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RECONCILING “TRANSITION” AND “SECURITY”: A COMMON OPERATIONAL LANGUAGE FOR THE G20 ANCHORED IN CRITICAL MINERALS

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Reconciling “Transition” and “Security”: A Common Operational Language for the G20 Anchored in Critical Minerals

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Diagnosis

Demand for critical minerals is entering a period of structural acceleration that has outpaced the diplomatic vocabulary used to discuss it. Under the IEA’s Global Critical Minerals Outlook 2025, lithium demand is projected to grow fivefold from today to 2040, graphite and nickel demand to double, cobalt and rare earth demand to grow 50–60 percent, and copper — already the largest established market — by roughly 30 percent over the same period.[1] Rather than generating consensus on how to meet this demand, the discussion has repeatedly fractured along a discursive line: whether to frame the challenge as “energy transition” or as “energy security.” The rift is not hypothetical. G7 energy ministerials have twice failed to produce joint communiqués over related language disputes — most visibly in 2025, when U.S. officials pushed for stronger fossil fuel and nuclear energy language, and objected to renewable transition framing.[2] A repeat of this impasse at the G20 this year would be more costly, given that the stakes now extend well beyond rhetoric.

The underlying vulnerability is concentration, not scarcity. China remains the primary destination for critical mineral exports from both Latin America and Africa, and dominates global processing and refining capacity, meaning that mining diversification alone does little to reduce strategic dependency further down the chain.[3] Argentina illustrates the trend: China’s share of Argentine lithium exports rose from 43 percent in 2023 to 67 percent in 2024, widening the gap with the next largest buyer, the United States.[4] Chile shows a similar pattern. China received over 76 percent of Chile’s 2024 lithium carbonate exports, and two-thirds of its copper

[1]International Energy Agency, *Global Critical Minerals Outlook 2025* (Paris: IEA, 2025), 89, https://www.iea.org/reports/global-critical-minerals-outlook-2025, as cited in Florencia Rubiolo and Stella Juste, “New Players, Old Roles? Africa and Latin America in the Global Race for Critical Minerals,” *Forum for Development Studies* (2026), 3–4.

[2]“Report: Trump Administration Officials Clashed with G-7 Ministers over Climate Policy,” *Fox News*, 2025, https://www.foxnews.com/politics/report-trump-administration-officials-clashed-with-g7-ministers-over-climate-policy; “US Energy Policy Review Leaves G7 Meeting Without Consensus,” *Gulf News*, https://gulfnews.com/business/energy/us-energy-policy-review-leaves-g7-meeting-without-consensus-1.2009132.

[3] Rubiolo and Juste, “New Players, Old Roles?,” 7–8.

[4]Bolsa de Comercio de Rosario, “En 2024 las exportaciones de litio subieron más de un 70 por ciento,” January 31, 2025,https://www.bcr.com.ar/es/mercados/investigacion-y-desarrollo/informativo-semanal/noticias-informativo-semanal/en-2024-las, as cited in Rubiolo and Juste, “New Players, Old Roles?,” 15.

ore exports by value.[5] At the same time, a parallel security-framed response is emerging outside the G20 track altogether. The U.S.-led Pax Silica initiative, launched in December 2025 to secure AI-related supply chains — including critical minerals — expanded to 24 members by mid-2026, with Argentina and Chile joining in June.[6] The result is two increasingly separate conversations, one organized around "transition", and the other around "security" — competing for the same governments' attention and commitments.

Status Quo and institutional response

The G20 Critical Minerals Framework, adopted by consensus under South Africa's presidency at the Johannesburg Leaders' Summit in November 2025, is the most substantial multilateral response to date. It is structured around six pillars: mapping and exploration; governance and ESG standards; investment, value addition, and local development; resilient and diversified value chains; innovation and circularity; and skills development.[7] This is meaningful progress, as it marks one of the first instances in which producer-country priorities — rather than purely importer-country priorities — shaped the terms of a G20 mineral governance document.[8]

However, independent assessments identify two structural gaps. First, a South Centre analysis of the Framework finds a persistent tension between its ambitions for local beneficiation and value addition and existing WTO rules on industrial subsidies and export restrictions. This is a legal constraint the Framework does not resolve.[9] Second, reviewers note a wide gap between the Framework's stated ambitions and its financing architecture: as one assessment of the Johannesburg outcomes put it, "the challenge is putting words into action." [10] T20 policy briefs from the same cycle reached similar conclusions from different angles. A brief examining Latin American experience recommended that G20 countries commit financing and technical assistance specifically to value-addition projects in mineral-producing middle-income countries, rather than leaving beneficiation to market forces alone.[11] A companion brief on Africa's mineral value chains warned that existing supply security initiatives, including bilateral frameworks led by importing powers, risk reproducing extractive patterns — unless explicitly redesigned around

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[5]Observatory of Economic Complexity, "Lithium Carbonates in Chile," 2025, https://oec.world/en/profile/bilateral-product/lithium-carbonates/reporter/chl.

[6] "Argentina Joins the Pax Silica Alliance. What Does It Mean for the Country?," *Buenos Aires Herald*, June 26, 2026, https://buenosairesherald.com/world/international-relations/argentina-joins-the-pax-silica-alliance-what-does-it-mean-for-the-country ; "State Department Expands Pax Silica Initiative at 2026 Summit," *Brownstein Hyatt Farber Schreck*, June 29, 2026, https://www.bhfs.com/insight/state-department-expands-pax-silica-initiative-at-2026-summit/.

[7]G20 Task Force One, *G20 Critical Minerals Framework, Deliverable 3* (Johannesburg: G20 South Africa Presidency, 2025).https://www.g20.org.za/wp-content/uploads/2025/04/G20-TF1-FINAL-Deliverable-3-G20-Critical-Minerals-Framework.pdf.

[8]"Critical Minerals: Reflections on the G20 Leaders' Summit," *International Institute for Environment and Development*, 2025. https://www.iied.org/critical-minerals-reflections-g20-leaders-summit.

[9]South Centre, "G20 Critical Minerals Framework," *SouthViews* No. 306, February 26, 2026 https://www.southcentre.int/southviews-no-306-26-february-2026/.

[10]"Critical Minerals: Reflections on the G20 Leaders' Summit," IIED.

[11]T20 South Africa, "Enhancing Value Addition in Mineral-Rich Developing Countries – Recommendations from the Latin American Experience," 2025. https://t20southafrica.org/publications/enhancing-value-addition-in-mineral-rich-developing-countries/.

local industrialization.[12] Neither brief, however, addresses the discursive standoff itself: the fact that "transition" and "security" framings are currently competing rather than converging, even though the underlying resource base and policy tools required are largely the same.

Policy recommendations

First, we recommend that the G20 adopt, across all critical-minerals-related documents this year, a single operational language centered on "resilient supply chains", deliberately avoiding both "transition" and "security/abundance" as organizing terms. This is not a cosmetic fix: it reflects the fact that, at the country level, these are rarely competing objectives. Argentina is simultaneously a lithium and copper producer (inputs central to any transition narrative), a Pax Silica member pursuing supply-chain security guarantees, an LNG exporter, and a shale oil exporter with hydrogen potential — a portfolio that only appears contradictory when forced into a single discursive frame.[13] The same is true of Chile, whose CODELCO-led, 35-year lithium partnership with SQM in the Salar de Atacama was designed explicitly to capture midstream processing value while diversifying export destinations — a security objective achieved through what is unambiguously a transition-relevant investment. [14]

Second, we recommend that the G20 Finance Track operationalize Pillar 3 of the existing Critical Minerals Framework (Investment, Value Addition and Local Development) through a concessional, blended-finance facility explicitly available to middle-income diversified producers, not only to low-income countries. Eligibility and disbursement should be tied to measurable diversification metrics — specifically, the number of midstream processing or refining projects financed outside current concentration hotspots — rather than to extraction volume alone — since mining diversification without refining diversification does not meaningfully reduce dependency. Brazil's 2025 New Industry Brazil call for proposals, jointly run by its national development bank (BNDES), and its innovation financing agency (Finep), offers a workable domestic template. The initiative drew 124 business plans, from which 56 plans were selected to advance to the next phase, with a combined value of R$45.8 billion, demonstrating that a mineral-financing facility can generate genuine private-sector uptake when properly structured.[15] A G20-level facility modeled on this approach — and explicitly extending the T20 Latin American brief's recommendation on producer-country technical assistance — would give middle-income countries a concrete reason to engage with the Framework beyond its current voluntary non-financial pillars. [16]

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[12] Kudakwashe Manjonjo et al., "Reimagining Africa's Critical Mineral Value Chains: From Extraction to Equitable Green Industrialisation in a Multipolar World," *T20 South Africa Policy Brief* 7, 2025. https://t20southafrica.org/wp-content/uploads/2025/09/T20_PB-7_Reimagining-Africas-Critical-Mineral.pdf.

[13] "Pax Silica Latin America: Argentina, Chile Join AI Bloc," *Rio Times*, June 26, 2026. https://www.riotimesonline.com/pax-silica-latin-america-argentina-chile-ai-minerals-2026/.

[14] Rubiolo and Juste, "New Players, Old Roles?," 15, citing "Lithium Triangle South America News," 2025.

[15] ""BNDES e Finep selecionam 56 planos de negócios voltados a minerais estratégicos," *Agência iNFRA*, June 12, 2025.https://agenciainfra.com/blog/bndes-e-finep-selecionam-56-planos-de-negocios-voltados-a-minerais-estrategicos/

[16] T20 South Africa, "Enhancing Value Addition in Mineral-Rich Developing Countries."

Third, rather than treating plurilateral security initiatives, such as Pax Silica, as competitors to the G20 process, we recommend that the Framework explicitly reference interoperability with such initiatives, requiring only that participating countries report the same core dataset (installed and planned processing capacity, ownership structure, and destination markets), regardless of which forum they use to pursue supply security. This avoids forcing G20 members to choose between tracks, and reduces the risk that fragmentation across forums further entrenches, rather than resolves, buyer concentration in a single market. The G20 U.S. presidency is well positioned to advance this agenda. With Washington being the architect of Pax Silica, and Argentina and Chile now members of both that initiative and the G20 Critical Minerals Framework, there is a rare alignment of interested parties across both tracks. Concrete next steps include: (1) instructing G20 Sherpas to adopt “resilient supply chains” as the standard operational term in this year’s Leaders’ Declaration language on minerals and energy; (2) tasking the Finance Track with costing the blended-finance facility ahead of the October Finance Ministers meeting; and (3) securing endorsement of the facility, alongside a reporting interoperability commitment at the November G20 Leaders’ Summit.