# Unlocking Brazil's Potential: Critical Minerals Policy and the Path to Decarbonization

04.11.2025 3 min read

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Global warming, driven by human activity, poses a real threat to economic development and an existential risk to humanity.[1] Given these realities, decarbonizing economies in line with the Paris Agreement is not just about long-term survival; it's also essential for near-term economic stability.

The energy sector is responsible for roughly 75% of global greenhouse gas emissions, largely due to fossil fuel-based power generation[2]. The transition to cleaner energy requires technologies like batteries, solar panels, wind turbines, and electric vehicles—all of which depend on minerals such as nickel, copper, graphite, lithium, niobium, and rare earth elements.[3]

Many countries now classify these minerals as "critical" or "strategic" because of their economic importance and the risk of supply chain disruptions. These materials are often in short supply and production is concentrated among a handful of countries, making global access uncertain.

Despite Brazil's significant geological potential, the country still has relatively few well-developed projects focused on these minerals. This gap is partly due to the lack of robust public policies supporting industry growth, unlike countries such as China and Indonesia, which anticipated rising global demand and now benefit economically and socially from their investments in these materials.

To help supply the minerals the energy transition needs – and benefit from the demand – Brazil must develop a national strategy for critical and strategic minerals that can keep pace with rapid market changes while upholding constitutional values like sustainability.

Mining requires strong coordination and collaboration between government and private enterprise. While the state is primarily responsible for regulation, oversight, and supporting sector development, and private companies for project execution and risk-taking, these roles often overlap. In practice, private businesses may adopt self-regulation in some areas, for example, and in some cases the government may share risks with industry. Any effective policy must reflect this dynamic.

A comprehensive National Policy on Critical Minerals—serving as a mandatory planning tool for government and a strategic guide for private enterprise—should cover the entire value chain, from extraction and refining to transport and recycling.[4] Such a policy is essential for Brazil to move from potential to reality, positioning itself as a leader in the global minerals market and ensuring that economic growth goes hand in hand with sustainability.

Bill PL 2.780/2024, which proposes exactly such a policy, marks an important step forward. Its approval, together with rigorous technical studies for its effective implementation, will be fundamental to advancing the sector in a structured and efficient way. Priorities include expanding geological mapping, offering tax incentives for exploration and production, and streamlining regulatory processes—such as environmental licensing and the issuance of mining titles by the National Mining Agency (ANM)—to remove bottlenecks and unlock Brazil’s potential as a supplier of critical minerals.

**NOTES**

1. INTERNATIONAL COURT OF JUSTICE (ICJ). Obligations of States in respect of Climate Change. Advisory Opinion of July 23, 2025. The Hague: ICJ, 2025. Available at: https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf. Accessed on: September 8, 2025.

2. WORLD RESOURCES INSTITUTE. Charts Explain Greenhouse Gas Emissions by Sector. 5 dez. 2024. Available at: https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors. Accessed on: 9 set. 2025.

3. POPE, Nicholas; SMITH, Peter. Brazil’s Critical and Strategic Minerals in a Changing World. Rio de Janeiro: Instituto Igarapé, 2023. Available at: https://igarape.org.br/wp-content/uploads/2023/10/Critical-and-Strategic-Minerals.pdf. Accessed on: September 8, 2025.

4. According to the Constitution of the Republic, article 174.

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