Early Warning System

IDBI-15258-01

Rincon: Lithium Greenfield Project in Argentina

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Quick Facts

Countries	Argentina
Specific Location	Salta Province
Financial Institutions	IDB Invest (IDBI)
Status	Active
Bank Risk Rating	A
Voting Date	2025-11-21
Borrower	Rincon Mining Pty Limited – Argentina Branch
Sectors	Mining
Potential Rights Impacts	Cultural Rights, Healthy Environment, Indigenous Peoples
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to the IDBI, the Project entails developing, constructing, and operating the greenfield Salar del Rincon battery-grade lithium project located on the Salar del Rincon in Salta Province, Argentina (the "Project" or "Rincon"). Rincon is expected to produce ~up to 53 thousand tonnes per year (ktpa) of battery-grade Lithium Carbonate Equivalent (LCE) over its 40-year mine.

The Project will include wellfields and a brine distribution system, a spent brine disposal facility, a processing complex, filtered waste storage facilities, power transmission lines (two 23 km, 33 kV lines), and ancillary infrastructure.

The Project cost is estimated at ~US$2.5 billion. It will be financed using a combination of debt and equity. The proposed IDB Invest investment comprises an A Loan of up to US$100 million, and the remaining debt requirements will be financed through parallel loans

Early Warning System Project Analysis

Communities in the Salta region, where the Rincon Lithium project is located, have actively opposed lithium mining due to its environmental and social impacts. Indigenous and local groups have rejected lithium extraction projects, citing risks to water resources, ecosystems, and human rights (Business & Human Rights Resource Centre). Research shows that many of the region's Indigenous communities are "fiercely opposed" to mining in the region, given their dependence on fragile salt-flat ecosystems (Mongabay). Communities have also filed legal challenges to halt lithium expansion, raising concerns over water depletion, lack of transparency, and inadequate consultation. Evidence from across the Andean salt flats further shows that lithium extraction has already affected access to water, traditional livelihoods, and Indigenous rights, with communities fearing long-term environmental damage and potential displacement.

Rio Tinto has been linked to significant environmental harm and risks to human rights defenders. At the Panguna mine in Papua New Guinea, communities report long-term water contamination and livelihood loss (https://www.hrlc.org.au/projects/bougainville-communities-human-rights-complaint-against-rio-tinto/), while at the QMM mine in Madagascar, protests over pollution have been met with arrests and repression (https://www.business-humanrights.org/en/latest-news/human-rights-defenders-raising-concerns-about-pollution-at-rio-tinto-qmm-mine-experience-violence-imprisonment-incl-co-responses-and-civil-society-rejoinders/). Activists opposing its projects, including in Serbia, have also reported threats and intimidation (https://www.theguardian.com/business/article/2024/aug/22/activist-serbia-rio-tinto-lithium-mining-environment-death-threats), highlighting ongoing security risks.

People Affected By This Project

The Rincon Lithium project in Salta province, Argentina, is located within the territories and areas of traditional use of Indigenous communities, including Catua, Olacapato, and Salar de Pocitos, whose members belong to Indigenous groups such as the Atacama and Kolla peoples. These communities maintain longstanding cultural, spiritual, and livelihood ties to the salt flats, wetlands, and surrounding lands, relying on local water systems for pastoralism and subsistence activities.

Project disclosures confirm that lithium extraction for this project will involve large-scale brine and freshwater withdrawal in a fragile, closed-basin ecosystem, creating risks of groundwater depletion and impacts on wetlands and community water sources.

Investment Description

- IDB Invest (IDBI)

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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Rio Tinto Group	Parent Company	-	has unknown relation to	Rincon Mining Pty Limited	Subsidiary	-

Contact Information

EMAIL:

PHONE: +1(202)-566-4566

ADDRESS: 1350 New York Ave NW, Washington, DC 20005

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.iadb.org/en/access-information/information-request

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IDB Invest)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IDB Invest is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- Rincon - Environmental and Social Action Plan (ESAP)
- RINCON - ENVIRONMENTAL AND SOCIAL STRATEGY (ESS) [Original Source]

Other Related Projects

- IFC-49112 Rincon Lithium