



GLOBAL COUNCIL
FOR RESPONSIBLE
TRANSITION MINERALS



Africa-Europe High Level Interactive Panel “Revamping International Cooperation on Transition Minerals: A Mutually Beneficial Opportunity for Europe and Africa”

Finance in Common Summit, 28 February 2025.

The demand for transition minerals is rapidly surging in an effort to meet the needs of green energy and digital technologies, alongside rising strategic considerations for defense. Africa, with its abundant reserves of these crucial resources, stands at a crucial juncture. The surging demand presents African nations with an opportunity to convert their raw material wealth into value, fostering economic growth, creating jobs, and enhancing access to affordable energy. To capitalize on this, a shift is needed from the traditional extractive patterns (pit to port), to a model focused on value creation, sustainable practices, and equitable partnerships.

A critical barrier remains the financing gap for mining and processing infrastructure in resource-rich African nations, stemming from perceived reputational risks, low investment returns and a lack of de-risking mechanisms. Mechanisms like blended finance should be explored to de-risk transition minerals investments and make them more attractive. Collaborative efforts between Africa and Europe can contribute to attracting responsible investments and ensure that transition minerals contribute to sustainable development. In this context, Public Development Banks (PDBs), Development Finance Institutions (DFIs), and Multilateral Development Banks (MDBs) have a crucial role to play in unlocking finance at the necessary speed and scale.

This session, marking a first-ever plenary discussion on transition minerals at the Finance in Common Summit (FiCS), underscored the growing global significance of these minerals in achieving net-zero goals and locally-led industrialization. It builds upon initiatives of the Paris Peace Forum’s Global Council for Responsible Transition Minerals and the Africa-Europe Foundation’s initiatives to strengthen international cooperation on transition minerals, including between Africa and Europe.

Speakers discussed ways to enhance global collaboration, particularly between Africa and Europe, while examining opportunities to drive investments in mining and minerals projects that support both the energy transition and sustainable development.

Key Takeaways

Fostering Strategic Cooperation

International cooperation **must evolve beyond traditional aid models and embrace strategic partnerships rooted in equality and mutual benefit**. Africa and Europe, as pivotal players in the energy transition minerals sector, have a unique opportunity to co-develop sustainable transition minerals value chains that serve both regions’ economic and climate interests.

Designing partnerships between African transition mineral rich countries requires a triple objective underpinning a mutually beneficial cooperation: (1) **structural transformation** – moving beyond extractive models to foster development, (2) **inclusive development** – serving communities and the broader



GLOBAL COUNCIL
FOR RESPONSIBLE
TRANSITION MINERALS



population, and (3) **sustainability of supply chains** – aligning mining practices with decarbonization goals, environmental protection and biodiversity preservation.

To ensure that partnerships for transition minerals align with long-term sustainable development goals, the role of existing governance frameworks is crucial, with PDBs playing a key part in achieving these objectives. The implementation of the **UN Secretary-General's Panel on Critical Energy Transition Minerals report** was highlighted as instrumental in shaping policies that promote value addition, ensure access to affordable renewable energy, uphold human rights, protect the environment and foster stable policy to attract sustainable investments. Special emphasis was placed on the critical role of MDBs in supporting investments and developing local value chains in resource-rich developing countries. Additionally, MDBs are vital for **accelerating financial and political commitments to strengthen the Africa-Europe partnership**. This includes **facilitating policy coherence across existing frameworks** such as the Mining Vision, the African Industrial Development Action, the EU Global Gateway and the EU Critical Raw Materials Act. These efforts aim to create a more integrated and sustainable approach to leveraging transition minerals for Africa and Europe's economic growth and climate goals.

Strengthening African Regional Cooperation

The critical role of African regional cooperation in developing transition minerals value chains is key. Integrating supply chains and processing facilities, harmonizing regulatory frameworks, and leveraging cross-border infrastructures will enhance Africa's position in the global market. Stronger coordination is needed between African governments, PDBs, and multilateral financial institutions to streamline policies, licensing, and investment frameworks across the region. A **Regional Certification Mechanism for natural resource governance**, put forward by the International Conference of the Great Lakes Region, was mentioned as a key tool to enhance transparency, due diligence, and responsible mining practices across African countries while establishing itself as a trusted international partner.

Responsible Mining to Identify as Trusted Partners and Drive Responsible Investments

There is a strong connection between financing challenges and the **structural impediments which undermine long-term investments**. Weak economic governance, policy uncertainty, high energy costs, and limited infrastructures have been identified as key barriers to investment, as well as over-reliance on the informal sector. Formalizing and providing capacity building to Artisanal and Small-Scale Mining (ASM) constitute significant steps towards enhancing productivity and making the sector more attractive for investments. Strengthening governance frameworks is also crucial to placate corruption and mismanagement. **Development partners can help mobilize capital to address these challenges by supporting capacity building, facilitating technology transfer, and promoting sustainable and responsible sourcing practices.** Responsible sourcing entails transparency and traceability in supply chains while adhering to existing due diligence guidelines and regulations.

The demand for extraction is generating a “Gold Rush” scenario, highlighting both **inherent risks - such as environmental degradation – and opportunities for value creation, job generation, and access to renewable energy**. Bilateral and international agreements present Africa with the chance to secure a diverse range of capital, establish itself as a reliable supplier, and enhance cooperation with the EU and its key corporations and investors.



GLOBAL COUNCIL
FOR RESPONSIBLE
TRANSITION MINERALS



Sustainable Financing Models and the role of DFIs, MDBs, and PDBs

Public funds play a crucial role in driving investments into Africa's mining and processing projects. **Public Development Banks (PDBs), Multilateral Development Banks (MDBs), and Development Finance Institutions (DFIs) could be instrumental in further de-risking mining projects through grants, concessional financing, and long-term investment strategies.** These institutions could also enforce social and environmental standards, promote technology transfer, and facilitate responsible investment. Green bonds and blended finance mechanisms could be used to mobilize capital for responsible mining projects.

International and regional binding instruments are essential to incentivize investments. In particular, the EU CRM Act, which makes minerals central to EU's foreign policy and support programme, and provides opportunities for green bonds. Another example is the EU Taxonomy for Sustainable Activities which sets a framework for identifying sustainable investments and which was extended to include minerals.

Private finance and civil society play crucial roles in incentivizing investors by assessing financing needs, establishing capital conditionalities, protecting social and environmental rights, and facilitating capacity building and technology transfer.

The shifting geopolitical landscape is creating significant revenue opportunities for Africa, but success depends on implementing initiatives in the right locations, supported by robust statutory frameworks, and at the right time. Realizing this potential requires strengthened Africa-Europe cooperation, focusing on enhancing governance, institutions, and capacities while fostering common platforms for national dialogue.

This effort demands a collaborative approach involving businesses, development partners, international organizations, and local governments. Such cooperation is essential to maximize financial impact and establish the stability needed to unlock Africa's economic potential and drive sustainable growth.

Panellists included

- **Amb. João Samuel Caholo**, Executive Secretary of the International Conference on the Great Lakes Region
- **Nicolas Pinaud**, Deputy Director of the Directorate for Financial Enterprise Affairs at the OECD
- **Sean Kidney**, CEO of the Climate Bonds Initiative
- **Puleng Ndjwili-Potele**, Co-Lead of the Banking Team at UNEP FI
- **Denis Gyeyir**, Africa Senior Program Officer and Ghana Country Lead at the Natural Resource Governance Institute (Moderator)