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CRITICAL MINERALS CONSORTIUM AT WEST POINT

The Diplomacy of Minerals

Public-Private Partnership and America's New Critical Minerals Statecraft

Justin Peter Lowe
Founder, Gardiner Investments

For most of the past three decades, American resource companies working in the developing world competed with one hand tied behind their backs.

Other governments learned to fight for their national champions. Ours mostly stayed on the sidelines.

A French mining company operating in Francophone Africa could call on a state apparatus built for exactly that purpose: export credit and political-risk cover through COFACE, and now Bpifrance, following the 2025 transfer of France's state export-guarantee activities into that institution[1]; development finance through Proparco and the Agence Française de Développement; and a diplomatic corps whose ambassadors, defense attachés, and economic counselors had cultivated relationships with the same ministries and heads of state for generations. A French sponsor did not need to explain to a Francophone finance minister who it was and why it should be trusted. Its government had already done that work, repeatedly, over decades.

American juniors and mid-cap sponsors had no real equivalent. The Foreign Corrupt Practices Act, appropriately, kept American companies from competing on terms some others were willing to accept. But there was no comparable offsetting support on our side of the ledger: no consistent diplomatic advocacy, no risk capital pre-positioned for critical minerals, no institutional memory of the counterparties. A small American sponsor showing up in an African or Central Asian capital was, in practical terms, on its own.

Worse, it was competing against a newer and more formidable model: Chinese state-owned enterprises able to combine financing, infrastructure, and diplomatic backing into a single integrated offer, frequently arriving with a road, a port concession, or a power plant attached to the mining agreement itself[2]. Price was rarely the deciding factor in these contests. Coherence was, and for a long time only one side had it.

This is the asymmetry that American critical minerals policy has begun, in the last two years, to genuinely close. It is worth being precise about what has actually changed, because the shift

is structural, and it is the reason a company like ours can now tell a materially different story to the same host governments we have worked with for years.

WHAT HAS ACTUALLY CHANGED

The old American posture toward overseas resource development was, at its most generous, defensive: loan guarantees, occasional political-risk insurance, and a State Department whose economic officers were helpful but rarely central to a deal's outcome.

That posture has been replaced by something closer to what economic statecraft looks like when a government treats mineral security as a genuine national priority rather than a talking point.

A March 2025 executive order delegated to the Development Finance Corporation authorities historically reserved for the President, giving the agency far greater flexibility to move on critical minerals investments[3]. DFC's own contingent liability authority for overseas investment has since expanded well beyond its original statutory ceiling under the FY2026 NDAA[4]. The Defense Production Act's Title III authority, historically a slow and narrow tool, has been funded and used at a scale not seen in a generation, including direct, warrant-based or equity-linked positions taken by the Department of War in companies such as MP Materials[5]. The Department of Energy's Loan Programs Office has closed major financings for critical minerals and battery-metals projects and has, in at least one case involving Lithium Americas, restructured a loan to take an equity position alongside it rather than simply guaranteeing someone else's debt[6]. The Export-Import Bank has stood up a dedicated Supply Chain Resiliency Initiative on top of its existing China and Transformational Exports Program, aimed squarely at the minerals and metals that used to fall through the cracks between agencies[7].

What ties these instruments together is not any single program but a change in posture. The Minerals Security Partnership and an elevated annual Critical Minerals Ministerial, most recently convened in February 2026, have given this activity a diplomatic architecture[8], and Commerce's International Trade Administration, through its Advocacy Center, has become an active participant in specific company-level applications for permits, offtake, and host-government recognition[9].

None of this means the United States now finances or guarantees every project. It does not, and it should not. What it means is that, for the first time in a generation, an American sponsor operating in a contested jurisdiction has government instruments and government advocacy that are actually built for the job, rather than adapted from some other purpose after the fact.

Ask any sponsor who has actually tried to use these tools, and a familiar frustration surfaces almost immediately: there is no single door to knock on.

This is, in its way, a classically American problem. The instruments described above sit in different agencies, with different mandates, different underwriting standards, and different timelines, and a sponsor is left to work the interagency process one pocket of money at a time rather than through anything resembling a central command station for critical minerals

capital. That fragmentation is real, and it imposes a genuine cost in time and specialized staff that many smaller sponsors simply do not have.

For operators already on the ground overseas, though, the State Department has consistently been the most useful partner in practice, precisely because embassy economic sections and regional bureaus are positioned to engage a host government directly, in real time, in a way no Washington-based financing agency can. And one relatively new tool deserves particular attention: expanded feasibility and project-preparation funding, most visibly through USTDA's critical minerals program, that supports a project at the stage of the curve where it is most fragile, the technical and definitional studies that precede any financing decision, and that a sponsor can direct to outside firms, including firms based in the host country itself[10]. That is a small, unglamorous piece of the architecture. It is also, for an early-stage sponsor, often the difference between a project that never gets far enough to be bankable and one that does.

WHAT THIS LOOKS LIKE ON THE GROUND

My firm has sponsored critical minerals projects across Africa, the Balkans, Central Asia, and North America, and the clearest illustration of this shift is our own recent experience developing a battery-metals project in Africa.

When our advocacy filings went in through Commerce's ITA process, and as the U.S. Embassy and State Department engaged directly with host-government counterparts on the project's behalf, the effect on the ground was not simply the prospect of future financing. It was immediate and tangible: a small American sponsor was, for the first time, able to walk into a room with a host government carrying the credibility that comes from visible, active engagement by its own government, rather than a letterhead and a business plan.

Host governments are judging more than a project's economics. They are judging the seriousness and durability of the counterparty standing behind it.

For years, an American junior making that pitch was, implicitly, asking a minister to bet on a private company alone. Today that same sponsor can point to active engagement from the Department of Commerce, to public statements of support from the U.S. Embassy at bilateral economic dialogues, and to financing instruments under active review at the Development Finance Corporation and elsewhere. We have not overstated what any of this means: engagement is not approval, and advocacy is not a guarantee of financing. But the difference between advocacy and silence, in a negotiation against legacy French relationships and an aggressive Chinese offer, has been decisive in ways that go well beyond what any single dollar of financing could have achieved on its own.

That credibility matters because it is fighting an old and, in many places, well-earned reputation. Many African governments in particular remain genuinely skeptical of American mining companies, and not without reason: they have watched a pattern repeat itself of sponsors that arrive with enthusiasm, run out of capital or patience within a single commodity cycle, and sell out to the next entrant rather than staying to build.[11] Where a French or Chinese

counterparty is understood, rightly or wrongly, to be operating on a generational timeline, the American sponsor is too often assumed to be a fair-weather friend, present for the upside and gone at the first sign of difficulty. Visible, sustained U.S. government engagement helps counter that assumption, but it cannot substitute for a sponsor actually behaving differently, staying through a difficult financing cycle, keeping the same team in the room across years rather than quarters, and treating the relationship as a partnership rather than an option to flip.

WHAT GOVERNMENT SUPPORT DOES NOT SOLVE

It would be a disservice to this subject, and to the officers and analysts who will spend careers on it, to pretend the new architecture has closed every gap. Two problems in particular remain squarely the sponsor's to solve, and no amount of Washington support will solve them from a distance.

The first is counterparty complexity. In many of the jurisdictions where the next generation of critical minerals will actually be produced, formal authority over a mining project is fragmented across a ministry of mines, a state mining company with its own statutory powers and institutional interests, and a presidency or head-of-government office that engages only episodically. Knowing who can actually say yes, in what sequence, is a specialized competency built project by project. It cannot be outsourced to a financing instrument.

Can American sponsors out-compete China on price and speed? In most cases, no. Nor should that be the goal.

The second is the reality of competing with China on its own terms. Chinese state-owned enterprises can move faster than almost any American counterpart, accept payback horizons that would not clear an American investment committee, and bundle a road, a port concession, or a power plant into the same agreement that covers the mine itself[2]. The more durable American advantage, and the one our own conversations with host governments consistently surface, is trust: transparency in dealing, genuine local hiring and training commitments, and a partnership structured to be renegotiated in good faith rather than imposed. Host governments that have lived through the alternative are not naive about the difference, and it is a real point of competitive advantage if American sponsors are disciplined enough to actually deliver on it rather than merely claim it.

Government capital and advocacy de-risk a project and raise its credibility ceiling. They do not substitute for a sponsor's own technical judgment, balance sheet discipline, and patience, nor for the unglamorous work of being, in fact, fundable and permittable on the underlying merits. The instruments available today make it possible to compete. They do not make winning automatic.

THE CASE FOR PUBLIC-PRIVATE PARTNERSHIP

The right model going forward is neither government financing mining projects directly nor private capital operating without government support, as much of the last three decades have effectively asked it to do. It is a genuine partnership, with each side doing what only it can do.

Government capital and diplomatic backing de-risk a project and legitimize it in the eyes of a host government weighing decades-long commitments. Private sponsors bring the technical judgment, the risk tolerance, and the ability to move at the actual speed a negotiation requires, none of which a government agency, however well resourced, can replicate at scale.

This is what deserves to be called the diplomacy of minerals: resource security, economic statecraft, and commercial dealmaking, fused into a single discipline.

It is not a metaphor. Cobalt, nickel, and the other minerals at the center of this competition are as strategically consequential today as oil was a century ago, and the nations that learn to combine public backing with private execution, rather than treating the two as separate tracks, will be the ones that actually secure supply rather than simply debate the need for it.

THE BOTTOM LINE

The United States has spent the last two years building an architecture, across the Development Finance Corporation, the Export-Import Bank, the Department of Energy, the Department of War, and the Departments of State and Commerce, that finally gives American sponsors something like the backing that other governments have long provided their own companies.

The strategic question is no longer whether public-private partnership matters in the minerals competition. It is whether enough companies and enough officials become fluent enough in it, fast enough, to use it.

What it demands in return is a generation of practitioners fluent in both halves of the equation: the technical and commercial realities of mining and processing, and the diplomatic skill to make an increasingly sophisticated set of government instruments actually work together in a real negotiation, with a real host government, often in direct competition with rivals who have been at this far longer than we have.

That is precisely the intersection this consortium exists to study, and precisely the kind of judgment its future officers and policymakers will be asked to exercise. The companies willing to do the patient, unglamorous work of building trust on the ground, and the government willing to stand behind them when it counts, are the ones that will determine whether the United States actually secures the minerals its economy and its security now depend on, or simply continues to hope someone else will.

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