free, Prior, and Informed Consent (Angarova, 2025).

In a joint investigation by Global Witness and Kalikasan People's Network for the Environment (Kalikasan PNE), for the past three decades, mining projects have grabbed Indigenous lands larger than the entire nation of

Timor-Leste. In the Philippines, this extractive expansion is enforced through militarisation and red-tagging. Armed forces assigned to "protect state resources" often act in close coordination with mining companies, and have been repeatedly implicated in human rights abuses, including sexual violence. From 2012 to 2023, state forces were linked to more than half of the 117 recorded killings of Indigenous defenders. This violence is even justified under the guise of the government's long-running counterinsurgency campaign (Global Witness, 2024).

Apart from these appalling social impacts, the Northern-led scramble for critical minerals, also aggravates environmental destruction. In Indonesia, nickel, copper, and bauxite operations release toxic gases and heavy metals such as chromium, arsenic, and mercury, while tailings and wastewater far exceed government standards. Studies reveal seawater near nickel facilities with chemical oxygen demand levels more than double legal limits, and soil samples from tin mining islands showing chromium concentrations hundreds of times above benchmarks. Mining waste has also caused landslides, soil infertility, and widespread respiratory illness (Wahyono et al., 2024).

In Latin America's "Lithium Triangle" (Chile, Argentina, Bolivia), extraction has drained fragile ecosystems. In Chile's Atacama desert, flamingo populations have declined by 10% since lithium mining began, linked directly to the loss of wetlands. The San Pedro River's flow has collapsed from 1,200 liters per second in 2008 to just 350 today, undermining agriculture and Indigenous livelihoods (Mazzieri & Montanari, 2024). Despite "net zero" commitments, Chile's copper and lithium sectors continue to drive 16% of national carbon emissions (Baršauskaitė et al., 2025).

Additional Burden from Investor-State Dispute Settlement

While the trade architecture for a just transition appears to be evolving through new mechanisms such as SPAs, traditional instruments like the Investor-State Dispute Settlement (ISDS) system continue to persist. The exploitative extraction of critical minerals through trade agreements becomes more dangerous with the risks and costs associated with ISDS. The ISDS is a dispute resolution mechanism incorporated into trade agreements so an investor can sue a signatory state for possible violations of trade and investment treaties (bilaterals.org, n.d.).

ISDS also enables investors to claim monetary damages for alleged violations of granted protection and privileges (to investors), via arbitration proceedings against the host state. About 2000 ISDS claims based on treaties and contracts are known as of 2024, and among these, over 57 ISDS cases are based on critical mineral investments. These 57 cases concern lithium, copper, nickel, iron ore, silver, zinc, and other rare earths. Monetary damages claimed for these investments are about USD 200 billion or more (Songy and Brauch, 2024).

A Ukrainian mining company and its shareholders brought an ISDS case against North Macedonia because of the government's cancellation of its concession and construction of the mining complex in Kazandol. North Macedonia contended that the company's exploitation of minerals such as copper, gold, zinc resulted in environmental concerns, specifically the pollution along the Greek border, as raised by the local communities and environmental groups. Because of the ISDS, and the protection and privileges it invokes to investors, the local mining company with its shareholders claimed over USD 400 million in damages (Songy and Brauch, 2024).

This case reflects broader concerns about the role of ISDS, particularly through the World Bank Group's International Centre for Settlement of Investment Disputes (ICSID), in shaping the governance of critical minerals. ICSID has handled 882 of the 1,401 known ISDS cases to date, making it the most frequently used venue for these disputes (UNCTAD, n.d.). As ICSID is one of the five institutions of the World Bank Group, its precedence in critical mineral-related claims links ISDS critiques to the larger criticisms of the WBG's investment governance model.

Amid a global rush for critical minerals and the manufacture of energy technologies and products for the so-called green transition, states, at least, should have an unyielding ability to enforce policies and measures on mining governance (Songy and Brauch, 2024). ISDS breeds a "regulatory chill" where governments are less likely to enact measures and hold investors accountable of exploitative (mining) practices, largely due to the looming threat of legal retaliation from investors and the potential for massive financial losses.

Emerging Southern Pathways in Critical Mineral Governance

Global governance frameworks such as the EU's Critical Raw Minerals Act, the US' Minerals Security Partnership, and new initiatives under the Quad are shaping the terms of the green transition, yet they remain largely driven by Northern governments and corporations. While these claim to promote "responsible sourcing" and "supply chain resilience," they often reproduce extractive hierarchies that privilege the security and technological dominance of industrialised economies over the developmental aspirations and sovereignty of resource-rich countries in the Global South.

The rhetoric of "de-risking" and "resilience" has become central to Northern strategies on critical minerals, but they conceal a renewed logic of control over resources and territories in the Global South. Under the banner of securing supply chains, industrialised economies seek to insulate themselves from geopolitical uncertainty while shifting the social, environmental, and financial risks of extraction onto producing countries. This reframing allows the risk management priorities of multinational corporations and Northern governments to override national and local development goals, community rights, and ecological limits. What is presented as "partnership" frequently translates into asymmetric governance arrangements where the South provides mineral security while the North retains control over technology, capital, and standards. In effect, the language of resilience reproduces the very dependency that resource-based industrialisation aims to overcome.

For many resource-rich developing countries, the renewed push for resource-based industrialisation is an opportunity to diversify and upgrade their domestic industries, secure a strategic foothold in global value chains that are being reshaped by the ongoing green and digital transitions, and to lift their people out of poverty and inequality. However, the challenge lies not only in attracting responsible investment but also in asserting policy space and negotiating fairer terms of engagement within an evolving but still unequal global mineral order.

In response, states and social movements across the Global South are advancing counter-narratives and collective strategies that seek to redefine the terms of engagement in the critical minerals economy. From the African Union's African Mining Vision to Latin America's emerging calls for a lithium OPEC, these

efforts emphasise sovereignty and value addition over mere extraction. By asserting demands for policy space, technology transfers, and equitable benefit-sharing, these initiatives aim to shift the governance of critical minerals from a system of dependency into one grounded in sovereignty and self-determination.

Box 3. African Union's African Mining Vision

The Africa Mining Vision (AMV), formally adopted in 2009, is a framework established by the African Union to realise equitable, sustainable, and inclusive mineral-based transformation, amid the specific challenges confronted by Africa's mineral sector (e.g., tax evasion, illicit financial flows, etc.). The Vision is complemented with the establishment of the African Minerals Governance Framework to serve as a monitoring and accountability tool, and to ensure African countries' commitment to implementing Vision's goals (United Nations Economic Commission for Africa, 2018).

The AMV also looks at how African mineral resources can be strategically maximised for regional development, more so the creation of local values, technical upgrading, and industrial development. The Vision is driven by the contribution of artisanal and small-scale mining, recognition and promotion of women's rights and FPIC, and establishment of progressive fiscal regime (Oxfam, 2017).

Yet, in a research done by Oxfam in 2017, only Lesotho out of the 54 African Union member states, has fully adopted the AMV through the development of a Country Mining Vision. There is also a general lack of awareness of the AMV among key stakeholders in Africa's mineral sector, along with its slow implementation, inadequate national capacity and resources, limited access to finance and technology, and a lack of political leadership to ensure its robust implementation.

Box 4. Latin America's Lithium OPEC

Latin America has a vast lithium reserve, which majority can primarily be found at Argentina, Bolivia, and Chile, or the so-called Lithium Triangle. This massive reserve along with the global scramble of CRMs for green transition and emerging green technologies, prompted Bolivian and Mexican governments to propose the creation of a "lithium OPEC".

The lithium OPEC aims to establish a cartel-like organisation, like the OPEC for oil, among the region's lithium producers such as Argentina, Bolivia, and Chile, to control lithium supply and its market pricing and production in the emerging green market (e.g., EV batteries), set policies on lithium extraction, exports, and taxes, and garner revenue meant for their national economies rather than foreign corporations and companies.

The lithium OPEC is also said to play an important role in confronting the region's long struggle against foreign exploitation and thus, attaining autonomy over its resources. For instance, while Argentina, Bolivia, and Chile possess the biggest lithium reserves in the world, they still fall behind in terms of essential infrastructure for the minerals production and thus needing foreign or corporate intervention so they could realise their potential (Key, 2025).

Towards a Peoples-Centred Critical Minerals Governance

Achieving a just and sustainable future, however, requires more than diversifying markets or securing better leverage within green value chains. It calls for deep-going structural reforms that redistribute power, both globally and domestically, ensuring that industrial and climate policies uphold peoples' rights, advance environmental sustainability, and promote development justice for marginalised groups. Without these considerations, the green transition risks reinforcing existing patterns of inequality, exploitation, and ecological degradation, rather than driving inclusive and transformative development.

Civil society, Indigenous Peoples, workers, and local communities must play a central role in shaping the critical minerals governance policy of their countries, ensuring that transitions are not only low-carbon but also rights-based, redistributive, and decolonial in undoing long-running Northern dominance in mineral extraction. Elements of an alternative trade regime to frame people-centred critical minerals governance requires states to uphold principles such as:

- **Sovereignty and people's rights**
  The basis of genuine democracy resides in the people's sovereign will – they are the source of any government's legitimacy. Governments are thus entitled to sovereign rights as the legitimate representatives of their people only as long as they fulfill their duties to them, including the responsibility to protect and fulfill their basic individual and collective rights, among others.

- **Democratic decision-making**
  The current ruling system ensures an uneven political battleground that marginalises the poor and oppressed. A truly democratic decision-making process that involves civil society, social movements, grassroots organisations, and all sectors of society at all levels of policy-making, implementation, monitoring and review must replace token and merely procedural participation.

- **Solidarity, mutual cooperation and complementarity among states**
  Economic trade and investment must not be treated as an end in itself. States should thus pursue a socially just world where cooperation among states can be achieved on the basis of solidarity and in a manner that is compatible with each country's development strategies.

- **Friendship and peaceful co-existence**
  The people have the right to live harmoniously, free from the threat of foreign aggression in all its forms. States also have the right to defend their sovereignty if challenged or attacked.

- **Environmental sustainability**
  It is imperative for a peoples' trading system to fully recognise the importance of protecting the environment and safeguarding the Earth's carrying capacity as key to sustainable development.

- **Accountability to the people**
  The state must understand that its ultimate accountability lies in its people and not to corporations. Governments must guarantee the rights of all people, particularly women, youth, Indigenous Peoples, workers, migrants, and the most marginalised to be part of free, prior and informed decision-making at all stages of the development process. Achieving these aspirations requires fundamental shifts in the current ruling system and a departure from market-led pathways of development

designed to benefit only the rich few, TNCs, and the global elites led by the US. In order to advance the people's trade agenda, it is vital to challenge the current system and rebuild a global economy on the basis of solidarity, complementarity, and mutual cooperation.

Vibrant and alternative economies that support people's rights including workers, peasants, women, migrants, youth, and Indigenous Peoples must be promoted. The people's agenda demands a socially just international trading framework that allows economies and communities to exercise their right to self-determined development and creates a world trade system that truly responds to people's needs.

Policy Recommendations

Trade and Investment

- Reclaim policy space for the Global South and reverse predatory trade, investment, and lending agreements that strip Southern states of development and climate policy autonomy. Strengthen South–South cooperation to secure fairer terms of trade.
- Trade agreements and strategic partnerships should enable producer countries, especially from the Global South, to capture greater value from their own resources. Policies on value addition must respond to the specific needs of each country and community, with support for context-specific and needed domestic energy transitions, green industrialisation, and climate adaptation (Fern, 2023).
- Trade and investment frameworks must safeguard the right of producer countries to regulate resource extraction and direct development pathways according to national priorities. Agreements should contain binding human rights and environmental safeguards, clear benefit-sharing mechanisms, and accountability measures to ensure just and sustainable outcomes (Fern, 2023).
- Trade arrangements and partnerships on critical minerals should expand, not restrict, the policy space of resource-rich countries.
    - Governments must be free to use fiscal and regulatory tools, such as export duties, tariffs, or restrictions, to promote domestic processing, protect local supply and revenues, and strengthen downstream industries.
    - Safeguard measures should also be available to shield emerging sectors from import surges and external shocks, while ensuring

that regulated foreign investments contribute to national development through technology transfer, local content, joint ventures, employment, and research cooperation.

- Investor privileges under mechanisms like the ISDS mechanism must be abolished to prevent corporations from undermining legitimate public-interest regulation. Governments should withdraw from treaties containing ISDS clauses or revoke consent to arbitration, particularly in negotiating mining concession agreements.
- Advanced economies, particularly the US and EU, must end the use of the WTO and other dispute mechanisms to constrain Global South industrial and climate policies.
- Southern national control over critical minerals must be upheld. Minerals should be processed domestically to advance democratic industrialisation, ecological sustainability, and community rights, transforming economies for people rather than profit or militarisation. Investment protection clauses that give corporations undue power over governments should be removed to ensure states can regulate their climate and resource sectors freely.
- Investment regulation should include the designation of key sectors for public ownership (such as social services and raw materials), a review of foreign investment incentives like mining laws and special economic zones, explicit requirements for technology transfer and human rights compliance, a moratorium on profit repatriation, and, where necessary, the re-nationalisation of strategic sectors.
- Repeal and stop implementing policy conditionalities and trade deals that lock countries into extractive economies and fossil fuel dependency. Trade agreements and partnerships must uphold high social and environmental standards, including Indigenous Peoples' right to self-determination and free, prior, and informed consent (FPIC), with strong supervisory bodies empowered to monitor compliance and enforce sanctions.

Energy and Extractives

- Adopt and expand renewable energy, including community-based systems (e.g., micro-hydro and microgrids), while maintaining policy space.
- Suspend and abolish Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to eliminate patent monopolies on renewable energy technologies.
- The energy sector should be publicly owned and democratically controlled to ensure an equitable transition.

- Nationalise the mining industry to ensure rational extraction and use of countries' mineral resources
- Binding international and national rules must hold TNCs accountable for harmful activities, especially in extractives.

Peoples' Rights

- Cease policies and programs that undermine or attack Indigenous, environmental, and human rights defenders. Safeguard defenders' rights without fear of persecution, and create an environment where they can operate safely.
- Indigenous Peoples' rights to free, prior, and informed consent (FPIC) should be fully respected, including their right to say no to projects. Governments must facilitate and fund FPIC processes and impose sanctions on violations and misconduct.
- Governments must enforce existing laws that safeguard defenders opposing destructive mining projects. Where such protections are absent, new legal frameworks must be established to provide these protections. Any attempts to criminalise defenders or restrict their right to protest must be rendered null and void.
- Strong anti-corruption measures should be implemented to guarantee that mining revenues, taxes, and royalties are transparently managed and directed to affected communities.
- Governments should create independent, accessible, and credible mechanisms for communities to report human rights and environmental violations. These systems must guarantee real consequences for companies that fail to provide a remedy or comply with standards.
- All trade and investment agreements involving mineral resources must contain binding human rights and environmental safeguards. Such agreements should prohibit clauses that allow corporations to penalise producer countries for community-led protests or actions defending land, life, and the environment.
- Companies listed on stock exchanges must be obligated to publicly report on the human rights, environmental, and community impacts of their mineral supply chains, ensuring accountability and transparency at every stage of production.

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