SCOPING PAPER

Revamping Cooperation on Transition Minerals: A Strategic Agenda for the Africa-Europe Partnership

Produced by the Africa-Europe Foundation (AEF) for the new institutional and programming cycle of the European and African Union Commissions (AU-EU), leading to the 7th AU-EU Heads of State Summit in 2025.

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The evolving geopolitical landscape necessitates a re-evaluation of Europe's approach to transition minerals (TM) in Africa. By acknowledging the significance of effective governance of mineral value-chains and viewing the African continent not just as an exporter but also as a market with industrial potential and job opportunities, in partnership with Africa, Europe can promote more balanced and mutually beneficial outcomes. This strategic shift is not only timely but essential for enhancing Europe's competitiveness and security of supply in the global economy while supporting Africa's development goals and industrialisation aspirations.

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Executive Summary

The start of the new AU-EU institutional programming cycle in 2025 is an opportune time to reconfigure Africa-Europe cooperation on transition minerals to bring about a more balanced and sustainable outcome. As such, the Africa-Europe Foundation (AEF) proposes a strategic agenda that aims to shift the prevailing dynamic between the two continents from one characterised by a dependent and extractive approach to a partnership grounded in mutual benefit, equity, and sustainable development.

This strategic agenda is substantiated by this Scoping Paper, which assesses barriers to closer EU-Africa cooperation on transition minerals (TM), reviews current collaboration initiatives and takes Africa's regional and continental development frameworks into account. From the outset, the paper notes that use of the term "critical minerals" reflects the interests of consuming countries and consequently this paper uses the term "transition minerals" (TM), referring specifically to those that support the green, digital, and energy transitions of both continents, alongside growing interest from the defence sector.

The core message of this Scoping Paper is that TM value-chains represent a transformative opportunity for both continents. For Europe, securing reliable access to these minerals is essential for achieving its green, digital, energy and defence ambitions. For Africa, which holds 30-40% of the world's TM reserves, these resources offer a rare chance to industrialise, create jobs, and build TM value-chains that contribute to economic diversification and long-term development for which it needs EU's technologies, finance and markets.

Today, most TM processing is concentrated outside both Africa and Europe, but EU has a notable TM supply-chain cluster. Unless Europe partners effectively with African countries and firms to achieve win-win outcomes, it risks losing out to competitor nations that offer better terms, including development of local TM value-chains. A comprehensive redesign of current systems could benefit both continents and could be advanced through a new joint vision in the lead-up to and beyond the 7th AU-EU Heads of State Summit.

Africa-Europe cooperation and partnerships on TM value-chains will have to navigate numerous structural barriers, including weak infrastructure, policy incoherence, financial constraints, governance challenges, and the difficult legacy of the extractive colonial experience that continues to undermine trust. Existing Africa-Europe collaboration initiatives, however, suggest such barriers are not insurmountable.

As the two continents enter a new era of cooperation, framed by 25 years of existing AU-EU joint actions and programmes and with a view to the forthcoming 7th AU-EU Heads of State Summit, there is much potential to design a shared approach to carry forward continental visions, building on the work of the UN Panel on Critical Energy Transition Minerals (CETMs), and giving practical effect to principles of justice and equity in the development of diverse value-chains for CETMs.

Several high-level meetings scheduled for 2025 will allow African and European countries to deepen discussion of the partnerships they wish to co-create (states and firms). Although strategic partnerships on Critical Raw Materials have been signed by the EU with several sub-Saharan countries, these have yet to demonstrate any tangible impact. They raise concerns about transparency, and indeed whether EU firms still have the skills required for mining, supply chains, beneficiation and manufacturing.

African countries are expected to shape their approach to TMs through existing continental frameworks, notably the AfCFTA and the AU's Africa Mining Vision (AMV), adopted in 2009, that aims to ensure the transparent, optimal, and equitable exploitation of mineral resources to foster sustainable socio-economic development. The AMV advocates building the backward, forward and knowledge economic linkages with which to diversify their economies based on mining.

In response to global green economy trends, the African Union Commission (AUC) and the African Development Bank launched the African Green Minerals Strategy (AGMS), building on the AMV's foundation to promote green industrial value-chains as well as electrification. The AGMS, endorsed at the 2025 AU Summit, aims to drive Africa's participation in clean technology and equitable resource-based industrialisation by mushrooming the green value-chains.

On the EU side, elements of the April 2024 EU Critical Raw Materials Act (CRMA) will need a rethink, and deeper engagement by European and African stakeholders is required to co-develop practical strategies that can bring both parties' interests into closer alignment.

The EU's CRMA aims to secure a diversified and sustainable supply of raw materials essential for Europe's green and digital transitions and reduce reliance on international sources for 34 key minerals. It mandates that by 2030, 40% of processing will be done in Europe, raising concern about African countries' ability to move up the TM value chain. The CRMA also sets out diversification benchmarks to limit reliance on a single source country, and to boost domestic extraction and recycling. While African nations seek to enhance their mineral processing & manufacturing and supply-chain capacities, EU policies, such as the CRMA and CBAM may restrict effective market access and discourage investment in Africa-based processing and associated industrialisation efforts.

Additionally, the CRMA's emphasis on third-party certification for ESG standards raises doubts about its commitment to ethical sourcing. Furthermore, the EU's classification of mining as "non-green" makes funding for mineral projects in Africa more expensive and difficult to source, despite increasingly being powered by cost-competitive renewable energy. This necessitates a strategic reassessment to align environmental, economic, and industrial interests with emerging trends in low carbon mining.

The Scoping Paper highlights the disconnect between the perceived and actual risks of doing business in Africa, with European stakeholders often viewing the continent as high-risk, which deters investment despite potential profitability in mining and value addition. A contributing factor is the lack of information on EU companies involved in mining, supply chains or value addition (for firm-to-firm partnerships), amplified by challenges related to beneficial ownership transparency. As both continents are at risk from illicit financial flows, base erosion, and profit shifting (BEPS), finding ways to curb tax losses could be a valuable topic for Africa-Europe collaboration.
The two continents should increase their efforts to create the policy and finance conditions favourable to European private sector investment in TM value-chains with African partners, such as through joint ventures between EU and African companies to extract, supply and process TM. A proposal from the AGMS could involve matching EU capital invested in green mineral value-chain projects with proportionate access to TM products from these investments.

Incentives for European companies to invest in African mining value-chain operations are weak, leading to a major gap between the EU's geopolitical and economic agenda and reliance on their private sector to put it into practice. EU companies have a limited presence in Africa's mining, refining, and processing sectors, with very limited control over African mining operations, as compared to other global players (though EU has mining firms operating in EU and elsewhere). By contrast, the EU has substantial presence in African mining supply chains, so it is recommended the EU should incentivise and support manufacturing and service firms to establish a stronger presence in African countries with African partners.

China's dominance in TM, particularly in refining and processing, poses a challenge for the EU, which remains heavily dependent on Chinese supply chains. Given the complexities of global mineral markets, replacing China as a key supplier would take at least 10–15 years, making short-term cooperation a more viable strategy for the EU. Trade tensions and US policy shifts - such as prioritising artificial intelligence over clean energy - could disrupt global investments in transition minerals, potentially hindering the green and digital transitions.

However, these shifts may also encourage diversification, creating opportunities for Africa-Europe partnerships focused on sustainable mineral supply chains. While the EU has not led investments in TM, other geopolitical players—such as Canada, Australia, the UK, the UAE, Saudi Arabia, Turkey, and India—are actively expanding their influence in Africa's mineral sector, securing resources for both economic and defence purposes. Some Gulf nations aim to establish African-based TM value-chains (including manufacturing), recognising the continent's long-term market potential. The strategic response by the EU should be to foster partnerships that prioritise local TM value-chain development in a way that catalyses long-term, diversified growth, but does it have the tools to achieve this objective, such as financial instruments and EU TM value-chain expertise (firms)?

African countries need to improve their bargaining position and secure fairer trade and investment agreements by putting known TM deposits out to public tender, creating financial instruments such as Venture Capital Funds (VCF) to combine domestic and international capital, as mooted by the AGMS, and investing in essential infrastructure and skills. All these steps would be strengthened by African regional cooperation to achieve scale economies.

The Africa-Europe Foundation (AEF) proposes the following recommendations to revamp Africa-Europe cooperation on TMs under the new AU-EU institutional cycle:

- **Develop an EU-AU Vision for Transition Minerals:** take and test the best ideas from the Africa Green Minerals Strategy (AGMS), the EU Critical Raw Materials Act (CRMA), the EU Clean Trade and Investment Partnerships (CTIPs) approach, and international strategies like the UN Panel on CETMs to identify pragmatic pathways towards sustainable mining, up- and downstream manufacturing, increased local value addition and greater mobilisation of local capital in the lead-up to the 7th AU-EU Summit.

- **Rethink Europe's Positioning**: on its approach to transition minerals by moving beyond traditional extraction-focused partnerships with Africa. Joint ventures could be established with African companies in TM mining, supply-chains, processing and manufacturing, supported by financial instruments, such as VCF, to ensure African firms can gain access to the capital they need, and facilitate technology transfer and skilling. Such investment in African industries could be linked to EU security of supply of processed TM (in CMRA). Positioning Africa as both a supplier and a growing market for value-added products and TM, including renewable energy solutions, would unlock mutual growth opportunities.

- **Unpack and revise existing EU-Africa strategic partnerships on Critical Raw Materials (CRM)**: to better align with the EU Global Gateway Investment Package and EU Member States' approach, and African national priorities and regional-continental frameworks.

- **Map EU/Africa strategic actors along targeted TM value-chains**: to identify EU and African industrial actors with relevant capabilities to form productive partnerships, training exchanges, and joint activity along mining, supply chain, refining, and manufacturing value-chains.

- **Provide a reality check on the EU's CRMA and Public vs. Private sector dynamics**: to recognise the EU's political ambitions may not align with what is currently feasible in the market. This would mean either incentivising the private sector to invest, or revisiting CRMA targets. For example, the 40% of EU processing target could combine EU processing with participation in processing partnerships in African countries, with EU supply guarantees.

- **Support a 'Critical Mineral Pact' and binding treaty for COP30**: Africa and Europe should support Brazil and Colombia, who are leading on a global binding treaty on TM traceability based on the principles of equity, justice and value addition at source set out in the UN report on Critical Energy Transition Minerals (CETMs).

- **Set up an Africa-Europe Traceability Framework**: to ensure that minerals processed in regional Partnership refineries are sourced responsibly, cover the whole value chain and improve minerals governance.

- **Leverage the regional dimension of transition minerals**: encourage the establishment of regional processing hubs and specialisation of neighbouring African countries, to gain benefits from scale. Support such projects with traceability mechanisms, waivers on export levies to stimulate local processing and fiscal revenue-sharing mechanisms so that benefits flow equitably to participating countries. Regional projects will only materialise if political leaders and commercial actors see tangible benefits from such projects.

- **Enhance the capacity of revenue authorities and mineral tax regimes**: through capacity-building programmes, revenue authorities partnering, revision of mining codes, clear tax guidelines, and better coordination between public and private sectors to improve compliance and transparency. Traceability should be integrated with tax operations to track mineral flows and ensure accurate taxation. Governance and corruption risks must be addressed through stronger regulatory frameworks and an Africa-Europe taxation partnership to support best practices and trade monitoring. Continuous dialogue between stakeholders will help refine tax policies and align strategies with evolving industry and community needs.

- **Engage with the ASM mining sector:** artisanal and small-scale mining is of great significance across Africa, accounting often for half of mined output. It generates great damage to forests, soils, landscapes and water supplies, and is strongly linked to conflict, corruption and insecurity. An Africa-Europe partnership focusing on ASM formalisation, traceability, and law enforcement could strengthen mineral supply chains and improve security of supply.

- **Recognise the role of women and youth in mining**: both groups represent a significant part of the mining sector, though often ignored, and should be included in decision-making processes and assisted to access training and skills development, to encourage leadership and help deliver safer working conditions. Identify and support gender and youth advocates.
- **Build a Sustainable and Responsible Supply of Transition Minerals**: Africa and Europe should both move towards circular economy strategies, prioritise secondary raw materials, and adhere to environmental and social standards aligned with global biodiversity and climate goals. Mandatory safeguards should be integrated into trade agreements to protect ecosystems and human rights.

- **Consider the risks of Deep-sea mining (DSM)**: the renewed global impetus behind DSM puts the Africa-Europe partnerships on TM and ocean governance under threat, due to its economic and ecological risks. Scientists argue that recycling and land-based resources can meet mineral demand without seabed exploitation, while DSM risks irreversible harm to marine ecosystems. In the absence of environmental safeguards, Africa and Europe should jointly advocate for a moratorium or precautionary pause.

The AEF offers these recommendations as a comprehensive AU-EU Action Agenda on Transition Minerals for restructuring Africa-Europe collaboration. All emphasise mutual benefit, regional integration, transparency, and shared responsibility in building sustainable TM value-chains. If implemented with sincerity and coordination, they could help create a more equitable, resilient, and strategic approach to the revised AU-EU Partnership.

Acronyms and Glossary

Acronyms used in the text are listed below with their full wording, together with definitions of selected terms not defined or explained in the document itself.

AEF	Africa Europe Foundation
AfCFTA	African Continental Free Trade Area
AGMS	African Green Minerals Strategy
AMV	African Mining Vision
AU	Africa Union
BEPs	Base Erosion and Profit Shifting refers to tax planning strategies used by multinational companies to exploit loopholes and mismatches in international tax rules to artificially shift profits to locations with lower or no tax rates, where there is little or no economic activity. This can result in a reduction in the amount of tax paid in high-tax jurisdictions.
BO	Beneficial ownership refers to the individuals who ultimately own or control a company or legal entity, regardless of whether they are listed as the legal owner.
CETM	Critical Energy Transition Minerals
COP28, 29, 30	Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2023, 2024, 2025
CRMA	EU Critical Raw Materials Act
CRMs	Critical Raw Materials
EPA	European Partnership Agreement
ERBI	Equitable Resource-Based Industrialisation
ESG	Environmental, Sustainability and Governance
GHGs	Greenhouse Gases
ICT	Information and Communication Technology
IFFs	The term Illicit Financial Flows refers to the movement of money across borders that is illegal in its source (e.g. corruption, smuggling), its transfer (e.g. tax evasion), or its use (e.g. terrorist financing).
MSP Forum	The Mineral Security Partnership (MSP) Forum is a collaboration of 14 countries and the EU to catalyse public and private investment in responsible TM supply chains globally
REACH	Regulation (EC) No 1907/2006 - Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) The Regulation aims to ensure a high level of protection for human health and the environment from the risks posed by chemicals while enhancing the competitiveness of the EU chemicals industry.
REC	Regional Economic Community
Reserves	Reserves are a subset of resources that are currently economically and technologically feasible to extract.
Resources	Resources represent the total amount of a substance or energy source that is known or suspected to exist in a location, regardless of its economic or technological viability.
SADC	Southern African Development Community
SEforALL	Sustainable Energy for All is an independent organization, hosted by UNOPS (United Nations Office for Project Services), with a global mandate to accelerate progress on the energy transition in emerging and developing countries.
TMs	Transition Minerals
VCF	Venture Capital Fund
4IR	4th Industrial Revolution

Part 1: Context

1.1 Background Information:

The world is facing a deep and catastrophic climate crisis due to unabated emissions of GHGs (Greenhouse Gases) and needs to rapidly transition from fossil fuels to renewable energy sources. Both Africa and Europe have developed climate strategies with ambitious energy transition targets[1], which will require production increases of a range of critical energy transition minerals (CETMs). The European Commission has created its list of critical raw materials (CRMs) for the EU, which is subject to review and update every three years. The latest list of CRMs, available **here,** (Annex II)was published in 2023 and includes 30 CRMs. Together, with copper, nickel, manganese, and tin, these are particularly pertinent considering their critical status for the digital and energy transitions. Several African states have likewise developed CETM lists, and the AU has adopted an African Green Minerals Strategy including CETMs. Many of these minerals are to be found in Africa's rich geological heritage, offering great potential for beneficial Africa-Europe partnerships.

Interestingly, the concept of 'critical' minerals needs to be questioned. One can ask, 'critical for whom, and critical for what?' That question is currently being debated in Africa. The continent views the label 'critical' as often representing the interest of mineral consuming countries, not producers. In the context of the Africa Green Mineral Strategy (AGMS, AU 2025), this element is a core tenet of the Strategy. The concept of critical must be from the producers' and consumers' perspectives and reflects minerals that are critical to their own domestic development. However, it is important to note that classifying 'coal' as a critical mineral, as is the case in South Africa, raises questions, particularly in relation to the EU definition. In this paper, the term 'critical' will be replaced with 'transition' with transition minerals (TM) referring specifically to those that support the green, digital, and defence transitions.

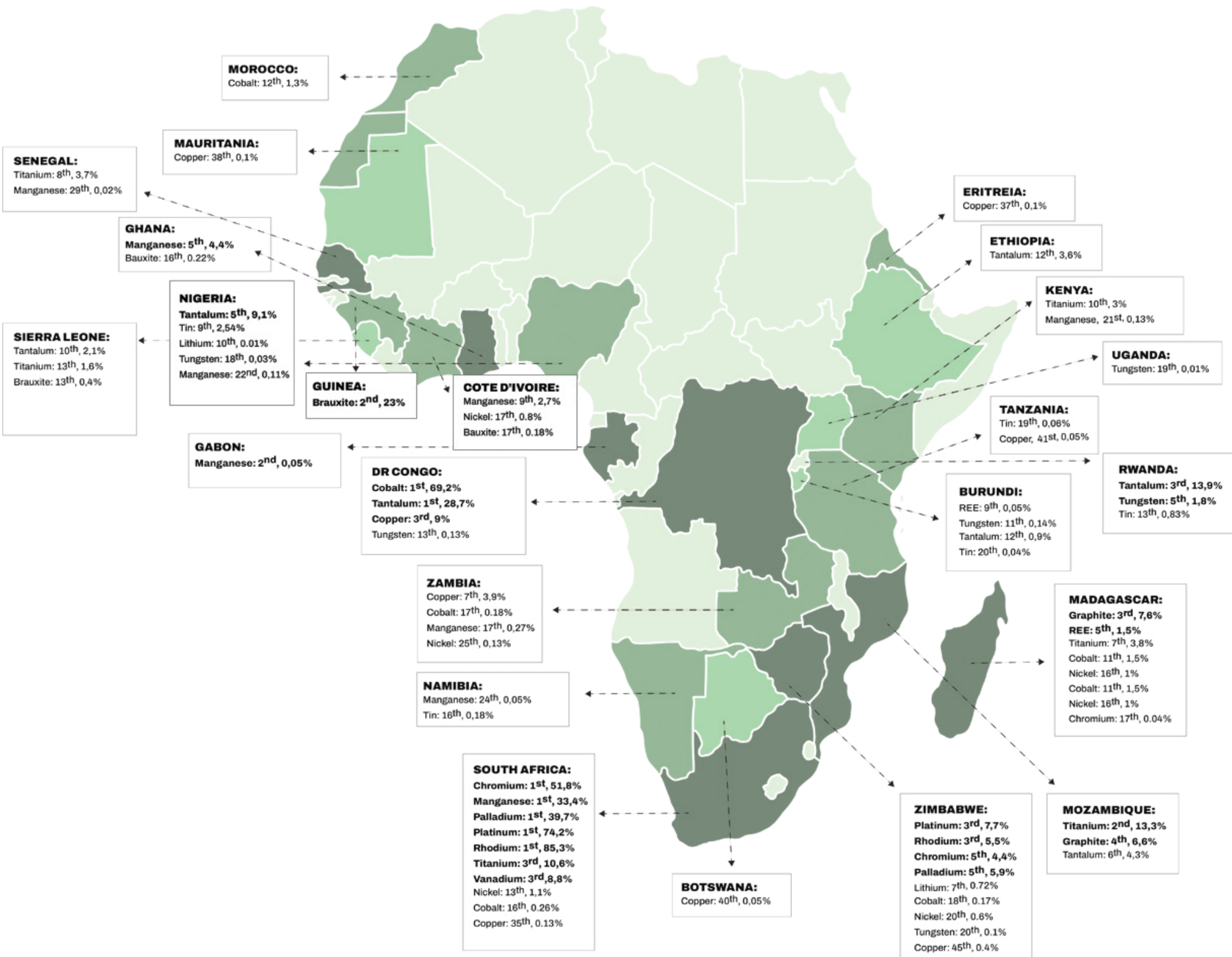
Transition minerals represent a complex topic, rich in historical context and diverse, and often damaging experiences. Despite past challenges, there is reason for greater optimism today, as the risks and opportunities from such mineral wealth are clearly recognised, as witnessed by the UN Secretary-General's recent expert panel report on Critical Energy Transition Minerals (CETMs). The panel's recommendations emphasize the need for justice, equity, transparency and traceability within the CETM value-chains in resource-rich nations, including those in Africa. Partnerships around CETMs present a valuable opportunity to reframe Africa-Europe collaboration to improve the distribution of benefits from, and the management of these value-chains. Such partnerships could facilitate a faster energy transition, and accelerate the use of renewable energy – aligned with the needs of the African continent, where 600+ million people currently live without access to electricity.

EU nations are increasingly dependent on Africa's rich reserves of minerals to power their industry and energy, digital, and defence transitions. In parallel, Africa requires EU technologies, finance and markets. However, the extraction process continues to present significant problems in meeting environmental, social, and governance (ESG) standards. There is rising demand in African countries for a larger share of revenue from mineral extraction, and the establishment of local value-chains to generate jobs, skills and incomes. Africa stands at a crossroads regarding the terms on which to grant foreign access to its minerals, with many countries now recognizing the leverage they can exert in exchange for ways to transform and diversify their economies, create green jobs, and foster industrialisation. Meanwhile, Europe's ambitions to decarbonize its economy and rearm depend on securing a stable supply of these essential resources, crucial for achieving its green, digital, and defence transitions.

Africa holds between 30-40% of the world's transition mineral reserves, including lithium, cobalt, manganese, nickel and other rare earths, crucial for renewable energy transition and 'clean' technologies. The continent has extensive reserves of more than 60 minerals and metals needed for a wide range of industrial processes, and its countries play a major role in the production of key transition minerals. However, current value-chains for many of these minerals are largely concentrated outside Africa and fragmented within Africa, and they lack transparency, in addition to being poorly regulated and prone to disruption. Significant power imbalances exist within value-chains, with refinery capacity—and consequently, the location of associated semi-manufacturing and manufacturing activities—highly concentrated either outside of Africa or in more industrialised African countries. This concentration of power and control persists despite growing competition and the complex geopolitical dynamics surrounding transition minerals.

[1] EU 'fit for 55' Package, EU Critical Raw Material Act (CRMA), EU 2050 Climate Strategy, African Union Climate Change and Resilient Development Strategy and Action Plan (2022-2032); Africa Green Minerals Strategy (AGMS 2025).

Figure 1: Africa's Ranking and Geography of Minerals



Without a comprehensive re-evaluation and redesign of current systems, African countries will remain primarily raw material exporters, dependent on external sources of capital and technology while gaining minimal value-added from processing, refining, semi-manufacturing, and manufacturing within the continent. If African countries are to get a better deal from rising demand for their transition minerals and increased local value addition, it needs increased domestic resource mobilisation to invest in local transition mineral value-chains. In the same vein, European countries need to re-think what they can "offer" to maximize benefits for both regions and help transform Africa's role in the global value-chain of transition minerals.

At COP28, more than 130 governments committed to triple renewable energy capacity and to double energy efficiency by 2030. Achieving these ambitious goals amplifies the expected demand for Critical Energy Transition Minerals (CETMs). For example, the IMF estimates that by 2050, global demand for some critical minerals will rise by 500%. In the same vein, the International Energy Agency (IEA) estimates that demand for the CETMs required to enable this global energy transition will triple by 2030, and quadruple by 2040. Dramatically enhanced recycling will be a mitigant to the rapid demand for new material, however, it will not close the supply gap.

Europe is highly dependent on imports of minerals and mineral products, due to its exhaustion of mineral resources leaving limited deposits of raw materials. Some reserves are already depleted after decades of exploitation and others are not exploitable for societal, technical, economic, and environmental reasons (though price increases may improve the viability of erstwhile non-economic deposits). In the current context of geopolitical insecurity, Europe also faces risks to mineral supplies leading to price volatility, and market disruptions and Africa faces the renewed threat of depleting these deposits with minimal gains and value addition.

As future demand for transition minerals will continue to be largely met by imports, EU needs to diversify supply chains and explore whether strategic partnerships with resource-rich third countries covering exploration, extraction, processing and refining, as well as the mining supply-chains and financing, could offer greater security of supply. Securing reliable and unhindered access to certain feedstocks[2], whether from Africa or elsewhere, is therefore a growing concern within the EU. While for Africa the main concern is that this opportunity will not develop its local mineral value-chains, and, rather, its elites will be subverted to allow for the continued export of raw minerals under a continuing neocolonial paradigm.

The EU will have a better chance of achieving this access by partnering with African countries and firms for a win-win outcome. Otherwise, it risks losing out to competitors that offer better terms and the development of local value-chains, and even if the EU secures access, it may risk disruption to these deals in the longer term, especially if the deals are perceived to be unfair or corrupt

African countries could also use the current context for a proper rethink and redesign of existing systems to escape from being exporters of raw commodities, with minimal value-added activities, and seek to promote local investors and partnerships which would enable them to establish processing, refining and mineral value-chains within the continent. The recently adopted AU AGMS provides a scheme in this regard for member states to strengthen their laws and regulations and for bilateral interactions with EU states and companies.

[2] Feedstocks: materials that are used to produce something in an industrial process

1.2 Underlying factors/barriers hindering EU-Africa cooperation on transition minerals:hindering EU-Africa cooperation on transition minerals:

Underlying factors/barriers hindering EU-Africa cooperation on transition minerals (non-exhaustive list)

Category	Factors/Barriers	Explanation
Perceived and Geopolitical Risks in Africa	Political instability, economic and security risks, corruption and conflict, and weak governance in some African countries. The undermining of African governance by EU companies and governments.	These factors create uncertainty for European and African investors and governments, making long-term investments risky, even though both are often perpetrators of undermining good governance and stability.
African Infrastructure deficits	Lack of reliable infrastructure (transport, energy, water, ICT) and lack of effective and affordable EU and African financial instruments to fund infrastructure (especially cf China).	Poor infrastructure increases the cost of mining and exporting minerals, reducing profitability and deterring European and African investment. TM infrastructure -focused financial instruments are required.
African regulatory challenges, and institutional capacity gaps	Inconsistent or unclear mining regulations and policies, lack of transparency, weak legal systems.	Unpredictable regulatory environments in some African countries discourage European and African companies from committing resources and they often attempt to undermine regulations in their favour.
EU finance and related taxonomy	European finance reluctant to finance mining and its financial systems have weak controls of IFFs and BEPS.	Mining is not included in EU sustainable finance taxonomy, though refining and intermediates manufacture are. EU benefits from IFFs resulting in muted controls.
Trade barriers (both EU and Africa)	Tariffs, export restrictions, and complex trade agreements as well as inconsistent application.	These barriers limit the flow of minerals to Europe and complicate supply chains.
Private sector mobilisation in EU and Africa	Lack of effective EU mechanisms to motivate European companies to contribute to Europe's de-risking by entering TM value-chains in Africa as well as a lack of African mechanisms and weak African capital markets for African private sector partners.	A combination of high risk, uncertain returns and limited experience in mining, processing and trading discourage private sector investment in this field. Significant blended finance would be needed to overcome these barriers in addition to a possible African TM value-chains Venture Capital Fund (VCF) for African firms to partner with EU private sector.
EU & African environmental and Social concerns	Stricter EU and African environmental and social standards.	European and African companies face pressure to adhere to high ESG (Environmental, Social, Governance) standards, which can be difficult to meet in some contexts.

Competition from other regions; and differing levels of economic priorities (i.e. Latin America, Central and Southeast Asia).	China's role in African mineral markets, investment strategy from third countries (Gulf states, Russia, UK, Switzerland, Australia, Canada...)	China's significant infrastructure investments and influence in Africa create competition for Europe, making it harder for European actors to secure access to resources without similar support for wider development
Lack of trust	Colonialism, neocolonialism and historical imbalances and mistrust between Africa and Europe.	Colonial legacies and unequal partnerships have created scepticism among African nations about Europe's intentions, hindering cooperation.
Lack of EU and African coordination	African & EU nations often act independently rather than as a unified bloc.	Bilateral action has proven successful in some cases in the past but against today's dominance of major players, being unified and coordinated can prove powerful.

1.3 Exploring Africa-Europe cross-continental collaboration on transition minerals:

On November 14th, 2024, African and European decision-makers convened at COP29 for a high-level policymaker meeting co-hosted by the Africa-Europe Foundation (AEF) and Sustainable Energy for All (SEforALL). This meeting marked the beginning of a collaborative effort to unlock cooperation on Critical Energy Transition Minerals (CETMs), which hold significant potential for a transformative and mutually beneficial Africa-Europe partnership, for value-chain and wider development.

This process was very timely, given the reset of the EU-AU policy and programming cycle following the recent leadership changes across both continents, and milestone events in 2025: from the new institutional cycles of the African and European Commissions, to the SEforALL Forum, the Financing for Development Conference (FfD4), and COP30. The current joint initiative of AEF and SEforALL aims to advance a joint Africa-Europe position on transition minerals, and transform into action the recommendations of the UN Panel on Critical Energy Transition Minerals.

The initiative builds on the various partnerships established by the EU with Africa, particularly in trade and investment, and also the work of the UN Panel on Critical Energy Transition Minerals (CETMs). This panel is tasked with forming a High-Level Expert Advisory Group to foster fair and just value-chains for CETMs. Historically, the extraction of CETMs has frequently led to environmental degradation and human rights violations, including use of child labour, as well as the export of raw minerals, highlighting the urgent need for justice as a driving force for change, rather than market forces alone.

As heard at COP29 from the European Commission Director-General for Energy, Ditte Juul-Jorgensen, "the EU is dedicated to supporting the implementation of the UN Panel's initiatives by aligning its policies with the panel's findings and recommendations". In creating the High-Level Advisory Panel, emphasis is placed on value addition, equity, taxation, and trade, as well as addressing issues such as illicit financial flows (IFFs) and corruption risks, as well as 'benefit sharing, value addition and economic diversification' (Principle 4), all of which are essential for Africa and EU's sustainable development.

While the EU's recently signed strategic partnerships on Critical Raw Materials (Namibia, Zambia, DRC, Rwanda, and the Zambia-DRC-Angola Lobito Corridor) are noted, they are yet to have any tangible impact. There is significant potential to enhance cooperation between Africa and Europe by strengthening Africa's mineral value-chain development capabilities and ensure that African nations are integrated into global value-chains beyond raw mineral supply alone, to facilitate local value addition, beneficiation and supply chains (local content). But as the European Commission Director-General for Energy puts it "only with transparency and traceability can we ensure accountability, and only with accountability can we bring equity, trust and justice into these systems".

Despite numerous pledges made to Africa in the past, tangible improvements have often failed to materialize. At present, the EU is not making capital available, EU technology is too expensive in comparison to competing equivalents, and its arguable whether the EU private sector has the skills needed for mining, beneficiation, and more basic value addition as these are not areas where European companies have worked at scale for some time. Nevertheless, the EU retains a strong mining and processing supply chain capacity (particularly in capital goods[3] with global exports of EUR 7 billion/an). To strengthen the Africa-Europe partnership on transition minerals, it is essential to evolve the existing framework, rebuilding trust through established and improved instruments and enhancing capacity to ensure that African countries can fully benefit from their mineral resources. The meeting noted that "Europe has the skills, capital, infrastructure, and technology needed, while Africa is rich in critical minerals"; this synergy creates a valuable opportunity for a mutually beneficial collaboration and partnerships, especially if one considers Africa's substantial competitive labour supply. The EU Critical Raw Materials Act needs therefore to be refined to realise this opportunity and thereby redefine a new Africa-Europe partnership.

The policymakers' meeting emphasised the importance of strategic investments in Africa's renewable energy sector and value-chains to enhance the value addition[4] of transition minerals and support investments through climate finance. Nevertheless, renewable energy alone will not enable Africa to industrialise - utility-scale projects will certainly help but they need to be considered as merely a piece in an integrated electrification strategy (and more than climate finance will be required for non-renewable energy developments). This focus on renewable energy is one reason why value addition is not changing for Africa.

While the Africa Mining Vision (AMV) takes a comprehensive view of minerals across the entire value-chain, it has not yet translated into real improvements in people's lives on the ground. Additionally, Africa has developed an 'African Green Minerals Strategy' (AGMS) to support its industrialization and electrification ambitions; however, there is a lack of capacity and finance to foster cooperation across the continent to implement the commitments outlined in this strategy.

As we stand on the brink of a transformative moment, with organisations like the African Development Bank (AfDB) and the World Bank aiming to provide power to 300 million Africans by 2030 (in the context of the Mission 300 initiative), it is crucial for African nations to develop homegrown strategies that build on domestic assets, domestic resource mobilisation and local firms to reduce reliance on external resources and promote effective policies and regulations to encourage investment and trade among African countries.

The EU has the capability to assist Africa in leveraging its resources, recognizing their importance, and identifying the investment partnerships needed for a successful transition to clean energy.

As the two continents enter a new 5-year institutional cycle, Africa must be clear about its needs and where funding is required for essential investments. With the continent seeking to shift the narrative to ensure that transition mineral value-chains are developed sustainably, integrating circular economy principles throughout the production chain should also be considered. As African countries work to develop strategies and policies aimed at fostering comprehensive value-chain ecosystems, partnerships play a critical role in driving tangible progress. The key questions are: What forms of partnerships are most effective? How can partnerships be designed to move from a transactional to a transformational paradigm, taking a systems-perspective, rooted in trust-building and equitable voice and power among African and European actors, along with a clear-eyed recognition of legacies, interests, values, strengths and challenges? Who should these partnerships involve? And what public funding or actions are necessary to make them successful?

[3] Capital goods: plant, machinery, equipment

[4] Value addition includes local inputs into mining & processing (backward linkages), as well as forward/downstream linkages. If less inputs are imported, then more local value in exports.

KEY OBJECTIVES UNDERPINNING AEF AND SEFORALL' S PARTNERSHIP INCLUDE:

- **Guiding Africa-Europe cooperation on transition minerals** based on data-driven insights and creating a safe space for African and European partners and multi-stakeholders to unpack the complex and sensitive issues of this partnership domain;
- **Facilitating knowledge-exchange, capacity sharing and investment mobilisation**, to reinforce regional value-chains and a 'regional approach' that can benefit from the EU and AU's respective experience in economic and trade integration and B2B (business to business) partnering;
- **Reinforcing the Africa-Europe Partnership at the multilateral level**, with a strategic focus on driving delivery of the recommendations of the Report from the UN Panel on Critical Energy Transition Minerals and the UN Pact for the Future, adopted in September 2024;
- **Tracking commitments** to accelerate implementation of existing financial and political commitments of the AU-EU Partnership and facilitate policy coherence (from the Africa Mining Vision and African Industrial Development Action Plan to The EU Global Gateway and Critical Raw Materials Act); and
- **Challenging siloed work** through joining-up this new Africa-Europe platform on Transition Minerals with existing AEF platforms working on issues from Illicit Financial Flows, Trade Policy and The Future of Taxation to Digital Infrastructure, Blue Economy, Energy and Carbon Markets.

The new AEF-SEforALL Partnership on Critical Energy Transition Minerals will underpin a series of joint dialogues aligned with strategic milestones in 2025, notably the Ibrahim Governance Weekend on Financing for Africa in Marrakesh (June); the Financing for Development International Conference in Seville (June/July), the second edition of the Africa Climate Summit in Ethiopia (September) and the UN Climate Conference (COP30) in Belem (November 2025) – all leading towards a possible 7th AU-EU Summit of Heads of State under the Angolan and Danish presidencies of the AU and the EU.

1.4 The UN-Panel on CETMs:

The UN-Panel on Critical Energy Transition Minerals, co-chaired by the European Commission and South Africa produced in September 2024 a Report entitled: 'Resourcing the energy transition: Principles to guide critical energy transition minerals towards equity and justice'. This outlines a series of Guiding Principles and Actionable Recommendations to foster trust, justice, equity, and diversified supply chains, and to steer green investments across diverse value-chains for these CETMs.

Such minerals are vital for the manufacture of clean energy technologies, including wind turbines, solar panels, batteries, and other clean tech products, which are crucial for the EU and Africa's energy transition, energy security, quality jobs, and economic competitiveness.

In terms of competitiveness and resilience, promoting the principles and implementing the Actions will help the EU and Africa build resilient, diversified, and decentralised value-chains of transition minerals to power Europe and Africa's energy transition, while contributing to the economies of partner countries with financially viable mineral deposits, which are extracted and processed responsibly, whilst maximising local value-chain addition,, with a specific focus put on circularity.

With growing rivalry and competition between global powers, there are no grounds for assuming a "race to the top" leading to higher global environmental, social, and governance (ESG) standards. While adopting such standards can create opportunities for economic actors that prioritize strong social and environmental commitments—such as some EU companies—the evolving market landscape suggests that sustainability will not be the decisive factor in competitiveness, but rather a comprehensive infrastructure and mineral value-chain development partnership. This evolution must be viewed against the backdrop of shifting global dynamics, with many major U.S. firms retreating from ESG commitments and others giving low priority to ESG measures. Furthermore, ESG standards could create a barrier limiting business in African value-chain development and also be curtailed by the EU Carbon Border Adjustment Mechanism (CBAM). In this context, the question arises: can EU companies maintain their leadership in ESG and leverage these standards to diversify and de-risk supply chains while fostering long-term economic prosperity in Africa?

Further, reflection is needed on the REACH Regulations (2006) which imposed conditions on feedstock imports (for good domestic EU reasons) but was undermined by competition from Asian buyers without such conditions. This forced the EU to backtrack on the REACH conditions. African mineral producers were quick to switch to markets eager for their products and away from the EU that imposed restrictions. ‘Sticks’ can backfire when mineral producers have other markets so ‘carrots’ are needed too, in the form of robust partnerships at the collective level (EU, AU), state level and firm level.

As the UN Secretary-General underscored: “A world powered by renewables is a world hungry for transition minerals. For developing countries, transition minerals are a critical opportunity – to create jobs, diversify economies, and dramatically boost revenues. But only if they are managed properly. The race to net zero cannot trample over the poor. The renewables revolution is happening – but we must guide it towards justice.”

In the immediate term, it remains a priority to implement the panel recommendations as soon as possible, providing clear signals for improved fairness, equity, and justice in the sector. For the EU, it represents an opportunity to demonstrate that it aligns with the request from the developing world for improved benefit sharing, investment and capacity building opportunities, notably in resource-rich countries. It would be good for the current panel to expand beyond governments to include a wider diversity of actors – such as companies, NGOs, and investment funders.

Furthermore, it should be noted that while incredibly useful as a reference and aspiration, the UN expert panel recommendations were not widely adopted by private sector actors - even those considered to be more responsible have notable reservations about the recommendations. International Council on Mining and Metals (ICMM) members also represent a small minority of private sector interests. The key issue becomes governance - the enforceability of standards (which are also contested) as well as accountability.

FIGURE 2: GUIDING PRINCIPLES AND ACTIONABLE RECOMMENDATIONS EMERGING FROM THE UN PANEL ON CRITICAL ENERGY TRANSITION MINERALS.

GUIDING PRINCIPLES ON CRITICAL ENERGY TRANSITION MINERALS

The United Nations Secretary General's Panel on Critical Energy Transition Minerals proposes seven voluntary Guiding Principles, building on existing norms, commitments and legal obligations outlined in United Nations texts:

PRINCIPLE 1

Human rights must be at the core of all mineral value

PRINCIPLE 2

The integrity of the planet, its environment and biodiversity must be safeguarded.

PRINCIPLE 3

Justice and equity must underpin mineral value chains.

PRINCIPLE 4

Development must be fostered through benefit sharing value additiion and economic diversification

PRINCIPLE 5

Investments, finance and trade must be responsible and fair.

PRINCIPLE 6

Transparency, accountability and anti-corruption measures are necessary to ensure good governance.

PRINCIPLE 7

Multilateral and international cooperation must underpin global action and promote peace and security.

ACTIONABLE RECOMMENDATIONS

To embed and maintain these Guiding Principles across critical energy transition mineral value chains, the panel has made a number of actionable recommendations that leverage the United Nations in the creation of key bodies and processes. These include the establishment of:

A High-Level Expert Advisory Group to accelerate greater benefit-sharing, value addition and economic diversification in critical energy transition minerals value chains as well as responsible fair trade, investment, finance and taxation.

A global traceability, transparency and accountability framework along the entire mineral value chain - from mining to recycling - to strengthen due diligence, facilitate corporate accountability and build a global market for critical energy transition minerals, though the framework should not be used as a unilateral trade barrier.

A Global Mining Legacy Fund to build trust and address legacy issues as a result of derelict ownerless or abandoned mines, and strenghten financial assurance mechanisms for mine closure and rehabilitation.

An initiative that empowers artisanal and smal- scale miners to become agents of transformation to foster development, environmental stewardship and human rights.

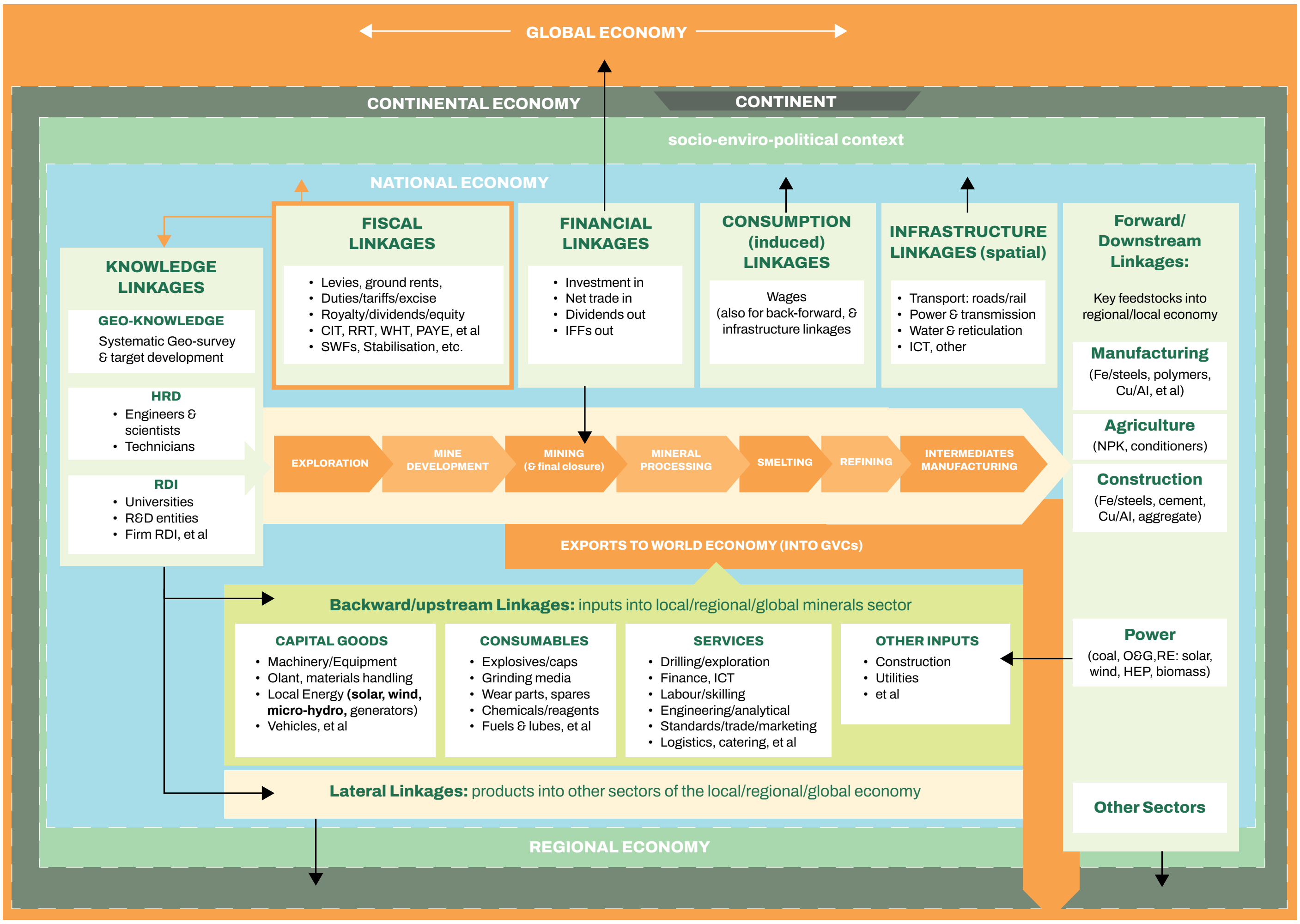
Equitable targets and timelines for the implementation of material efficiency and circularity approaches across the entire life cycle of critical energy transition minerals.

1.5 Africa's Regional and Continental frameworks:

In 2009, African heads of state endorsed the Africa Mining Vision (AMV), a pan-African framework designed to enhance the extractive sector's contribution to the continent's sustainable development. The AMV aims to promote the «transparent, optimal, and equitable exploitation of mineral resources» through building the backward, forward and knowledge linkages (value-chains) to support broad-based sustainable growth and socio-economic development (African Union, 2009). Since then, several countries have integrated AMV into their domestic policies to varying degrees

African mineral resource producers are part of various overlapping Regional Economic Communities (RECs). In line with the AMV's recommendations, these RECs are committed to harmonizing their policies and regulatory frameworks. This includes establishing monitoring mechanisms, administrative systems, and single points of contact for licensing and regulatory approvals. Many RECs have developed mining policies aimed at harmonizing regulations among member countries to enhance governance and transparency, accelerate intra-Africa trade flows, create a unified market for goods and services across African Union member states, and improve Africa's participation in global trade.

FIGURE 3: THE AFRICA MINING (AMV) - DEVELOPING THE SEMINAL RESOURCES EXTRACTION LINKAGES FOR INDUSTRIALISATION (ERBI)



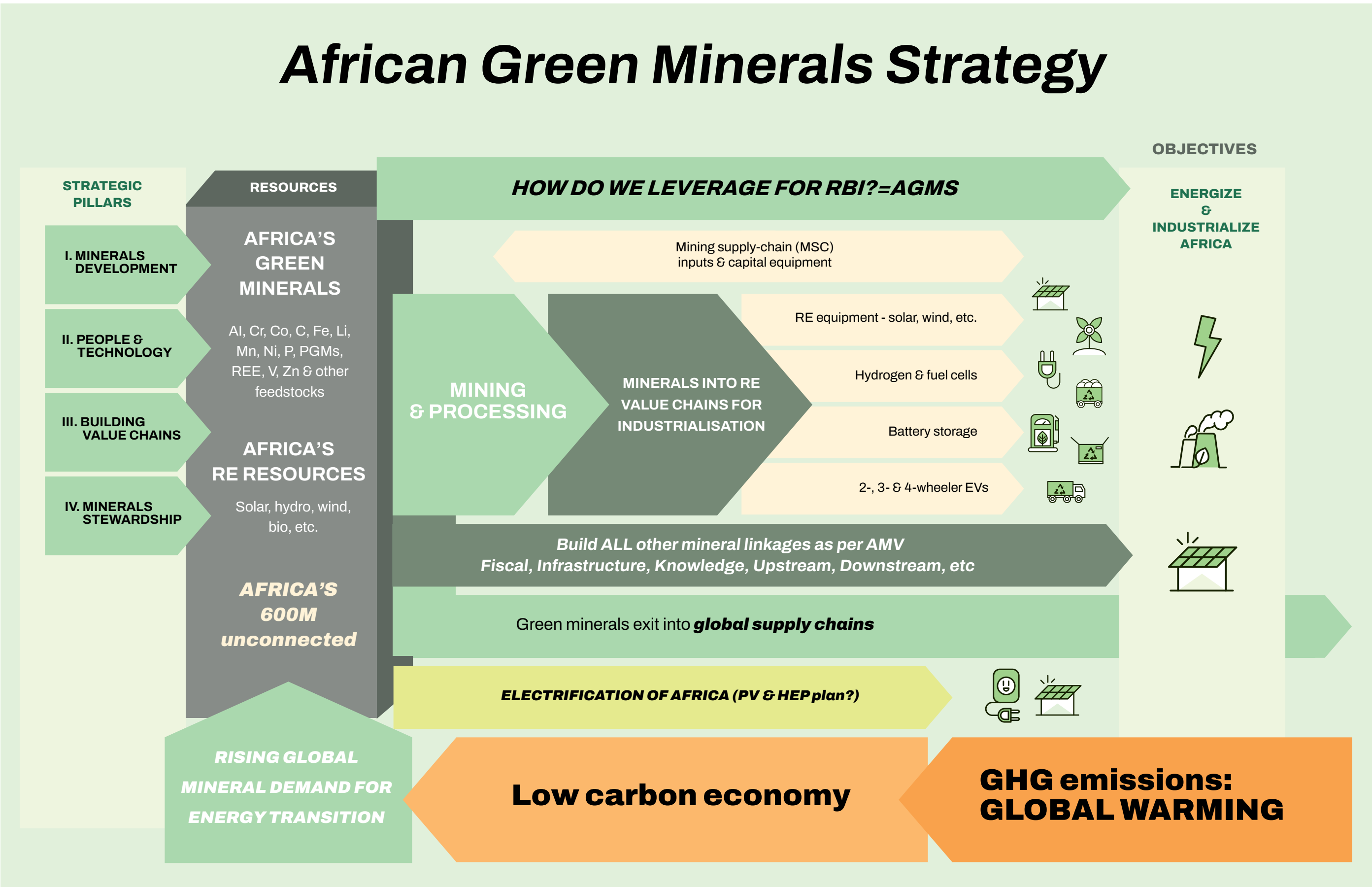
ERBI: Equitable Resource-Based Industrialisation

Nevertheless, while the continent has made progress with creating a single market, it is struggling to achieve policy harmonization. For example, ECOWAS developed a model mining act in 2019, with the aim of member states aligning their domestic laws to match it, but this is yet to happen, and SADC developed an AMV-aligned Regional Mining Vision (RMV 2018) which has yet to be configured into a regional Protocol. Furthermore, many African countries are yet to develop national strategies on mineral development.

In 2023, the African Union Commission and the African Development Bank (AfDB) launched the development of an African Green Minerals Strategy (AGMS), based on the AMV. The AGMS is built on four pillars: advancing mineral development, investing in human capital and technological capacity, building value-chains, and promoting resource stewardship. It provides a framework for supporting green industry and establishing a more significant presence in clean technology value-chains, by using the continent's vast renewable energy and mineral resources for equitable resource-based industrialisation (ERBI).

The objective is to develop green industrial value-chains that utilize local and imported energy transition technologies to facilitate a shift toward a low-carbon economy. The strategy received endorsement from heads of state at the last AU Summit (2025).

FIGURE 4: THE AFRICA MINERAL STRATEGY (AMGS)



1.6 The EU Critical Raw Materials Act (CRMA):

The European Union's Critical Raw Materials Act (EU CMRA) is a response to growing pressure "to secure a diversified, affordable and sustainable supply of raw materials" for sectors, such as the low-carbon and digital industries, aerospace, and defence. It was adopted in April 2024.

CRMA aims to guarantee a supply of minerals crucial for Europe's green and digital transitions and reduce its reliance on China for 34 key minerals, most important for the EU economy. Seventeen of these are designated «strategic» because of their importance and the risks from global demand/supply imbalances and disruptions. The strategic materials include base metals, aluminium, copper and nickel, along with key battery material lithium and rare earth elements used in permanent magnets for wind turbines and in electric vehicles.

The EU Critical Raw Materials Act aims to strengthen Europe's strategic autonomy and requires EU Member States by 2030 to ensure that **40%** of processing and refining be done in Europe rather than the mining countries. However, this poses questions about Europe's fundamental interest in building the capacity of African countries to process and refine transition minerals. The CRMA also sets benchmarks to diversify EU supply by 2030: such that no more than **65%** of the EU's annual consumption of each strategic raw material at any relevant stage of processing should be sourced from a single third country (but excludes resourcing **65%** from one company with operations in several countries?); at least **25%** of the EU's annual consumption should stem from domestic recycling; and at least **10%** of the EU's annual consumption be from EU extraction.

Currently, CRMs needed in EU manufacturing technologies are mostly sourced from outside the EU. Notably, China provides 100% of the EU's supply of heavy rare earth elements (REEs), and Turkey provides 98% of the EU's supply of boron. The raw material content sourcing is rather modest, which implies that this is not likely to affect many African producing countries to any great extent, except for South Africa, which provides 71% of the EU's platinum needs. The EU will have to diversify away from South Africa to remain within the limits of 65% single sourcing applied by the EU CRMA 2030 benchmark.

Different European countries have taken domestic measures to relocate and build domestic industrial capacities. Examples include France's 'Plan de Relance', which seeks to reshore strategic sectors, such as battery manufacturing capabilities, e-mobility industries and renewable energy technologies, hydrogen, and artificial intelligence sectors (Ministère de l'Europe et des Affaires Etrangères, n.d.).

For African countries, the biggest concern from the CRMA is the required 40% of processing of their materials in Europe, and how far this might make it more difficult for African countries to move up the value-chain. If CRMs from China are mainly fully processed this could put pressure on sourcing unprocessed CRMs from Africa. This indicates that the term "processed" needs a clearer definition in the CRMA or the section replaced by 40% sourced with security of supply guarantees. Furthermore, importing unprocessed TM will add to GHG emissions in transport to the EU, as processing generally reduces the volume and mass of the raw mineral.

There are questions about the compatibility of the CRMA targets and an increasing number of African countries putting restrictions on the export of unprocessed CRMs (i.e: Zimbabwe, Ghana, Tanzania, Namibia) to stimulate beneficiation and increase processing capacities. As African countries seek to develop their own processing capacities, they may face quantitative restrictions on their access to EU markets, as the EU steps up efforts to develop its own processing capacities based on African raw minerals. This may put African industrialisation strategies at risk, notably by discouraging investment in beneficiation capacities, harming existing industrial capabilities, and putting jobs and revenues at risk in those countries. Moreover, as the EU subsidizes its own domestic processing capabilities, African countries are likely to face unfair competition. This does not bode well for a successful partnership. Furthermore, the greater the processing, the lower the volume/mass, reducing GHG emissions during transport from Africa to Europe. The import of raw CRMs by the EU increases GHG emissions in transporting to the EU.

The CRMA also doesn't bode well for the EU upholding high ESG standards. It places strong reliance on third party certification schemes rather than robust due diligence, despite many of these schemes having significant weaknesses (including the consolidated mining standard currently forged by merging the four best-established ESG frameworks in the mining sector). The EU's commitment to upholding high ESG standards will become clearer when it unveils its first tranche of EU CRMA-related

Strategic Projects (planned for March 2025). The EU's Strategic Projects in Africa may serve more as a signalling mechanism to attract other investors rather than providing sufficient direct funding, which could lead to underwhelming results if substantial financial commitments are not forthcoming.

Beyond the EU CRMA, the EU's taxonomy categorizes mining as a non-green activity, which complicates funding and investment opportunities, despite Africa's huge green energy resources (solar, hydro, wind) for "green" mining and given the current price-competitiveness of solar, new mining & processing plans increasingly include large local solar power and many old mines are retrofitting local RE generation. This classification creates barriers for European companies to access necessary capital from sources such as the EIB for mining and processing projects in Africa and requires revisiting in the light of new developments in RE costs. A shift in the EU's approach to ESG standards and mining is necessary to reconcile strategic interests with environmental and social governance goals. This includes rethinking the narrative around mining and its role in sustainable development. This seems especially difficult when minerals are obtained from traders, separated from source and 'sanitised', strengthening the case for mineral tracing from consumption to extraction and the implications of practices across the full supply chain. In that context, ongoing dialogue and collaboration between European and African stakeholders are essential to address the complexities of doing business in Africa and to develop actionable strategies that align with both parties' interests.

1.7 Partnership Agreements at EU-African country level:

Since the 6th EU-AU Summit in 2022, and alongside the adoption of the CRMA in April 2024, the EU has launched a number of strategic national and regional partnerships in the area of sustainable raw materials value-chains.

The EU has signed initiatives on Critical Raw Materials through a Team Europe approach with a number of sub-Saharan countries, including, **Namibia** (Implementation of MoU on raw materials value-chains and green hydrogen, 2022), **DRC** (MoU for a partnership on critical and strategic raw materials value-chains, 2023), **Zambia** (MoU for a strategic partnership on sustainable raw materials value-chains, 2023), **Rwanda** (MoU for a strategic partnership on sustainable raw materials value-chains, 2024), and for the **Zambia-DRC-Angola Lobito Corridor** (MoU on Working Arrangements relating to the development of the Lobito Corridor and the Zambia-Lobito rail line). For the Zambia-DRC-Angola Lobito Corridor, two separate MoUs with similar objectives were signed with the DRC and Zambia. The agreements fall within the broader Lobito Corridor Project, which includes Angola, and is also supported by the United States and the African Development Bank. However, this initiative needs to differentiate itself from the past "enclave" development of raw materials to the coast (the old Benguela "Tanks" rail corridor) by adding value at source and investing in mining & processing supply-chains and in other sectors, opened up by the rail, such as agriculture and forestry, and related processing.

The MoUs cover five areas of cooperation:

1. **The integration of mineral value-chains and promotion of trade and investment linkages through exploring joint ventures, networking events and the joint identification of bankable projects.**
2. **The mobilization of EU private and public funds for infrastructure projects.**
3. **The exchange of knowledge and technology.**
4. **Skills development and capacity building.**
5. **Cooperation to enhance the observance of environmental, social and governance (ESG).**

The EU and Namibia, Zambia, and DRC have developed and signed **Roadmaps** to guide implementation of the MoUs. These Roadmaps comprise lists of activities aimed at improving the sector for investment with the EU and its member states. For their part, the governments of Namibia, Zambia, and DRC take responsibility for various activities which include establishing the Green Hydrogen Programme in Namibia, capacity building in geological surveying, and undertaking pre-feasibility studies for lithium refining in Namibia.

These Roadmaps remain unpublished and are tightly guarded by the countries involved and the EU. This lack of transparency raises concerns about accountability. Even professionals in Namibia and Zambia working in the critical raw materials sector have not had access to these documents, fuelling suspicion that they were developed exclusively by foreign interests and may not align with local priorities, or that they do not contain much, so governments want to hide the lack of ambition. While the Roadmaps are reportedly designed to support beneficial activities for Namibia and Zambia, the secrecy surrounding them undermines trust. Gaining access to these documents would be highly valuable for the AEF's efforts to monitor AU-EU commitments effectively.

1.8 Bilateral Agreements at country level:

There is limited visibility on the **bilateral agreements** so far between EU member states and specific African countries, but this information could probably be garnered from EU Delegations in countries of interest. For example, there are references to Finnish agreements in both Namibia and Zambia supporting geological surveying (such arrangements go back many decades in Zambia), and specific commitments made by member states to support a range of activities, some of which are independent of the roadmaps.

Increased engagement by individual EU member states could enhance investment opportunities. Member states like Germany and the Netherlands have shown more willingness to invest in specific projects, such as green hydrogen in Namibia. Similar approaches could turn Strategic Partnerships and Projects on transition minerals into reality on the ground.

1.9 International Initiatives:

The Mineral Security Partnership (MSP) Forum is a collaboration of 14 countries and the EU to catalyse public and private investment in responsible TM supply chains globally. It aims to accelerate the development of diverse and sustainable transition energy minerals supply chains through working with host governments and industry to facilitate targeted financial and diplomatic support for strategic projects along the value-chain. However, the private sector still needs to be convinced of the added value of the MSP. Moreover, with the inauguration of the Trump administration, the future of this partnership remains highly uncertain.

MSP partners from the EU include France, Germany, Estonia, Sweden, Italy, Finland, the European Union (represented by the European Commission), and from outside the EU: Australia, Canada, India, Japan, Norway, the Republic of Korea, the United Kingdom, and the United States.

The MSP considers projects along the full clean energy value-chain, from exploration, mining, extraction, and secondary recovery, to processing and refining, manufacturing and ultimately to recycling. It applies a list of criteria for funding projects, which include local value addition. But it is unclear as yet how seriously this is implemented. The MSP focuses on the minerals and metals supply chains most relevant for clean energy technologies. These include – but are not limited to – lithium, cobalt, nickel, manganese, graphite, rare earth elements, and copper.

1.10 Regional Initiatives in Africa:

Bilateral initiatives across neighbouring countries are important levers to build on each other's strengths and comparative advantages. An interesting example, yet to show any tangible result, is Zambia and the Democratic Republic of Congo, who signed an agreement in 2022 to set up a special economic zone for the joint development of electric battery manufacturing capacity, notably using both countries' mineral wealth. A feasibility study has been completed, so work is moving along (albeit slowly). The DRC is the world's largest cobalt producer, Zambia is also a producer, and both countries have copper reserves. In addition to cobalt, lithium, nickel, and manganese are also required for the production of basic batteries. While the DRC has these resources, they are currently not being mined at significant levels, though resources and production exists elsewhere in the SADC.

A key challenge is that both countries (DRC and Zambia) possess roughly the same minerals while lacking the same factors - finance, technology, infrastructure and skills (though DRC has weak rule of law whilst Zambia has a functional legal system). What both need is a partner who has complementary strengths to bring to the table. Currently, this is lacking so the partnership will struggle.

A recent study by Bloomberg NEF (2021) estimated that building a battery precursor manufacturing plant in the DRC could be greener and cost only a third of an equivalent plant in China or the United States. Compared to Poland, for example, the cost is just under two-thirds. Operating costs are similar and, as they are mostly driven by commodity prices (85%), integrated operations that have access to cobalt at cost would be the most competitive. This would only be possible if government took a share of production and opted to sell it to the plant at below spot market / LME price. This would be possible but the cost to government in terms of reduced revenues should be explicitly noted - it will essentially be the equivalent of the host government subsidising Beyond the mineral value-chain, there is only anecdotal evidence of initiatives in place to develop mineral-based economies. A landmark initiative is the DRC–Zambia battery supply chain, described above, which is now extending to Angola and other neighbouring countries. In addition, Special Economic Zones are being set up to facilitate industrial activities for the battery supply chain. Such initiatives also aim to capitalise on the power of Regional Economic Communities (RECs), such as SADC and COMESA, and to leverage the Africa Continental Free Trade Area (AfCFTA) and its potential to support regional value-chains.

South Africa has very strong ties with its regional partners in the Southern African Customs Union (SACU) and that are part of the Southern African Development Community (SADC), which could drive collaboration around mineral value-chains and related supply chains. However, the SADC Regional Mining Vision (RMV) has yet to be actualised into a SADC Protocol that would establish a regional mineral value-chain VCF for local firms and regional recognition of local content, both biased in favour of less developed members (the AGMS calls for similar instruments). They plan to develop battery supply chains for EVs and energy storage facilities, and to seek renewable energy solutions to the country's power crisis, including developing green hydrogen. However, the fear among its neighbours is that South Africa will attract all processing and value addition activities within the region, given its higher level of industrialisation. Other SADC countries do not view South Africa as a partner in regional value addition cooperation but a major threat to the development of their own domestic capacity. This is why the SADC RMV proposes mechanisms that favour weaker economies (e.g. regional local content recognition proportional to the inverse of GDP/capita).

Discussions between the EU and other African countries such as South Africa, Gabon, Madagascar, and Zimbabwe are ongoing. Mozambique and Tanzania are also on the radar due to their graphite resources, which could be connected via an extension of the Lobito Corridor to Eastern Africa (or by connecting to the Tazara rail corridor at Kapiri Mposhi (Zambia), creating an Atlantic to Indian ocean corridor). However, the criteria used by the EU to identify African countries for critical raw materials partnerships remain unclear, raising questions on both sides.

Coming out of the EU Raw Materials Strategy of 15 years ago, to use trade deals to get unfettered access to raw materials, the EU imposed a clause in the SADC EPA (2016) constraining the use of export tariffs on raw minerals (to encourage local beneficiation), despite many EU members having used such tariffs in their historical development, which remains contentious. The Indonesian massive increase in nickel refining was based on export restrictions on raw nickel ores. Any realistic Africa-Europe partnership to develop TM value-chains for win-win outcomes would need to replace such neo-colonial restrictions with mutually acceptable supply guarantees.

Part 2: Current and Emerging Dynamics

2.1 Corporate Presence and Reality on the Ground:

There is a significant disconnect between the perceived risks of doing business in Africa and the actual risks. European stakeholders often have an overly hawkish view of Africa's risks, considering it a high-risk environment, which deters investment. The EU's current approach reflects a lack of appetite for risk-taking in African markets, despite the potential for profitable investments in mining and value addition. Mining profitability depends on highly fluctuating commodity prices. Beneficiation/value addition profitability is often marginal, mainly due to energy costs (for pyrometallurgical plants) and transport infrastructure (easy access to ports) which is absent in many African countries. However, falling RE costs are rapidly changing this for some types of processing. Investors with mining operations in Africa sometimes may have objectives beyond short-term profitability (political influence, access to critical minerals, e.g., China, Gulf countries). Many JRCs (Junior Resource Companies) active in exploration plan to sell their projects to the mining majors and have no intention to develop the project themselves, which is why many African states have put in capital gains tax on this, to share in the bonanza.

A significant shortcoming in deepening mineral partnerships relates to the limited data as regards the presence of EU companies in these resource-rich countries. Information on EU companies involved in mining or value addition is very expensive to access (e.g. S&P's SNL Metals & Mining dataset) or very outdated or otherwise unreliable, which makes it difficult to properly track ownership transfers, etc.

It remains unclear whether ownership should be assessed based on nationality or simply through company ownership structures. In practice, corporate nationality is becoming an increasingly less relevant metric, with stronger emphasis placed on solid contracts and investment protection instruments. However, countries continue to face systemic challenges related to beneficial ownership (BO) transparency. Most do not mandate the publication of BO information, and there is often no robust mechanism to ensure that government-held data on BO is accurate, regularly updated, and verifiable. In Zambia, the Mining Audit Unit has specifically noted that monitoring mine sales and share transfers poses a significant challenge, further complicating efforts to establish clear ownership structures. This could be an area for collaboration under the Africa-EU partnership, as both suffer from IFFs and BEPS (base erosion and profit shifting), though in many instances the EU benefits from IFFs from Africa.

The main IFF beneficiaries are the tax havens, many under UK jurisdiction, but also Switzerland, Luxembourg, the Dutch BV companies and somewhat, Ireland.

This is a seminal area for the Africa-Europe Partnership to tackle head-on as the EU's sincerity is constantly undermined by their lack of action on corrupt contracts and rampant IFFs. Companies based in tax havens investing in either EU or Africa should face sanctions, like Brazil's high dividends Withholding Tax for enterprises from tax havens. Despite these difficulties, the EU and Africa should increase their efforts to create favourable investment conditions, such as investment protection treaties with reconfigured unbiased arbitration, to encourage European private sector investment in CRM value-chains with African partners in partner countries in Africa and beyond. Many African countries have withdrawn from investment treaties due to perception of European arbitration (Paris) bias, where over 90% of judgements are against developing nations. This is an opportunity for an African-EU Partnership to jointly configure a new mutually acceptable investment protection arbitration system. Additionally, in the current context, it would be highly beneficial to explore how the EU and European companies could support and finance African companies—those with African capital and registered in African countries—helping to strengthen local industries and foster more equitable partnerships in the sector. On the back of this, providing training to the local workforce could strengthen lasting strategic alliances.

The AGMS notes that domestic capital is much more likely to develop the AMV "mineral linkages" along the value-chains, and in this regard proposes a green mineral value-chains VCF for both equity and debt for African firm investments in the value-chains. It further proposes that the VCF benefits be scaled to benefit the weaker African economies (at inverse of GDP/capita). This proposal could be refined to cover EU-Africa business partnerships that would give security of supply to the partners. In addition, the capitalisation of the VCF could also provide for proportionate access to investment project products (EU supply security).

The configuring and capitalisation of the proposed VCF to include EU security of supply could be a possible flagship project for the Africa-EU Partnership.

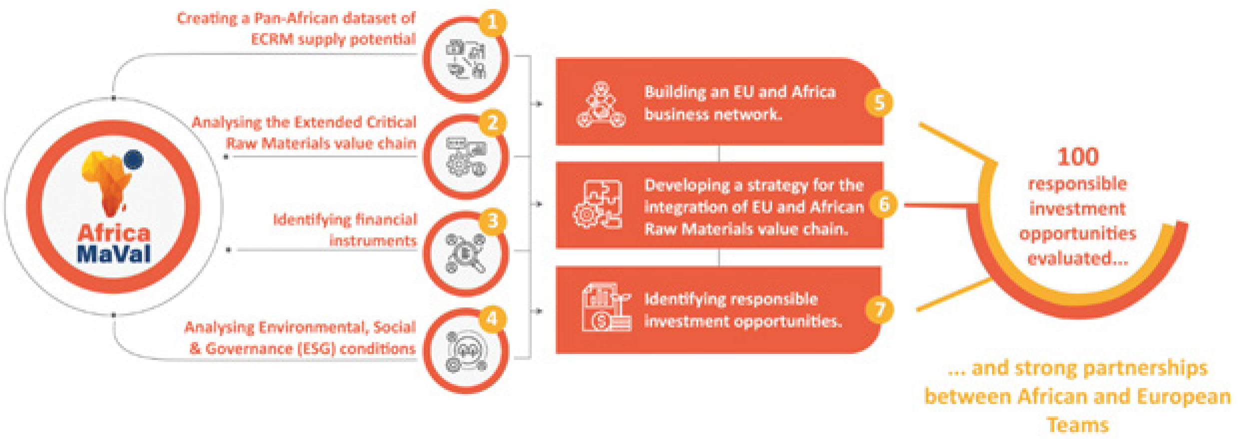
Yet the incentives for European and African companies to enter mining and processing operations in these countries are very weak – and fears of corruption, reputational risk, and rule of law persist. Other concerns include it being difficult to achieve consistent profitability, in the global context where possible oversupply by China or other refiners can trigger price collapse of mineral commodities or some value-added products. The costs associated with ensuring ESG compliance could make the operations of European companies less price competitive; while some companies also face a lack of affordable finance available for mining activities.

Nevertheless, this might change as the first EU CRMA-related Strategic Projects are announced. Despite the EU's ambitious policies and strategic partnerships, European companies have been hesitant to venture into CRM supply chains; for example, in Namibia and Zambia, there are no EU companies operating mines or involved in mineral beneficiation, nor in the limited value addition activities taking place. However, Canada and Australia have numerous exploration and mining companies in Africa, possibly indicating a joint approach, particularly in the light of the US disengagement from Canada? There is a need to identify and pursue more realistic entry points for EU involvement in Africa, such as auxiliary activities like reprocessing tailings and supporting exploration, rather than solely focusing on large-scale mining projects.

In fact, since the advent of de-risking as an approach, little has actually materialised by way of tangible projects. This points to a major disconnect between the EU's geopolitical and economic agenda and its ability to work with the European private sector to put it into practice. This is a key challenge given that the EU is extremely dependent on European companies to deliver on its de-risking goals. An additional fundamental question is whether any EU companies have the capital and technology to shape new mineral value-chains, understanding the fierce competition and the existing landscape. Financial EU or member instruments for mining in Africa are unlikely given its announced EUR 1 trillion debt raising to rearm.

Against that backdrop, the **EU-funded AfricaMaVal** project (planned to last until 2025, *tbc*) aims to develop sustainable partnerships, ensuring responsible sourcing of mineral resources for the EU industry while supporting local co-development in the best Environmental, Social and Governance (ESG) conditions.

FIGURE 5: AFRICA MAVAL- BUILDING EU-AFRICA PARTNERSHIPS ON SUSTAINABLE RAW MATERIALS VALUE CHAIN



The African continent is an ideal partner for the European Union to achieve these goals given its proximity and its exceptional endowment of natural resources. At the same time, this should be an opportunity for the African continent to capitalize on their mineral wealth and renewable energy resources, to further develop their internal value-chains and to contribute to the sustainable development of the African continent as a whole, at the national, regional and continental level, through an ERBI (equitable resource-based industrialisation) continental strategy (as set out in AGMS).

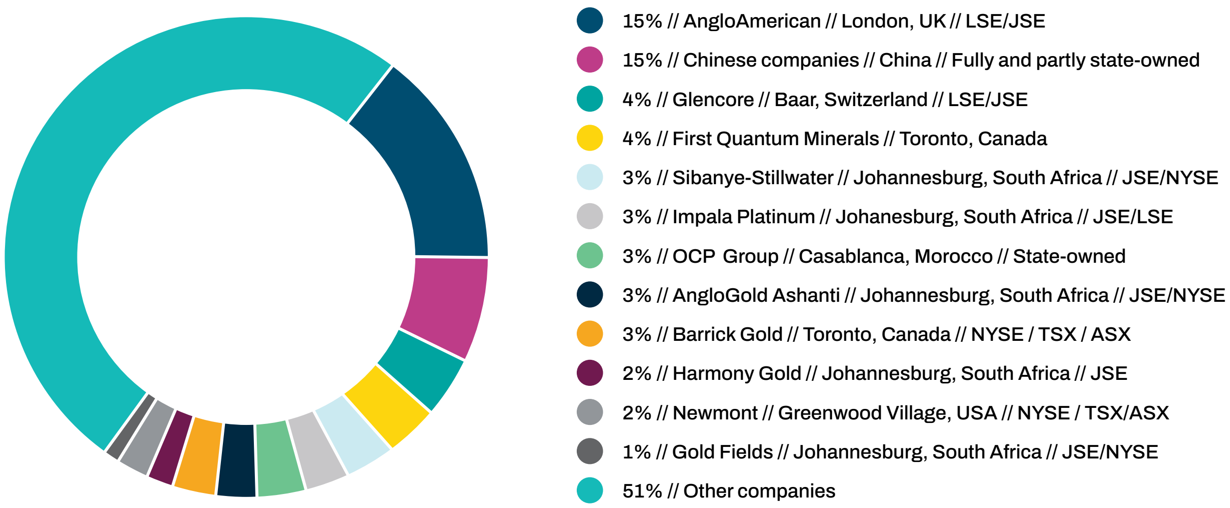
EU companies have a limited presence in Africa's mining, refining, and processing sectors, with very limited control over African mine production compared to other global players. EU firms currently operating in Africa hold a very small share of the market in these industries, a situation further impacted by the UK's departure from the EU, which has significantly affected the EU's corporate presence in the African mining sector. However, the EU has substantial presence in African mining supply chains, which needs to be factored into a African-EU partnership around TMs

In terms of European companies (excluding the UK, Switzerland) on the ground in Africa, broadly speaking there are:

- **Umicore:** This Belgian company has historical ties to African mining, particularly in the DRC. While its current operations are more globally diversified, Umicore's unfortunate legacy includes significant involvement in the extraction and processing of minerals in Africa.
- **Eramet:** A French multinational mining and metallurgy company, Eramet operates the Moanda mine in Gabon, which is one of the largest manganese mines globally. The company is also involved in nickel mining and has interests in other African countries.
- **Orano:** Formerly known as Areva, is a French multinational company specializing in nuclear energy and mining.
- **ThyssenKrupp AG:** While primarily focused on industrial engineering and steel production, ThyssenKrupp (Germany), had mines in Africa, but is now indirectly involved in Africa's mining sector through the supply of mining equipment and technologies. The company provides machinery for mineral processing and infrastructure development, supporting mining operations in countries like South Africa and Namibia.
- **LKAB:** Swedish state company in iron ore and beneficiation. Had a mine in Liberia, decades ago. Developing green steel tech using green hydrogen as a reductant to replace coal, with Mefos.
- **Boliden:** Major EU zinc, copper, nickel and lead producer, no investments in Africa. Developing underground mining EV tech with Epiroc, ABB and LKAB and opencast with Komatsu.
- **DMT Group:** A German engineering and consulting firm specializing in mining and resource management. DMT works with African mining companies to provide services such as exploration, resource estimation, and environmental assessments. Their operations include partnerships in countries like South Africa, Ghana, and Namibia.
- **Aurubis AG:** A major (German) global player in copper production and recycling. While Aurubis does not directly mine in Africa, it sources raw materials, including copper concentrates, from African countries like Zambia and the Democratic Republic of Congo (DRC).
- Numerous other EU companies in African mining & processing supply-chains: e.g. **Epiroc, Trelloborg, Sandvik, Metso Outotec, Terex, FLSmidth, Cat EAME, Atlas Copco, Takraf, Herrenknecht, Liebherr, Siemag, Fuchs, Mefos, ABB**, etc. with exports to Africa of mining capital goods of over EUR 3 billion/an

Despite the presence of these companies, the EU's overall influence in Africa's mining sector remains limited. To enhance its role, the EU is actively seeking to strengthen partnerships with the AU and African nations. In that context, the recent EU strategic partnerships with African countries reflect efforts to increase European participation in Africa's mining industry. Beyond mining, which EU firms know well (even though represented by a small presence in Africa), it is recommended for the EU to incentivise and support manufacturing and service firms to establish a presence in African countries with African partners. These actors, essential to building value-chains, require support.

FIGURE: CORPORATE CONTROL OVER AFRICA MINE PRODUCTION (IN 2018) - (SOUTHERN TRANSITIONS, 2024)



A key corporate example, involving non-EU companies, is the Rio Tinto (Anglo/Australian) Simandou iron-ore project in Guinea, which the company plans to launch in 2025. Construction of the mine, port, and railway infrastructure is currently underway, and full production capacity will be reached by 2028. With the Simandou project expected to come on stream in the next few years, Guinea is set to become a key iron ore producer in the near future (World Mining Data, 2023) with capacity to manufacture locally and export internationally.

2.2 Emerging Geopolitical and Market Dynamics:

Minerals are not easily replaceable in technologies in the near-term. Unless alternatives are available somewhere else, at a competitive price, it is difficult to see an immediate effect on the EU's dependence on China for key refined materials. China is not just a producer and exporter of transition minerals, it has over 30 years of leadership in some key technologies that use those minerals. An even larger factor is China's concentration of transition minerals processing capacity - this beneficiation / early-stage value addition part of the supply chain is the primary choke point for EU dependence.

New investments will take 10-15 years to materialise, if investors are able to leverage the tight financial market to develop competitive industries in countries that are considered 'viable business countries' to replace China. In the current context, we are not likely to see a replacement of China in minerals supply chains in the near future. As such, one strategy for the EU in the short term could be cooperate, not compete, with established actors like China in the CRM sector, using their expertise to resolve encountered CRM supply chain challenges.

While the EU may maintain a technological edge on certain technologies, China's dominance in the transition mineral supply chain has the potential to create significant vulnerabilities for nations dependent on these resources.

While current trade wars may lead to export restrictions for certain transition minerals, it could also unintentionally accelerate efforts by the EU to diversify its supply chains and reduce dependency on China. This could be an opportunity for a robust win-win Africa-Europe partnership on TM value-chains. This could involve enhanced international collaboration, increased investment in domestic mining projects, and technological innovation to improve processing capabilities for these strategic materials The ongoing US backtracking on the energy transition and electric vehicles (EVs) – but critical push for Artificial Intelligence (AI) as announced by President Trump - could significantly disrupt global market dynamics for transition minerals. The Trump administration's massive signing of executive orders indicates a focus on domestic processing and mining (despite the mineral deal to be signed with Ukraine), which may lead to reduced international cooperation and US investment in transition minerals internationally (including in countries such as Angola). This uncertainty could hinder investment in the supply chains essential for the energy transition, particularly as the US appears to be stepping back from clean energy initiatives. Consequently, this could create a vacuum in global financing and collaboration, impacting the availability and pricing of transition minerals needed for the green and digital transitions.

The US hasn't historically been a major funder of mining of TM (in Africa or elsewhere) - other investors may be impacted to an extent (in that the US purchase of TM may decline, but only in years to come) but unlikely that we'll see a broad decline in TM supply chain investments as China, the Gulf, India, Türkiye and other emerging players still need TMs, not just for clean energy but also for military and defence applications. US investment hasn't led financing or driven availability and pricing of TMs to date, and it'll take many years before US domestic production ramps up to the level that they can stop buying TMs from others. Conversely, Canada has been very active in African mining, including TM, through its JRCs and large mining companies.

In parallel, other geopolitical powers are working to obtain African mineral resources in pursuit of their economic and energy security. For example, Emirati companies have recently purchased stakes in a number of mines in Zambia and the DRC. Turkey is making inroads into African mining, including in Sudan and Niger. Recently, India has also initiated discussions with some African countries around CRM mining opportunities, with exploration and production activities planned in Zambia.

The UAE and Saudi Arabia are actively engaging with African nations, not only to secure raw materials but also presumably to establish manufacturing capabilities within Africa. This strategy is driven by the recognition of Africa's potential as a market for locally produced goods, which can cater to both regional and local demands. In contrast, Europe has largely viewed Africa through a transactional lens, focusing on extracting minerals for export back to European markets. This perspective overlooks the potential for mutual growth and development through local value-chain development.

Part 3: Perspectives and Options

3.1 Local Value Addition vs. Export-Only Models:

The Gulf states have invested in mining and promised to invest in local manufacturing and processing facilities (it remains to be demonstrated), which will not only create jobs but also foster technological transfer and skill development within African countries. This approach aligns with the aspirations of many African nations to enhance their industrial capabilities and reduce dependency on foreign imports. Europe's past model, which emphasized the extraction of minerals without significant investment in local processing, alienated African partners and led to missed opportunities for collaborative growth.

Against this, the current EU model demonstrates that Europe has committed to local value addition in the recently signed strategic partnerships and signalled it is offering more than extraction. But to date, neither the extraction nor value addition has taken off in practice.

As global competition for transition minerals intensifies, Europe must recognize the shifting dynamics and the need for a more nuanced approach that acknowledges Africa's desire to industrialise, using its mineral resources as foundation. This is particularly relevant in light of the EU's ambitious targets for the Critical Raw Materials Act and the recent 'Clean Trade and Investment Partnerships' to diversify supply chains and forge mutually beneficial deals, which aim to reduce dependency on external sources, especially China. By fostering partnerships that prioritise local value addition, Europe can enhance its strategic positioning in the global supply chain while supporting sustainable development in African nations. This shift could lead to more resilient supply chains and improved relations with African countries. The big question is how to make it happen.

3.2 Lessons for Africa-Europe Cooperation:

There is a need to demystify the narratives surrounding EU-Africa cooperation in mining, focusing on tangible outcomes rather than idealistic goals that will not be achievable in the short term. Trade patterns between Europe and Africa remain strongly shaped by history. In 2021, 68% of goods exported from Europe to Africa were manufactured goods, meanwhile 65% of imports from Africa were raw materials and energy.

Global demand for CRMs is set to grow exponentially. As such, it is of utmost importance for resource-rich countries to meet the rise in demand with a supply that can match current and future needs, given the acceleration in energy transition needs.

Countries with economically viable reserves will have increased leverage to engage the EU and other partners wanting to invest in their economies. Thus, it is timely to explore the business case for European companies to locate parts of their supply chain in Africa, and the case for public support. Collaboration between government and corporate actors, both African and European, is needed to identify how best to translate existing partnerships into roadmaps, which can drive investments and technology transfer up the value-chain, while ensuring investment benefits local human and economic development, and spurs regional integration and industrialisation.

While the EU's strategic partnerships on sustainable raw material value-chains are noteworthy, there is more to be done to strengthen Africa-Europe exchanges in support of Africa's broader economic development. Rather than focusing solely on value addition through processing and beneficiation, a revised partnership could take a more comprehensive approach to maximizing the economic linkages associated with the mining sector, as per the AMV and AGMS. For example, African countries and the EU could jointly develop a thriving local mining services industry, as well as engineering, procurement, and construction (EPC) sectors to support not only mining but also other industries. These linkages, which remain untapped by the EU have the potential to generate jobs, foster industrial diversification, and create sustainable economic opportunities.

The nascent African mining/processing supply-chain firms are constrained by unfair competition from EU firms who receive cheap credit and risk coverage from their Export Credit Agencies (ECAs). The move towards leasing heavy equipment for mining has escalated this abuse by the EU Export Credit Agency directly providing the cheap loan/lease to the African mine/plant, rendering local supply firms uncompetitive. A genuine and durable Africa-Europe TM value-chain Partnership will need to configure an Export Credit system that is fair and benefits both parties, especially for the mines/plants under the suggestion for the CRMA 40% EU processing to include Partnership plants in Africa (p26). Most African states do not have Export Credit Agencies so an Africa-Europe Partnership could develop instruments with the Afrexim Bank that would equalise EU and African export credit benefits5, for TM value-chain investments and trade.

The goal should not be limited to keeping more value addition within Africa but rather to embed the mining sector within a broader framework of economic transformation, ensuring that natural resource exploitation serves as a catalyst for long-term, diversified growth, underpinned by ERBI (Equitable Resource-Based Industrialisation)

As such, the EU could focus on partnering with producer countries and firms to mobilise public-private investment in its mining and industry sector and associated technical expertise. The EU needs to offer solutions, with African partner firms, in both upstream and downstream operations, from mining technologies, equipment, and expertise to infrastructure and resource processing, and ensure that quality sourcing and standards, environmental sustainability, and human rights are embedded in substantive local transformation, providing decent job prospects and shared prosperity. However, a major challenge today is that European technology, equipment, etc is not competitively priced in Africa, and adding in ESG standards makes European companies even less competitive, but African manufacturing could be competitive if the local market is large enough. It is difficult to see solutions to this issue, unless substantial blended finance were available, or a major premium can be established for ESG-compliant mineral products. Also, part of the solution could be EU-African firm level partnerships that would optimise the advantages of each (labour, technology, energy, access to projects, logistics) for competitive production along the TM value-chains.

Given the increasing importance of critical raw materials to the EU's twin green and digital transitions, and the reliance of developing countries on raw materials exports, ideally the EU needs to adopt a new approach to low-income, resource-rich countries, thus moving away from the extractivist model of the mining sector. In this context, in the light of Africa's AGMS, the EU (i) could get mining, mineral value addition and mining their supply chains (whole value-chain), listed under the sustainable finance taxonomy, (ii) extend guarantees (e.g., price floors, offtake agreements, political risk insurance), (iii) coordinate companies to move together, including African partners, rather than alone; (iv) provide substantial subsidies under the EU Clean Industrial Deal and last third of the current Multi-Financial Framework (MFF) (2025-2027) to private companies (EU & African) to get involved alongside the next MFF (2028-2034), where CRM value-chains are expected to be a top priority.

Jointly, the 2025 rotating Presidencies of the two continents, namely Angola for the African Union and Poland and Denmark for the European Union should elaborate a clear vision, paving the way for greater cooperation at a continental level, country level and firms level, in the lead-up to the 7th AU-EU Summit, planned to take place by the end of 2025 or in 2026. This vision should be underpinned by the latest developments associated with the UN Panel on Critical Energy Transition Minerals, and the Africa Green Minerals Strategy.

[5] https://counter-balance.org/uploads/files/ECA-DFI.pdf

3.3 Leveraging Africa's leadership and rich natural endowment:

African countries find themselves at a crucial and complex intersection of global needs, regional dynamics, and domestic realities due to their significant CRM reserves and production, and RE potential (solar, hydro, wind), as well as national and regional industrialisation ambitions.

The strategic significance of these resources offers African countries a timely opportunity to capitalise on their position as key global suppliers at all stages of the value-chains. They are in a strong position to provide solutions that help de-risk and enhance global supply chains, particularly in the context of the energy and digital transitions. This strengthens their bargaining power, allowing them to engage in negotiations that could result in fairer trade and investment agreements. To take advantage, African countries and firms need to have a clear, evidence-based strategy. This is particularly important for value addition given the viability challenges, risks, trade-offs etc. of especial relevance to the EU as it advances its Clean Industrial Deal, focusing on new trade and investment partnerships. A critical aspect of this situation is determining how effectively individual African countries and firms can negotiate better investment deals at bilateral level with existing and incoming mineral companies. Or to put known deposits out to public tender (price discovery) to get the best deal in terms of tax, linkages, HCD and R&D and local ownership.

Element	Mechanism (bid up from FIFA regime baseline)	Indicative Weighting Example
Tax Rate (RRT)	Bid up from, say, 50% RRT (on profits > than a reasonable domestic ROI)	30%
Downstream	% extra VA (beneficiation) above base product (ore, metal) exports	15%
Upstream	% local content (VA) purchases @ 5y, 10y, 15y targets =∑ %VA	15%
HRD & RDI	% local STEM skilling (>5% payroll) & RDI local spend (>1% sales)	10%
Extra infrastructure	% extra infra capacity (power, transport, water, etc.) = ∑extra capex$ (above mining and processing needs) for public needs @ fair tariffs	10%
Local Capital	% equity held by local firms, $ (>25%, but >50% for any license renewal)	20%
Total		100%

FIFA first-in first assessed, ∑ sum of, RRT resource rent tax, VA value addition, ROI return on investment, $ value

The above scoring matrix example aligns with AMV and AGMS, is simple and can be monitored at the sealed bid public opening and scoring, to limit subversion (corruption).

A major weakness on the African side is their generally fragile and undercapitalised private sector and its lack of access to affordable capital. An Africa-Europe partnership could ameliorate this through supporting and refining the AGMS proposal for a green minerals value-chains VCF to support participation by African firms. This could be reinforced by an EU instrument to support EU-Africa company partnerships. EU security supply could be built into the VCF capitalisation architecture, as well as into the funded EU-Africa firm-to-firm partnership projects.

At the African level, countries need to ensure funding for essential infrastructure for industrialisation is sourced, notably electricity, transport and logistics, and skilled labour, though it should be noted that local solar power has become competitive for mining/processing plants over most of Africa. They must also assess the extent to which their domestic regulatory frameworks and their agreements with EU countries are fit for purpose with regard to their own industrialization ambitions. In doing so, they should also consider their position in a rapidly changing geopolitical landscapes, and how to benefit from the EU's **Economic Partnership Agreements (EPAs); Bilateral Investment Treaties (BTIs) and more recent Strategic Partnerships and MoUs.**

The large number of MOUs recently signed has created confusion and expectations, as their status and scope are not always clear, and their relationship with existing frameworks is not clearly defined or understood. African countries may want to examine these agreements carefully to make sure they do not inadvertently harm their development ambitions. The ongoing conflict in eastern DRC, involving transition minerals, represents a significant regional escalation in Central/Eastern Africa. The situation reflects broader issues surrounding conflict minerals and the political sensitivities of backing different parties. This conflict reduces the reliability of doing business in both Rwanda and the DRC, and could have broader regional implications for business opportunities in the minerals sector, and wider socio-economic development. However, an effective joint EU-Africa Partnership of equals might generate insights and strategies on this complex and distressing situation, containing long unresolved narratives, often dating back to the colonial period.

3.4 Coordinating Actions or 'Going Solo':

Currently, there is a lack of unified strategies and negotiation capacities at African level, leaving individual 3countries susceptible to signing bilateral agreements that may not fully cater to their development needs and further divide them rather than consolidate a collective position. Although the AGMS sets out a clear roadmap for African states, it will take years for the countries to embed in their domestic policies, laws and regulations. However, the multilateral instruments, particularly the proposed TM value-chain VCF could be established faster under an African-EU Partnership agreement, working with the AMDC, possibly in collaboration with the AfDB, Afrexim Bank and other DFIs.

The AGMS could be used as a compass to build coalitions and work collectively to strengthen the positioning of regional groups vis-à-vis international trading and investment partners. There is room here for a strategic role to be played by the Regional Economic Communities (RECs) and align with AfCFTA provisions.

Consequently, African countries are asking themselves: (1) How to respond to growing global demand for TM and greater security of supply without compromising domestic and regional industrial development plans including mineral beneficiation and related supply chains; (2) How to ensure that increased supply of raw materials does not come at the expense of local communities and the environment; (3) How to build African capital along the TM value-chains and (4) How to realise their huge renewable energy resources for the electrification of the continent

Looking ahead, a clear a window of opportunity exists for African countries to leverage their mineral wealth and markets to drive structural transformation and ERBI under the AGMS. The opportunities, however, vary significantly from one country to another. Unlocking structural transformation in any particular country requires a better understanding of what can be achieved through negotiating viable business cases and how they contribute to the country's future pathway. This demands an 'activist and transformative state' supported by a strategic, developmental partnership with the private sector and international investors, to shape and direct economic development and social progress. Bridging the gap between the 'ask' and the 'offer' requires that the right actors are involved to negotiate around shared incentives. The stakes are high, but African countries hold strong cards, if they play them carefully, work collectively (RECs for scale economies) and if their elites are not captured by foreign or corrupt agendas. Deals are needed which engender cooperation, unlock sustainable development and fast-track the just and responsible delivery of transition minerals in service of global decarbonisation and local-regional development (ERBI) at the scale and speed required. It also requires deeper regional and continental integration to achieve greater local markets and scale economies for TM value-chain investments, building on the achievements of the AfCFTA and the Afrexim Bank.

Part 4: Recommendations

4.1 Revamping Africa-Europe Cooperation on Transition Minerals under the new AU-EU institutional cycle

As the AU-EU policy and programming cycle is primed for a reset, on the back of leadership changes at the level of the two continents, both Africa and Europe need to assess if they are ready for a close and transformed partnership on TM. Europe needs to question its commitment to developing diverse TM supply chains, and how best to do this. Reducing dependence on a few critical exporters of key minerals will require investment in alternatives. The EU private sector has limited experience and appetite to develop these activities on their own in Africa – hence the importance of public finance as a form of blending to address private risk for EU-Africa Partnerships. Other incentives may be needed to encourage local processing, inputs manufacturing and the development of regional mining and processing partnerships. African countries face a range of players offering finance, technology expertise, infrastructure and inducements (bribes). There is some impatience with the slow implementation of EU engagement in this domain, dating from its minimal support for AMV implementation (2009) and the AMDC. Sharing expertise amongst African countries could help strategic positioning, so they might gain from long-term supply agreements that include beneficiation and local content, and establishment of strategic mineral stockpiles to derive long-term economic benefits from their resources. A good starting point could be to unpack the AU AGMS to identify how the African–EU Partnership could configure discrete elements to partner on, such as the proposed TM value-chains VCF.

Below, key recommendations are explored in some detail, giving recognition to their complexity. A further list of action areas to be explored and addressed, is followed by a discussion of the recommended positioning and way forward for the AEF.

4.1.1 High Level Re-visioning

- **Drive a new EU/AU long-term vision on transition minerals,** led by the joint Presidencies of the two continents in 2025,namely Angola for the African Union and Poland and Denmark for the European Union. Dissecting the AGMS and the CRMA could identify concrete areas of Partnership and pave the way for greater cooperation in the lead-up to the 7th AU-EU Summit, planned to take place by the end of 2025 or in 2026. This vision should be grounded in a systemic perspective which recognises the challenge as multi-dimensional (it is technical and adaptive), multi-stakeholder (within and across EU-Africa) and novel (will require innovation). The vision can be underpinned by the latest developments associated with the UN Panel on Critical Energy Transition Minerals, and the Africa Green Minerals Strategy. There is much good material to draw into this vision, such as the EU Global Gateway, African Industrial Development Action Plan and African Mining Vision. Strategic and pragmatic pathways need to be identified to move from start-ups to scale-ups, and ways to mobilise African domestic resources more effectively, drawing in institutional actors and investors. At the international level, South Africa's G20 presidency should be leveraged, since its plans include a priority for "Economic Growth, Industrialisation, Employment" to establish African national/regional platforms to guide Partnership investments towards sustainable mining, up- and downstream manufacturing, and thus local value addition and local capital development. Participatory multi-stakeholder scenario development can be employed to build strategic coherence across scales to inform these pathways, addressing key obstacles and opportunities to inform robust and collective strategies.

- **Rethink Europe's Positioning:** The global landscape of transition minerals is rapidly evolving, with emerging powers such as China, India, the UAE and Saudi Arabia recognising Africa not merely as a source of raw materials but as a significant market for value-added products. This contrasts sharply with Europe's traditional view of Africa primarily as an exporter of minerals to feed EU demands, rather than seeing the African continent as a big new marketplace. As the demand for transition minerals intensifies, it is crucial for Europe to reassess its approach to African partnerships in this sector. Europe should go beyond dialogues with African nations and explore joint ventures with African capital and states in processing and manufacturing of transition minerals. This would need frameworks and finance (such as the AGMS TM VCF) to facilitate technology transfer and investment partnerships in local and regional industries. Europe should develop a strategy that positions Africa and African firms as key partners in the transition minerals value-chain, recognizing its potential as both a supplier of processed TM and a market for final RE products. It should look at the broader marketability of minerals beyond those required for batteries, which represent only one-third of the region's total mineral resources (ex-hydrocarbons). This includes understanding local and regional needs and preferences to tailor products accordingly. Beyond this, the EU, its Member States, and its private sector might consider investment opportunities in commodities that, while not classified as «critical» for Europe, are essential for local African economies, where a business case exists —such as construction materials, fertiliser minerals, iron & steel, polymers and precious minerals as well as mining/processing supply chain industries (capital goods, consumables, services) where the African market is larger than the EU (SADC alone is larger than the EU). The TM mining supply chain could be low-hanging fruit on which to build company Partnership success and trust. The AGMS proposed VCF could be refined to better facilitate this. Africa represents a huge potential market for RE products (solar, hydro, wind) to electrify its 600M+ unconnected citizens and Africa-Europe manufacturing partnerships, backed by blended green financing, could realise this huge opportunity.

4.1.2 Unpack, Map and Evaluate Existing Partnerships and Systems

- **Unpack existing EU-Africa strategic partnerships on Critical Raw Materials (CRM),** to explore existing partnerships and agreements and identify gaps and opportunities for enhancing cooperation in the transition minerals sector. Efforts should support better alignment between the EU Global Strategy and EU Member States' approach, and African national priorities and regional-continental frameworks. Existing partnerships on CRM (i.e. Namibia, DRC, Zambia, Rwanda) need to be put into effect, and new partnerships developed. These agreements must bring tangible benefits to African governments, firms and communities in terms of locally added value and greater bargaining power. As the EU strives for new EU trade and investment partnerships under the forthcoming EU Clean Industrial Deal, existing CRM partnerships may need tweaking and technical, legal, and financial support, if they are to contribute both to EU green and digital transitions and to African countries' transitions, development, industrial visions and electrification for all.

- **Map EU/Africa strategic actors along targeted value-chains,** by conducting a comprehensive mapping of EU/Africa industrial actors with relevant capabilities and competencies in the mining, refining, and manufacturing sectors along specific green value-chains (i.e. renewables, batteries, green tech). This mapping should identify EU/African companies, business organisations, financiers, and technical experts who possess the specialised knowledge, technological capabilities, and resources needed to support Africa's ambitions in developing its transition mineral value-chains. In the case of Africa, firms should be identified that could be nurtured through partnerships with EU companies, with targeted skilling support through EU instruments. Beyond the mapping, EU manufacturing and service firmsmay need financial risk incentives to establish a presence in certain African countries. Furthermore, the EU should prioritize training African professionals in the TM value-chains by supporting STEM education programmes in both European universities and African institutions, including through "twinning" arrangements. Partnerships in the production of skilled artisans could be supported through entities twinning, curriculum development (for international certification), as well as short-term staff swaps and artisan experiential training in EU industries. Reviving past initiatives that were phased out 15 years ago would be a cost-effective way to build a skilled local workforce while fostering long-term strategic alliances between Europe and Africa.

- **Provide a reality check on the CRMA and the Public vs. Private sector dynamics.** There is a significant disconnect in many policy documents between public statements and market realities. The public sector's ambitions, particularly regarding the CRMA targets, may not align with what is feasible in the market, notably given current labour and energy costs in the EU. To date, there has been insufficient consultation with the private sector during the development of the CRMA, which has led to confusion and unrealistic expectations regarding the targets. The targets set by the CRMA, such as the 40% refining target within the EU, are seen as unrealistic given current market conditions and costs associated with refining in Europe, and given its neocolonial African perceptions. There is a critical need to bridge the reality gap between public and private sectors. The public sector's goals must consider market dynamics and the need for specific incentives to alter these dynamics. Without such incentives, achieving the ambitious targets will be hard. Alternatively, the targets could be looked at again and the argument made in favour of reaching the 40% be reached through combining domestic processing with European participation in processing partnerships in African countries, with EU supply guarantees. Addressing these issues is crucial for the successful implementation of the CRMA and for fostering a more collaborative environment between the public and private sectors in the context of transition minerals.

4.1.3 Support the Development & Implementation of Key Frameworks & Systems

- **Support a 'Critical Mineral Pact' and binding treaty in view of COP30:** Transition minerals used for the energy and digital transitions must be mined and traded responsibly, respecting human rights and the environment. Following COP16 in Cali, Africa and Europe should support Brazil and Colombia in advancing a new 'Critical Mineral Pact' by COP30. A new global binding treaty on traceability for transition minerals is needed for the clean energy transition, operating along entire supply chains anchored by the recommendations of the UN report on Critical Energy Transition Minerals (CETMs). Given the role of sustainable transition minerals in achieving the objectives of the Paris Agreement, the outcome document of COP30 needs to push the global community to turn towards equitable green mining, processing processes and local sourcing.

- **Enable an Africa-Europe Traceability Framework** which recognizes not only the benefits but also the significant limitations of traceability approaches. While a cautious perspective on their effectiveness is needed, despite potential technical feasibility, a robust traceability framework could help ensure that minerals processed in regional Partnership refineries are sourced responsibly. Such a framework could also catalyse enhanced regional cooperation and attract investment, particularly from the EU. This would build on the UN's call for a global traceability system for transition minerals, by jointly establishing an Africa-Europe framework between trading partners, with technical support, to prevent social and environmental abuses along supply chains. The system of traceability needs to cover the entire value-chain of transition minerals and its actors, monitoring revenue distribution while eliminating illicit flows of both resources and funds. This process should be anchored by a joint Africa-Europe common position and vision on transition minerals, to promote practices with African and EU partners in the mining/manufacturing sector that bring lasting economic, social and governance benefits.

4.1.4 Leverage continental and regional opportunities

- **Leverage the regional dimension of transition minerals** by encouraging the establishment of processing hubs and specialization of neighbouring African countries in different parts of the minerals supply chain to improve intra-African flows and scale economies. This approach should focus on: (1) Promoting regional processing projects in countries with the capacity to handle transition minerals, enabling them to serve as hubs for neighbouring countries, and develop evidence-based project strategies for value addition, while recognising the environmental costs of mining activities (specifically CO_2 emissions) and the climate change advantages of reducing the volume/mass of TM exports through processing (less transportation CO_2 emissions). A regional approach should enhance local value addition and foster economic integration between neighbouring countries, within REC frameworks; (2) Implement a real case for traceability mechanisms to show how minerals processed in these hubs are tracked throughout the supply chain. This is crucial for maintaining transparency and accountability, particularly in relation to export levies to regional hubs; (3) Ensure waivers apply to projects, not just products: Advocate for the implementation of export levy waivers that are linked not only to specific regional processing projects but also to individual countries that have the capacity to establish their own processing facilities with some additional support. This approach ensures that nations investing in domestic value addition are not excluded from benefiting while still promoting regional cooperation. By structuring waivers in this way, both regional initiatives and national efforts to develop local processing capabilities can be incentivized, maximizing the economic benefits for all participating countries; (4) Overcome the aspirations of each country to beneficiate locally, despite sub-economic scale, by annually sharing ALL fiscal revenues (CIT, PAYE, VAT, etc.) plus a premium (for foregone induced payroll and local supply-chain linkages), from the hub/plant with the supplier countries (proportional to their feed) for local economic development around the supplier mine. This will not only enhance the social license to operate but also ensure that local communities see tangible benefits from the processing activities.

- **Explore the shared benefits that can arise from collaborative regional projects:** Political leaders will only be convinced of the benefits from a regional approach to minerals development if they witness tangible advantages, such as job creation, economic growth, and enhanced resource management. Effective regional projects require coordination among neighbouring countries who need to be convinced that their national interests can best be served by collaborating with others on joint value-chains. While political commitment can facilitate discussions, agreements are needed on how resources are managed and shared in practice, so that all parties benefit equitably, which will likely require the sharing of regional facility benefits (e.g. taxes) with the supplier states. A commitment to regional projects should be part of a long-term vision for sustainable development for the continent, but it should be recognised that having more than one country involved may increase risk and uncertainty for investors. Ultimately, this thorny issue will only be resolved by greater regional economic integration (free movement of goods, capital and labour)

4.1.5 Work with national governments/regulators and tax authorities

- **Enhance the capacity of revenue authorities and mineral tax regimes:** As the transition minerals sector expands in various SSA countries, it is imperative to address the challenges faced by revenue authorities in managing mineral tax operations. The increasing complexity of mineral projects and the diversity of actors involved necessitate a robust framework and process to ensure effective tax collection and compliance: **(1) Strengthen Capacity of Revenue Authorities:** Allocate additional resources and training to revenue authorities to enhance their capacity to manage the complexities of mineral projects and the specific tax obligations associated with them; Implement targeted capacity-building programmes that focus on the latest trends in mineral taxation, including international best practices and compliance strategies, particularly on IFFs (trade mispricing); **(2) Develop Comprehensive Tax Guidelines:** Support the development of clear and comprehensive tax guidelines to frame the obligations of mining companies regarding taxation. These guidelines should include a resource rent tax (after an appropriate return on investment is achieved) to share in windfall profits and will provide African governments with elements to incorporate within national laws and regulatory systems and address the specific challenges posed by transition minerals. They can serve as a reference for African policymakers, helping to strengthen domestic tax regimes, enhance revenue collection, and maximise compliance. Provisions should be incorporated for all stages of the minerals value-chain, to facilitate the tracking of mineral exports, ensuring that taxes are collected on all relevant transactions, particularly for unprocessed ores; **(3) Enhance Coordination Between Public and Private Sectors:** Foster stronger collaboration between revenue authorities and the private sector to improve transparency and compliance in mineral tax operations. Regular dialogues and consultations should be held to discuss challenges and share insights on best practices; ensuring that mining companies understand their tax obligations and the consequences of non-compliance for sustainable operations; **(4) Implement a traceability system:** Develop a traceability system for minerals that tracks the movement of ores from extraction to processing, to intermediates (precursors) and manufacturing. This system should be integrated with tax operations to ensure that all minerals are accounted for and that taxes are collected appropriately; Work towards establishing agreements with neighbouring countries to facilitate cross-border traceability, particularly for minerals that are processed regionally; **(5) Address governance and corruption risks** by strengthening governance frameworks at multiple levels, not only within revenue authorities but also across the broader mining sector and with EU consumer state's tax authorities. This includes mitigating risks of corruption in tax collection processes through strict oversight mechanisms and fostering a culture of integrity within institutions. **(6) Establish an Africa-Europe taxation capacity** building Partnership comprising EU states and African revenue authorities twinning (partnership), the development of guidelines and the effective tracking of trade mispricing across continents, as well as possible ways of enhancing TM traceability. Additionally, it is crucial to tackle the broader issue of governance and integrity challenges in the mining industry and trading companies, through transparency measures, reinforced regulatory frameworks, and accountability mechanisms to address these systemic risks. Training on ethical practices, transparent mining contracts and taxation mechanisms, and design of incentives for tax personnel should help maintain high standards; **(7) Engage in continuous dialogue:** Establish ongoing dialogue between government, revenue authorities, and stakeholders in the mining value-chains sector to address emerging challenges and adapt tax policies as necessary. This dialogue should focus on aligning tax strategies with the evolving landscape of transition minerals.

4.1.6 Sustainable and responsible value chains and supply of CETMs

- **Recognise the role of women and ASM in mining:** It is important to acknowledge that women and artisanal and small-scale mining (ASM) play a significant role in the mining industry, and thus should be included in decision-making processes. As such, it is important to ensure that women and ASM have a place at the table in mining discussions and decision-making bodies, as their perspectives and experiences are crucial for the sector's development. The ASM sector faces particular hurdles, often treated as illegal, and operating in very dangerous conditions. Yet, the small-scale sector also produces a high proportion of many critical minerals. Pilot programmes are underway in some African countries to formalise ASM mining, from which other countries could draw lessons. Investment in training and capacity-building programmes for women, and for the large and diverse ASM sector could enhance their skills and leadership potential within the industry. Advocate for policies that promote gender equality and inclusivity in the mining industry, ensuring that women and ASM have equal access to opportunities, resources, and benefits from mining activities. Support further research to gather data on women/ASM's roles and contributions in mining to inform policies and practices that promote gender and inclusivity. Encourage the private sector to recognize and engage with women/ASM in mining, ensuring their contributions are valued and integrated into business strategies. Ultimately, the ASM sector will only be formalised through the development of a support matrix including (1) micro-loans and equipment leasing, (2) extension services on better and more sustainable mining and processing techniques, as well as toll-processing plants (especially for refractory ores) and (3) marketing to obtain stable and better prices and to improve traceability. Nevertheless, there will always be situations where safe and environmentally friendly mining is not feasible, resulting in illegal ASM and criminal gangs, which will require improved law enforcement. An Africa-Europe partnership on formalising TM ASM through a robust support matrix, traceability and law enforcement could broaden TM supply-chains and security of supply.

- **Ensuring a Sustainable and Responsible Supply of Transition Minerals:** Europe and Africa must secure a sustainable supply of transition minerals by prioritizing circular economy strategies, demand-side management, strict adherence to biodiversity, environmental, and social standards, and procuring secondary raw materials in preference to primary extraction. In order to pursue a Nature-Positive goal, at a minimum the mitigation hierarchy approach should guide transition minerals sourcing to align with global biodiversity and climate goals, in particular with the Kunming-Montreal Global Biodiversity Framework (KM-GBF) and the Paris Agreement. Additionally, mandatory safeguards—based on best practices such as International Finance Corporation and World Bank Environmental and Social Standards—should be integrated into trade and support agreements and the EU Global Gateway Initiative. These must enforce respect and protection for priority areas for biodiversity, high-integrity forests and other areas important for the provision of carbon storage and other ecosystem services, and human rights and sustainable labour practices, with strict monitoring and compliance mechanisms. Investments in NaturAfrica landscapes and initiatives such as COMBO+ can further support supplier countries in adopting best practices for sustainable and responsible resource extraction and promoting a green economy that balances economic growth and biodiversity conservation. All these lofty goals will only be achieved through being resourced by an Africa – EU Partnership of producers and consumer states and firms. A starting point, could be for all Partnership investment projects to include RE investments for their operations.

- **Deep-sea mining (DSM)** has surged to the forefront of global governance debates at the International Seabed Authority (ISA), where corporate interests are aggressively pushing to finalise exploitation rules by the end of 2025. DSM poses a significant threat to the burgeoning Africa-Europe partnerships on critical minerals and the partnership's vision on ocean governance, potentially undermining economic stability and ecological integrity across both regions. Proponents, including mining consortia like The Metals Company, argue that DSM is indispensable for securing cobalt, nickel, and manganese to meet soaring demand for electric vehicle batteries and renewable technologies central to the green transition. However, this narrative is increasingly challenged by scientists and economists who warn that DSM's ecological and economic risks far outweigh its purported benefits. The European Academies Science Advisory Council (EASAC) concludes that recycling innovations and material efficiency could meet 40–70% of global nickel and copper demand by 2040, drastically reducing the need for seabed extraction. Similarly, a 2022 ISA study on the impacts of DSM on terrestrial mining found that 13 terrestrial mining countries could be significantly affected by DSM-driven price drops. Eight out of the 13 are African countries—DRC, Zambia, Namibia, Gabon, Madagascar, Mauritania, Zimbabwe, and Eritrea— which derive 11–50% of export earnings from copper, cobalt, nickel, and manganese, metals targeted in DSM operations. South Africa, Ghana and Cote D'Ivoire, major manganese producers, also face market volatility risks. This economic vulnerability is compounded by the ecological risks associated with DSM, which threatens to irreversibly damage marine ecosystems crucial to African fisheries—a sector employing over 12 million people. As both continents navigate the complexities of the global energy transition, it is imperative to explore collaborative pathways that prioritise sustainable development, protect vulnerable economies, and preserve critical marine habitats. Scientists emphasise that DSM operations would irreversibly destroy hydrothermal vent ecosystems hosting 90% endemic species while disrupting carbon sequestration processes in the deep sea, making its impacts irreversible66 Sumaila, . Several studies demonstrate that land-based reserves and circular economy strategies can fully satisfy mineral demand without ocean exploitation, so the urgency for Africa and Europe to jointly advocate for a moratorium or precautionary pause in the absence of environmental safeguards becomes clear. Furthermore, during their colonial/imperial period Europe laid claim to numerous tiny islands off the coast of Africa, many without permanent habitation. Under Law of the Sea these countries can claim an EZZ of 421,000km2 (cf. UK=244,000 km2) around each island for potential DSM off Africa. An Africa-Europe Partnership should establish a commission to jointly assess the advisability (or not) of the exploitation of these EZZ resources.

4.1.7 Topics for further development

The following actions could play a critical role in the success and sustainability of African-EU collaboration on Transition Minerals, and it is recommended that they are further developed and integrated into formal recommendations:

- African & EU policy reforms to increase investments; the governance and transparency of mineral value-chains;
- Co-designing a joint African-EU TM industrial policy, which resets the conversation and accelerates transfer and development of technologies;
- Investing locally with local firms to transform sub-regions into industrial ecosystems and the distribution of a portion of surplus to communities;
- Investment in distribution networks and logistics to transform locally and export efficiently;
- Domestic resource mobilisation and access to finance at affordable cost to invest in new extractive, refining, processing, and manufacturing capacity and in the supply-chains;
- Investing in the inclusion of youth in the sector to serve as artisans of the transformation of the African continent;
- Ensuring that collaborative dialogues between Africa and Europe are designed to be genuinely systemic and inclusive, addressing visible and invisible power dynamics;
- Engaging stakeholders in strategic foresight to develop systemic understanding and joint strategies considering the challenges and opportunities outlined in this paper;
- Aligning development and climate agendas to drive a global sustainable agenda on CETMs;
- The role of civil society in driving greater transparency, and accountability in extraction processes and to facilitate just and equitable transition pathways;
- Leveraging partnerships on CETMs to support long-term strategies for the mineral value-chains sector and broader economic and social development;
- More clarity and coordination regarding how partnerships and different actors are interacting with each other;
- Raising effective governance, human rights, environmental standards built into partnerships.
- Adjusting the CRMA and the AGMS to underpin Equitable Resource-Based Industrialisation (ERBI) in Africa and further industrialisation in Europe for a sustainable future Africa-Europe Partnership.

[6] Sumaila, U.R., et al. (2023) 'To engage in deep-sea mining or not to engage: what do full net cost analyses tell us?', npj Ocean Su ainabili y, 2, Article 19. Available at: **https://doi.org/10.1038/s44183-023-00030-w** (Accessed: 7 February 2025).

4.2 AEF positioning and ways forward:

Following the orientations of the AEF High-Level Group, the Africa-Europe Foundation (AEF) has continued to focus during 2024/5 on unlocking cooperation in strategic domains which hold the most promise for a transformative, win-win Africa-Europe Partnership (from our work on Energy, Agri-Food, Health and Sustainable Infrastructure Financing, to bringing in focus on Domestic Resource Mobilisation and Illicit Financial Flows).

While AEF continues to unpack these critical domains, we consider that this is the right moment to bring into focus cross-continental cooperation on transition mineral value-chains (a domain which has consistently emerged on the geopolitical and geoeconomic agenda, and across our work-streams).

On one hand, AEF is able to build on proven methodologies when it comes to impactful convening and action research. On the other, through our established partnerships and multi-stakeholder Strategy Groups, we have cultivated relations with experts and leaders at the nexus of climate, trade and economic development (including in energy access/transition, infrastructure financing, economic and regional integration, and blue economy).

Moving forward, AEF is well-positioned to initiate a combination of actions, from this Scoping Report (to aggregate the existing data, analysis and advance concrete recommendations in this TM value-chains domain of cooperation) to a series of closed-door dialogues bringing together experts and leaders from its partnerships and platforms. In that context, AEF's will seek to organise a first 'Africa-Europe high-level Policymakers Meeting on Transition Minerals' in the context of the Ibrahim Governance Weekend (1-3 June), building on its recent Interactive Panel Discussions at COP29 and the Finance In Common Summit (FICS).

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